

**To Members of the Audit and Corporate Governance Committee**

Cllr. Mark Jackson (Chairman)  
Cllr. Dillan Shikotra (Vice-Chairman)

Cllr. Lee Breckon JP  
Cllr. Alex DeWinter

Cllr. Richard Holdridge  
Cllr. Roger Stead

Cllr. Jane Wolfe  
Helen King (Independent Member)

Dear Councillor,

A meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** will be held in the Council Chamber - Council Offices, Narborough on **MONDAY, 27 APRIL 2026** at **6.00 p.m.** for the transaction of the following business and your attendance is requested.

Yours faithfully



**Gemma Dennis**  
**Corporate Services Group Manager and Monitoring Officer**



## **AGENDA**

1. Apologies for Absence
2. Disclosures of Interest  
To receive disclosures of interests from Members (i.e. the existence and the nature of those interests in respect of items on this agenda).
3. Minutes (Pages 5 - 8)  
To approve and sign the minutes of the meeting held on 9 February 2026 (enclosed).
4. Internal Audit Charter and Mandate (Pages 9 - 26)  
To consider the report of the Shared Service Audit Manager (enclosed).
5. Internal Audit Strategy (Pages 27 - 44)  
To consider the report of the Shared Service Audit Manager (enclosed).
6. Internal Audit Progress Report 2025/26 Q4 (Pages 45 - 66)  
To consider the report of the Shared Service Audit Manager (enclosed).
7. External Audit Planning Report 2025/26 (Pages 67 - 102)  
To consider the report of the Finance Group Manager (enclosed).
8. 2026-27 Internal Audit Annual Audit Plan (Pages 103 - 112)  
To consider the report of the Shared Service Audit Manager (enclosed).
9. Audit & Corporate Governance Committee Annual Report 2025/26 (Pages 113 - 124)  
To consider the report of the Shared Service Audit Manager (enclosed).
10. Accounting Policies 2025/26 (Pages 125 - 144)  
To consider the report of the Finance Group Manager (enclosed).
11. Risk Management Q4 2025/26 (Pages 145 - 184)  
To consider the report of the Council Tax & Debt Manager (enclosed).
12. Statutory Best Value Duty - Voluntary Self-Assessment (Pages 185 - 206)  
To consider the report of the Business Systems & Information Manager (enclosed).

13. Annual Fraud Report (Pages 207 - 236)

To consider the report of the Finance Group Manager (enclosed).

14. Audit & Corporate Governance Committee Work Programme (Pages 237 - 240)

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## **AUDIT AND CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting held at the Council Offices, Narborough

**MONDAY, 9 FEBRUARY 2026**

### **Present:-**

Cllr. Mark Jackson (Chairman)

Cllr. Lee Breckon JP  
Cllr. Richard Holdridge

Cllr. Roger Stead  
Cllr. Jane Wolfe

Helen King (Independent  
Member)

### **Officers present:-**

Julia Smith	- Chief Executive
Sarah Pennelli	- Executive Director - S.151 Officer
Katie Hollis	- Finance Group Manager
Sarabjit Khangura	- Council Tax Income and Debt Manager
Kerry Beavis	- Shared Service Audit Manager
Rose Carrier	- Shared Service Auditor
Bethany Hincks	- Azets External Auditor
Chris Brown	- Azets External Auditor
Nicole Evans	- Democratic & Scrutiny Services Officer
Avisa Birchenough	- Democratic & Scrutiny Services Officer

### **Also in attendance:-**

Cllr Cheryl Cashmore – Finance, People and Transformation Portfolio Holder and Deputy Leader.

**205. DISCLOSURES OF INTEREST**

No disclosures were received.

**206. MINUTES**

The minutes of the meetings held on 25 November 2025, as circulated, were approved subject to a couple of amendments:

- That Bethany Hincks name be corrected.
- That concerns in regard to the slow progress of the internal audit plan for 25/26 raised by Helen King – Independent Member be included in the previous minutes.

**207. INTERNAL AUDIT PROGRESS REPORT 2025/26 QUARTER 3**

Considered – Report of the Shared Service Audit Manager.

Helen King – Independent Member commented that she remains concerned about the slow progress of the internal audit plan for 25/26, it was noted that this had been raised at previous meetings too.

**DECISION**

That the Internal Audit progress report be noted.

Reason:

To keep the Audit and Corporate Governance Committee informed of progress and recent Internal Audit findings and recommendations, in line with the Global Internal Audit Standards in the Public Sector.

**208. RISK MANAGEMENT QUARTER 3 2025/26**

Considered – Report of the Council Tax Income & Debt Manager.

The Council Tax Income & Debt Manager provided an update on the Local Government Reorganisation Risks R165, advising that the internal controls are:

- Staff are being kept informed and engaged.
- A £50,000 budget has been established for supporting the proposal stage.
- Consideration of the Corporate Plan/Projects and Priorities to enable capacity.

The Council Tax Income & Debt Manager advised that there is no change to the risk rating as of 6 January 2026.

## DECISION

That the latest information in respect of the Council's major corporate risks be accepted.

Reason:

The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee. It is important that Members are aware of the corporate risks and their potential impact on Council business, and that they review the control measures in place to mitigate risks.

### 209. APPROVAL OF THE AUDITED ACCOUNTS 2024/25

Considered – Report of the Finance Group Manager.

Helen King – Independent Member requested that the external auditors provide future reports in a timely manner to allow the finance team to review and challenge the reports prior to publication for the Audit & Corporate Governance Committee.

## DECISIONS

1. That the draft report of the external auditors be accepted.
2. That delegated authority be granted to the Executive Director (Section 151) in consultation with the Chairman of the Audit and Corporate Governance Committee to approve and sign off the Council's audited Financial Statement.

Reasons:

1. To bring to Members' attention the findings of our external auditors, Azets in relation to the audit of the 2024/25 accounts.
2. The Accounts and Audit Regulations 2015 require local authorities to have their 2024/25 accounts approved by a resolution of "a committee or by the members meeting as a whole", and no later than 27th February 2026.

**210. AUDIT & CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

Members accepted the items on the Audit & Corporate Governance Committee Work Programme.

**DECISION**

That the Audit & Corporate Governance Committee Work Programme be noted.

Reason:

It is appropriate that the Audit & Corporate Governance Committee set the Work Programme for the year.

**THE MEETING CONCLUDED AT 6.10 P.M.**

## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** Internal Audit Charter and Mandate  
**Report Author** Shared Service Audit Manager

#### 1. What is this report about?

- 1.1 The report contains the updated Internal Audit Charter and Mandate to review and approve.

#### 2. Recommendation(s)

- 2.1 The Committee is asked to approve the Internal Audit Charter and Mandate.

#### 3. Reason for Decision(s) Recommended

- 3.1 One of the core functions of the Committee, as defined within its terms of reference, is to approve the Internal Audit Charter and Mandate and the scope and types of internal audit services (an essential condition of the Global Internal Audit Standards).

#### 4. Matters to consider

##### 4.1 Background

In accordance with the Global Internal Audit Standards (GIAS), the purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter and Mandate. For local government bodies, this is complemented by the CIPFA Application Note and Code of Practice for the Governance of Internal Audit in UK Local Government (the Code).

##### 4.2 Relevant Consultations

The Senior Leadership Team have been consulted at their SLT meeting on 14 April 2026.

##### 4.3 Significant Issues

None.





# INTERNAL AUDIT CHARTER AND MANDATE

**Blaby District Council**

## Version Control

<b>Author</b>	<b>Date</b>	<b>Action</b>
Lisa Marron Audit Manager	May 2020	Aligned Charter for all authorities.
Lisa Marron Audit Manager	September 2021	Reference to Seven Principles of Public Life added. Section 13 changed from Consulting and Advisory work to Nature of Services, assurance definition added (13.1) and the purpose of our work explained (13.2). 9.4 added to confirm approach to work for organisations outside of the shared service.
Kerry Beavis Audit Manager	September 2022	No changes required.
Kerry Beavis Audit Manager	September 2023	Minor - name changes.
Kerry Beavis Audit Manager	March 2025	To align with the new Global Internal Audit Standards.
Kerry Beavis Audit Manager	March 2026	Minor changes to further clarify conformance with the Global Internal Audit Standards.

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## **1 Introduction**

- 1.1 The Accounts and Audit Regulations 2015 place a statutory duty on the Council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit Regulations 2015 also require that the audit takes into account Global Internal Audit Standards in the Public Sector or guidance.
- 1.2 The Global Internal Audit Standards in the Public Sector (GIAS) requires the Chief Audit Executive to develop and maintain an Internal Audit Charter. The Internal Audit Charter must set out the internal audit function's
- Purpose;
  - Commitment to adhere to the Global Internal Audit Standards;
  - Mandate, including the scope and types of services to be provided, and the organisation's responsibilities and expectations regarding management's support of the internal audit function: and
  - Organisational position and reporting relationships.

The Chief Audit Executive is required to periodically review the Charter and present it to Senior Management and the 'Board' for approval. Final approval of the Charter resides with the 'Board'.

- 1.3 The Charter establishes the Internal Audit activity's position within the Council, including the nature of the Chief Audit Executive's functional reporting relationship with the Board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- 1.4 For the UK public sector, conformance with the Global Internal Audit Standards is to be read together with the Application Note: Global Internal Audit Standards in the UK Public Sector issued by the Relevant Internal Audit Standard Setters (RIASS) and, for local government, the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (the CIPFA Code). This Charter has been updated to reflect GIAS (UK Public Sector) and the CIPFA Code, effective 1 April 2025.

## **2 Definitions**

- 2.1 In line with the GIAS:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

2.2 For the purpose of this charter the following definitions shall apply:

*The Board* – Highest-level body charged with governance.

At this Council this shall mean the Audit and Corporate Governance Committee, for the purposes of GIAS, in line with the CIPFA Code's interpretation for local government governance structures.

*Senior Management* – The highest level of executive management of an organisation that is ultimately accountable to the board for executing the organisation's strategic decisions, typically a group of persons that includes the chief executive officer or head of the organisation.

At this Council this shall mean the Senior Leadership Team.

*Chief Audit Executive* –The leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with Global Internal Audit Standards in the Public Sector. The specific job title and/or responsibilities may vary across organisations.

At this Council the Chief Audit Executive is the (Shared Service) Audit Manager.

### **3 Purpose of Internal Audit**

3.1 The purpose of the internal audit function is to strengthen Blaby District Council's ability to create, protect, and sustain value by providing the Audit and Governance committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances Blaby District Council's:

- Successful achievement of objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Global Internal Audit Standards in the Public Sector which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

#### **4 Commitment to Adherence to the Global Internal Audit Standards in the UK Public Sector**

4.1 The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, namely the Global Internal Audit Standards and any Topical Requirements mandated for the UK public sector, read together with the Application Note: Global Internal Audit Standards in the UK Public Sector. The Chief Audit Executive will report annually to the Audit and Governance Committee and senior management regarding the internal audit function's conformance with the GIAS (UK Public Sector), which will be assessed through a quality assurance and improvement programme (QAIP).

#### **5. Mandate**

5.1 Internal Audit derives its authority from the Accounts and Audit Regulations 2015, this Charter and the Council's Constitution.

5.2 The Accounts and Audit Regulations 2015 place a statutory duty on the Council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit Regulations 2015 also require that the audit takes into account Global Internal Auditing Standards or guidance.

5.3 Internal Audit staff have the authority to:

- enter any Council owned or occupied premises or land at all reasonable times (subject to any legal restrictions outside the Council's control);
- have access at all times to the Council's records, documents and correspondence;
- require and receive such explanations from any employee or member of the Council as he or she deems necessary concerning any matter under examination; and
- require any employee or member of the Council to produce cash, stores or any other Council owned property under their control.

5.4 The Chief Audit Executive shall have access to, and the freedom to report in his/her name to all boards, members or officers, as he/she deems necessary.

5.5 All employees and members are requested to assist the Internal Audit activity in fulfilling its roles and responsibilities.

5.6 The Internal Audit activity will govern itself by adherence to the Global Internal Audit Standards in the UK Public Sector. This mandatory

guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

5.7 The service, and individual staff, will be governed by the Code of Ethics of the relevant professional bodies of which they are a member in addition to the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics from the International Professional Practices Framework. The Core Principles are:

1. Demonstrates integrity.
2. Demonstrates competence and due professional care.
3. Is objective and free from undue influence (independent).
4. Aligns with the strategies, objectives and risks of the organisation.
5. Is appropriately positioned and adequately resourced.
6. Demonstrates quality and continuous improvement.
7. Communicates effectively.
8. Provides risk-based assurance.
9. Is insightful, proactive, and future-focused.
10. Promotes organisational improvement.

5.8 Internal Auditors who work in the public sector must also have regard to the Committee on Standards in Public Life's Seven Principles of Public Life, information on which can be found at [www.public-standards.gov.uk](http://www.public-standards.gov.uk).

5.9 Internal Audit Mandate and Board Approval.  
The Internal Audit Mandate, setting out the authority, role, responsibilities, scope and types of services, and organisational independence, will be approved by the Audit and Governance Committee. The Mandate and this Charter will be reviewed at least annually and following any material change.

5.10 Essential Conditions.  
The Council will ensure that the essential conditions necessary for an effective internal audit function, as described in GIAS and interpreted by the CIPFA Code for local government, are established and maintained, including: organisational independence;

- unrestricted access;
- sufficient resources;
- Board oversight; and
- arrangements that support objectivity and quality.

## **6. Independence, Organisational Position, and Reporting Relationships**

6.1 The Chief Audit Executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to

be performed without interference from management, thereby establishing the independence of the internal audit function.

- 6.2 Day to day management of the Internal Audit team will be performed by the Chief Audit Executive. The Chief Audit Executive reports to the Board for organisational purposes but will report significant audit findings and audit progress directly to the Section 151 Officer. The Chief Audit Executive will keep the Section 151 Officer, and the Board informed of progress and developments on a regular basis.
- 6.3 The Internal Audit team is employed by North West Leicestershire District Council and sits within the Resources Service, reporting to the Director of Resources (S151). The performance of Internal Audit is also monitored by the Strategic Director who is the contract manager.
- 6.4 The Chief Audit Executive has free and unfettered access to the Chief Executive, Section 151 Officer, Monitoring Officer and Chair of the Audit Committee. The Chief Audit Executive will communicate and interact directly with the Board, including in and between Board meetings as appropriate.
- 6.5 The Chief Audit Executive will confirm to the Board, at least annually, the organisational independence of the internal audit function, and disclose any actual or perceived impairments to independence, or objectivity, together with safeguards. Any interference encountered related to the scope, performance, timing or communication of internal audit work will be reported to the Board with an explanation of implications for effectiveness.

## **7. Changes to the Mandate and Charter**

Circumstances may justify a follow-up discussion between the Chief Audit Executive, Board, and Senior Management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the Chief Audit Executive, Board, and/or Senior Management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## **8. Board Oversight**

To establish, maintain, and ensure that Internal Audit Partnership has sufficient authority to fulfil its duties at Blaby District Council, the Board will:

- Discuss with the Chief Audit Executive and Senior Management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Board, including in private meetings without Senior Management present.
- Discuss with the Chief Audit Executive and Senior Management other topics that should be included in the internal audit charter.
- Participate in discussions with the Chief Audit Executive and Senior Management about the “essential conditions,” described in the Global Internal Audit Standards and the CIPFA Code, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function’s charter and mandate which includes the scope and types of internal audit services.
- Annually review the internal audit charter with the Chief Audit Executive to consider changes affecting the organisation, and approve the internal audit charter
- Approve the risk-based internal audit plan.
- Discuss the internal audit function’s resource plan and staffing model.
- Consider the CAE’s annual statement on resource sufficiency.
- Receive and review the internal audit strategy.
- Collaborate with Senior Management to determine the qualifications and competencies the organisation expects in a Chief Audit Executive, as described in the Global Internal Audit Standards.
- Participate in the appointment and removal of the Chief Audit Executive.
- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually, including receiving the full external assessment report at least every five years and approving any resulting action plans.
- Make appropriate inquiries of Senior Management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

## **9. Chief Audit Executive Roles and Responsibilities**

### **9.1 Ethics and Professionalism**

The Chief Audit Executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

## **9.2 Objectivity**

The Chief Audit Executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Blaby District Council.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Blaby District Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Audit Executive, Board, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.

- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### **9.3 Managing the Internal Audit Function**

The Chief Audit Executive will be professionally qualified (CIMA, CCAB or equivalent) and have wide Internal Audit and management experience, reflecting the responsibilities that arise from the need to liaise with Members, Senior Management and other professionals, both internally and externally.

The Chief Audit Executive has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Board and Senior Management. Discuss the plan with the Board and Senior Management and submit the plan to the Board for review and approval.
- Develop, maintain and implement an Internal Audit Strategy that supports the Council's strategic objectives and success, and aligns with the expectations of the Board, senior management and key stakeholders.
- Communicate the impact of resource limitations on the internal audit plan to the Board and senior management, and provide an annual statement on resource sufficiency together with options to mitigate any limitations.
- Review and adjust the internal audit plan, as necessary, in response to changes in Blaby District Council's business, risks, operations, programmes, systems, and controls.
- Communicate with the Board and Senior Management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the Public Sector.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Board and Senior Management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Blaby District Council and communicate to the Board and Senior Management as appropriate.
- Consider emerging trends and successful practices in internal auditing, including periodic evaluation of technology

- used by the internal audit function and reporting any limitations that affect effectiveness or efficiency.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
  - Ensure adherence to the Shared Partnership's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Board and Senior Management.
  - Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services.
  - Maintain an assurance map and escalate to senior management and, if necessary, the Board where appropriate coordination cannot be achieved.

#### **9.4 Communication with the Board and Senior Management**

The Chief Audit Executive will report periodically to the Board and Senior Management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement programme, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards in the Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Board.
- Results of assurance and advisory services.
- Resource requirements, and the annual statement on resource sufficiency.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Blaby District Council's risk appetite.

#### **9.5 Quality Assurance and Improvement Programme**

The Chief Audit Executive will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.

The programme will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the Public Sector, as well as performance measurement

to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing.

Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Chief Audit Executive will communicate with the Board and Senior Management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments).

External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Blaby District Council; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential. The Board will receive the full external assessment report and approve any resulting action plans.

## **10. Scope and Types of Internal Audit Services**

The scope of internal audit services covers the entire breadth of the organisation, including all of Blaby District Council's activities, assets, and personnel.

The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and management on the adequacy and effectiveness of governance, risk management, and control processes for Blaby District Council

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal Audit work will usually include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;

- evaluating and appraising the risk associated with areas under review and making proposals for improving the management of risks;
- appraising the effectiveness and reliability of the risk management framework and recommending improvements where necessary;
- assisting management and members to identify risks and controls with regard to the objectives of the Council and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the Council is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed and considering value for money;
- reviewing operations and programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned; and
- reviewing the operations of the Council in support of the Council's Anti-Fraud and Corruption policy; and coordinating assurance activities with other internal and external providers and reporting any barriers to coordination to senior management and, if necessary, the Board.

## **11 Role of Internal Audit in Fraud-Related Work**

- 11.1 The primary responsibility for maintaining sound systems of internal control including arrangements to prevent and detect fraud and corruption lies with Senior Management. An annual programme of internal audits is designed to assist this process by highlighting areas where controls are inadequate or are not operating.
- 11.2 All fraud investigations will be conducted in accordance with the Council's Constitution, Anti-Fraud and Corruption Policy and the Confidential Reporting (Whistleblowing) Policy.
- 11.3 All cases of suspected fraud and/or irregularity should also be reported to the Chief Audit Executive, with the exception of benefit fraud which should be reported to the Department of Work and Pensions. This is to ensure that appropriate action is taken and to enable the Chief Audit Executive to fully answer External Audit queries relating to the International Standard on Auditing (ISA) 240 "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements".

## **12. Records Retention**

12.1 Audit engagement records will be retained for six years. This is in line with Local Government Association guidance.

### **13 Review**

13.1 The Internal Audit Charter and Mandate will be reviewed annually by the Chief Audit Executive and presented to Senior Management and the Board for approval if any significant changes are identified.

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## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** Internal Audit Strategy  
**Report Author** Shared Service Audit Manager

#### 1. What is this report about?

- 1.1 To provide the Audit and Corporate Governance Committee with an update on progress against the actions set out in the Internal Audit Strategy for 2025/26, summarising achievements, outstanding actions, and work to be carried forward into 2026/27.

#### 2. Recommendation(s)

The Committee is asked to

- 2.1 Note the progress made against the internal audit strategy during 2025/26.
- 2.2 Support the continued delivery of outstanding actions into 2026/27, including the external quality assessment and the development of data analytics capability.
- 2.3 Endorse the ongoing improvement activities designed to enhance the effectiveness and modernisation of the internal audit service.

#### 3. Reason for Decision(s) Recommended

- 3.1 Noting the progress ensures the Audit and Corporate Governance Committee has transparent oversight of delivery against the Internal Audit Strategy, providing assurance that key improvements relating to governance, standards alignment and continuous-improvement activities have been implemented as planned. It also enables the Committee to recognise where progress has been strong and where external factors have influenced delivery timelines.
- 3.2 Support is required because several remaining actions—such as the External Quality Assessment, skills development and analytics capability—are essential for achieving full alignment with the GIAS. These actions have clear plans and resource commitments for 2026/27, and Committee endorsement helps ensure these improvements remain appropriately prioritised despite earlier unavoidable delays due to corporate and sector dependencies.

3.3 Endorsement ensures that longer-term modernisation initiatives, including the use of data analytics, Copilot tools, where appropriate, innovation and enhanced root-cause analysis, continue to receive organisational support. These improvements strengthen Internal Audit's ability to deliver high-quality, risk-based assurance and help maintain a robust governance and control environment across the organisation.

#### **4. Matters to consider**

##### **4.1 Background**

The Internal Audit Strategy identifies key initiatives required to strengthen the Internal Audit service, align operations with the Global Internal Audit Standards (GIAS) in the UK Public Sector, and support strong governance, risk management and internal control arrangements.

Progress against the Strategy is monitored throughout the year and reported to senior management and the Audit and Corporate Governance Committee.

##### **4.2 Relevant Consultations**

The Senior Leadership Team have been consulted at their SLT meeting on 14 April 2026.

##### **4.3 Significant Issues**

None.

#### **5. What will it cost and are there opportunities for savings?**

5.1 No costs or opportunities for savings in the context of this report.

#### **6. What are the risks and how can they be reduced?**

6.1 Failure to implement the remaining actions could affect the service's ability to meet professional standards; however, meaningful controls are in place and work is planned for 2026/27 to mitigate this.

#### **7. Other options considered**

7.1 Not applicable.

#### **8. Other significant issues**

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.



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## Update on Initiatives Identified in the Internal Audit Strategy 2025/26 – 2027/28

## Critical Success Factor Area: Management Support

Initiative	Time Frame	Update
Internal Audit Manager to provide Senior Leadership Team with an overview of the GIAS in the UK Public Sector, in particular Domain 3 and the underpinning documentation for 2025/26 (i.e. Charter / Mandate / Strategy).	July 2025	Completed
Internal Audit Manager to provide relevant training to the Audit & Corporate Governance Committee, as identified in the skills and knowledge questionnaires.	March 2026	Global Internal Audit Standards Training carried out.
Internal Audit Manager to present annual Internal Audit Report and Opinion to the Senior Leadership Team in advance of reporting to the Audit and Corporate Governance Committee.	July 2025	Completed
External Quality Assessment against the requirements of the GIAS in the UK Public Sector to include senior management and Audit Committee members.	October 2025	Postponed while awaiting further guidance from CIPFA due to being a shared service. This postponement was agreed with the S151 officer and Audit and Governance Committee members were advised and in agreement. The EQA will be carried out during 2026/27

**Critical Success Factor Area: Resources/ Skilled and Competent Staff**

<b>Initiative</b>	<b>Time Frame</b>	<b>Update</b>
Internal Audit manager to report annually to the Audit and Corporate Governance Committee on Internal Audit resource levels and any implications.	September 2025	Completed for 2025/26 as part of the quarterly update reports.
Internal Audit staff to complete an annual assessment of skills (via Audit Skills Matrix). Internal Audit Manager to assess skills and determine training and development needs.	September 2025 November 2025	Partially completed. There was a delay in this due to a new skills matrix being developed and also a delay in PDR's.
Basic data analytics training for Internal Audit staff	March 2026	To be carried forward in to 2026/27

**Critical Success Factor Area: Continuous Improvement**

<b>Initiative</b>	<b>Time Frame</b>	<b>Update</b>
Invest time in utilising Copilot/ analytics tools.	March 2026	In progress and will continue to be utilised.
Consider data requirements and availability in the audit planning stage.	April 2025	Implemented.
Begin to incorporate analytics into fieldwork and testing.	December 2025	In progress and will continue to be utilised.
Enhance root cause analysis.	March 2026	Implemented
Support innovation within the Internal Audit Service to continuously improve.	March 2028	In progress and will continue.



**Internal Audit Strategy 2025/26 – 2027/28**

<b>Original Publish Date</b>	28/04/2026	<b>Review Frequency</b>	Every 3 Years	<b>Current Version Publish Date</b>	28/04/2026
<b>Approved By</b>	Audit and Corporate Governance Committee	<b>Approval Date</b>	28/04/2025	<b>Version Number</b>	001
<b>Author Job Title</b>	Audit Manager	<b>Service Area</b>	Internal Audit	<b>Document Register Reference</b>	A1620

**Review History**

Version*	Reviewed By (Job Title)	Review Completion Date	Brief Description of Changes (add 'no changes required' if applicable)
1	Audit Manager	March 2026	Performance Indicator Change

## Document Definition / Approval & Review

### Defining the document type and how it is approved and reviewed

The Internal Audit Strategy is approved by the Audit and Corporate Governance Committee.

The Strategy will be reviewed annually to enable the Audit and Corporate Governance Committee oversight of the progress against the Critical Success Factors detailed within the Strategy.

### Terms & Definitions

Definition of any acronyms, jargon, or terms that might have multiple meanings.

Term	Definition
SWOT	Strengths, Weaknesses, Opportunities and Threats
CSF	Critical Success Factor
GIAS	Global Internal Audit Standards
CIPFA	Chartered Institute of Public Finance and Accountancy
IIA	Institute of Internal Audit

## 1. Internal Audit Vision

To be a trusted advisor and promoter for continuous improvement, helping the Council optimise efficiency, achieve goals and priorities, and stay resilient in the evolving public sector.

## 2. Internal Audit Mission

To protect and enhance organisational value through risk-based assurance and advice, supported by evidence.

## 3. Strategic Objectives and Critical Success Factors

The primary strategic objectives of the Internal Audit Service are:

- **Independent Assurance:** Providing independent assurance that the Council's risk management, governance, and internal control processes are operating effectively.
- **Risk Management:** Identifying and assessing risks to the Council and ensuring that appropriate measures are in place to mitigate these risks.
- **Compliance:** Ensuring that the Council complies with relevant laws, regulations, and internal policies.
- **Operational Efficiency:** Evaluating the efficiency and effectiveness of operations and recommending improvements to enhance performance.
- **Strategic Support:** Offering insights and recommendations that support the Council's priorities and help achieve long-term goals.
- **Continuous Improvement:** Promoting a culture of continuous improvement by identifying opportunities for process enhancements and innovation.

Critical success factors (CSFs) are specific elements or activities that are essential for the Internal Audit Service to achieve its purpose, mission, vision, and the primary strategic objectives of the Internal Audit Service. The key CSFs are identified as:

- **Management Support:** Strong backing from senior management ensures that the internal audit function has the necessary resources, authority, and visibility to perform its duties effectively.
- **Independence and Objectivity:** Maintaining independence from the areas being audited and ensuring objectivity in reporting findings are crucial for the credibility and reliability of the Internal Audit Service.
- **Resources/Skilled and Competent Staff:** Having a team of well-trained, knowledgeable, and skilled auditors is essential for conducting thorough and effective audits.
- **Effective Communication and Collaboration:** Clear and consistent communication with stakeholders, including CLT and the Audit Committee, helps in understanding expectations and ensuring that audit findings are acted upon. Collaborating with professional bodies

and other public sector internal audit bodies is key to ensuring that the Internal Audit Service stays attuned to internal audit practice.

- **Risk-Based Approach:** Focusing on areas of highest risk to the Council ensures that audit resources are used efficiently and that the most critical issues are addressed.
- **Continuous Improvement:** Regularly updating audit methodologies and practices to incorporate new technologies and respond to changing risks helps maintain the relevance and effectiveness of the Internal Audit Service.
- **Alignment with Organisational Goals:** Ensuring that the internal audit activities are aligned with the objectives and priorities of the Council helps in providing valuable insights and recommendations that support overall aims.

#### 4. Supporting Initiatives

Considering the operational framework of the Internal Audit Service within the Council, the evaluation against the GIAS in the UK Public Sector, and the insights derived from the aforementioned steps, three key areas have been identified for improvement to better achieve the Service's Critical Success Factors (CSFs). These areas are specifically highlighted under the weaknesses, opportunities, and threats in the SWOT analysis.

#### 5. Stakeholder Engagement

The Internal Audit Service has various stakeholders. The main internal stakeholders are the Strategic Leadership Team and the Audit and Corporate Governance Committee. The Corporate Director (S151) (part of the Strategic Leadership Team) has the responsibility, through S151 and statutory duties, to ensure there is an adequate and effective system of internal audit. Other internal stakeholders are senior management and other providers of assurance, as well as the Internal Audit Team itself.

External stakeholders are mainly the Professional Bodies (CIPFA and IIA), External Auditor (Azets), and Government Bodies who require the Internal Audit Service to carry out specific pieces of work, predominately grant returns.

# ANALYSIS OF STAKEHOLDER EXPECTATIONS

# Appendix A

	Stakeholder	Influence	Interest	Internal Audit Action	Frequency of Communication	Stakeholder Expectations
External Stakeholders	External Auditor	Medium	Medium	Keep Satisfied	As required	<ul style="list-style-type: none"> <li>Provide support and co-ordination.</li> </ul>
	Government Bodies	Medium	Medium	Keep Satisfied	As required	<ul style="list-style-type: none"> <li>Delivery of audit work to meet grant determinations/ other specifications.</li> </ul>
	Professional Bodies	High	Low	Keep Satisfied	As required	<ul style="list-style-type: none"> <li>Compliance with GIAS in the UK Public Sector.</li> </ul>
	The Public	Low	Low	Monitor	As required	<ul style="list-style-type: none"> <li>Transparency of outcomes in Internal Audit.</li> </ul>
Internal Stakeholders	Audit and Corporate Governance Committee	High	High	Manage Closely	TBA following review	<ul style="list-style-type: none"> <li>Compliance with GIAS in the UK Public Sector.</li> <li>Help in achieving the A&amp;G Committee responsibilities as stated in their Terms of Reference.</li> <li>Delivery of audit work to help inform an overall opinion on the governance, risk, and control environment.</li> <li>High quality, informative summarised reporting of key issues.</li> </ul>
	Strategic Leadership Team	High	High	Manage Closely	Monthly	<ul style="list-style-type: none"> <li>Helping the A&amp;G Committee to achieve their duties as stated in their Terms of Reference.</li> <li>Compliance with GIAS in the UK Public Sector</li> <li>Ongoing update on the results of the Internal Audit work, status of management action plan implementations.</li> <li>Briefing on key issues identified</li> </ul>
	Corporate Director (S151)	High	High	Manage Closely	Monthly	<ul style="list-style-type: none"> <li>Help in achieving S151 responsibilities &amp; statutory duties</li> <li>Ensuring “an adequate and effective system of internal audit”</li> </ul>
	Senior Management	Medium	High	Keep Informed	As required	<ul style="list-style-type: none"> <li>Business acumen</li> <li>Value added services.</li> </ul>
	Providers of Assurance	Medium	Medium	Keep Informed	Various	<ul style="list-style-type: none"> <li>Sharing knowledge, advice, and updates on the internal control environment.</li> </ul>
	Internal Audit Team	High	High	Monitor Closely	Daily	<ul style="list-style-type: none"> <li>Keeping the Internal Audit Team motivated.</li> <li>Providing ongoing training and career development.</li> </ul>

## Stakeholder Expectations Analysis

**Influence** is the level of power or authority a stakeholder has over the internal audit function's strategic direction, resources, and decision-making.

- **High influence:** The stakeholder has significant power to impact the internal audit function's strategy, resources, and key decisions.
- **Medium influence:** The stakeholder has moderate power to influence the internal audit function's direction and decisions.
- **Low influence:** The stakeholder has minimal power to affect the internal audit function's strategy and decision-making.

**Interest** is the level of interest a stakeholder has in the internal audit function's activities and outcomes.

- **High interest:** The stakeholder is actively involved and highly concerned about the internal audit function's performance and results.
- **Medium interest:** The stakeholder has a moderate level of interest in the internal audit function's activities and outcomes.
- **Low interest:** The stakeholder has minimal interest in the internal audit function's day-to-day operations and results.

## Internal Audit Action

- **Manage Closely:** High interest and high influence stakeholders require close collaboration, regular communication (e.g., monthly), and active involvement in the internal audit function's strategic planning and decision-making processes.
- **Keep Satisfied:** High influence but low interest stakeholders should be kept satisfied with the internal audit function's performance and outcomes. Provide them with regular updates and address their concerns promptly.
- **Keep Informed:** High interest but low influence stakeholders should be kept informed about the internal audit function's activities, and achievements. Provide them with timely and relevant information to maintain their engagement and support.
- **Monitor:** Low interest and low influence stakeholders require minimal engagement. Monitor their interest and influence levels and provide them with general information as needed.

**Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis 2025/26**

**Strengths**

Audit expertise and public sector knowledge  
Independence  
Innovative planning process provides flexibility  
Seeking efficiencies  
Reading the current climate / getting the balance right  
Sharing best practice (collaboration)  
GIAS in the UK Public Sector compliance helps create efficiencies

**Weaknesses**

Profile/ misconception of role  
Being kept informed of organisational developments/ issues  
Access to services  
Resource and budget constraints  
Access to data  
Competence in effective use of data analytical tools/ artificial intelligence

**Opportunities**

Digital transformation  
Enhanced collaboration  
GIAS in the UK Public Sector awareness to Senior Leadership Team and Audit and Corporate Governance Committee  
Skills gap analysis identifies areas for training and development  
Devolution/ Local Government Reorganisation

**Threats**

Current public sector and local landscape could make auditing more difficult  
Demand on Internal Audit Service impacts on ability to undertake enough audit coverage to provide a meaningful year-end opinion/ non-compliance with GIAS in the UK Public Sector  
Reactive fraud demand impacts on internal audit resource  
Budget constraints  
Less action taken as a result of audit findings (greater risk tolerance)

Initiatives to support the achievement of the Critical Success Factors.

Critical Success Factor Area: Management Support			
<p><b>CSF 1:</b> Strong backing from senior management ensures that the internal audit function has the necessary resources, authority, and visibility to perform its duties effectively.</p>			
<p><b>The Internal Audit Service aims to secure support from senior management and the Audit Committee to facilitate its efficient and effective operation.</b></p>			
<p>Page 40</p>	<p><b>SWOT Mapping</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Independence</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Access to data and services</li> </ul>
		<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• GIAS in the UK Public Sector awareness to Strategic Leadership Team and Audit and Corporate Governance Committee</li> </ul>	<p><b>Threats</b></p> <p>Current public sector and local landscape could make auditing more difficult</p> <p>Less action taken as a result of audit findings (greater risk tolerance)</p> <p>Resource and budget constraints</p>
<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Internal Audit Manager to provide Strategic Leadership Team with an overview of the GIAS in the UK Public Sector, in particular Domain 3 and the underpinning documentation for 2025/26 (i.e. Charter / Mandate / Strategy). Time Frame: July 2025</li> <li>• Internal Audit Manager to provide relevant training to the Audit &amp; Corporate Governance Committee, as identified in the skills and knowledge questionnaires. Time Frame: March 2026</li> <li>• Internal Audit Manager to present annual Internal Audit Report and Opinion to the Strategic Leadership Team in advance of reporting to the Audit and Corporate Governance Committee. Time Frame: July 2025</li> <li>• Optimise working together with other risk and control monitoring functions. Time Frame: March 2026</li> <li>• External Quality Assessment against the requirements of the GIAS in the UK Public Sector to include Senior Management and Audit Committee members. Time Frame: October 2025</li> </ul>			

**Critical Success Factor Area: Resources/ Skilled and Competent Staff**

**CSF2:** Having a team of well-trained, knowledgeable, and skilled auditors is essential for conduction thorough and effective audits

**The Internal Audit Service aims to ensure that its auditors are thoroughly trained, knowledgeable, and proficient, thereby maintaining a robust and comprehensive skills-mix within the Service.**

<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Internal Audit manager to report annually to the Audit and Corporate Governance Committee on Internal Audit resource levels and any implications. Time Frame: September 2025</li> <li>Internal Audit staff to complete an annual assessment of skills (via Audit Skills Matrix). Internal Audit Manager to assess skills and determine training and development needs. Time Frame: September 2025 (initial self-assessment) November 2025 (review/ ensure skills mix exists/ identify team/ individual training and development needs to feed into PDR process).</li> <li>Basic data analytics training for Internal Audit staff Time Frame: March 2026</li> </ul>	<p><b>SWOT Mapping</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Expertise and knowledge</li> <li>Planning process provides flexibility</li> <li>GIAS in the UK Public Sector compliance helps create efficiencies</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Resource Constraints</li> <li>ICT auditing skills gap</li> </ul>
		<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Skills gap analysis has identified areas for training and development</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Ability to provide a meaningful opinion as demand on services increases</li> <li>Reactive fraud demand impacts on internal audit resource</li> <li>Budget constraints</li> </ul>

**Critical Success Factor Area: Continuous Improvement**

**CSF 3:** Regularly updating audit methodologies and practices to incorporate new technologies and respond to changing risks helps maintain the relevance and effectiveness of the Internal Audit Service.

**The Internal Audit Service seeks to grow understanding and development of related technologies to improve the efficiency and effectiveness of the Service.**

<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Invest time in utilising Copilot/ analytics tools Time Frame: March 2026</li> <li>Consider data requirements and availability in the audit planning stage Time Frame: April 2025</li> <li>Begin to incorporate analytics into fieldwork and testing. Time Frame: December 2025</li> <li>Enhance root cause analysis Time Frame: March 2026</li> <li>Support innovation within the Internal Audit Service to continuously improve Time Frame: March 2028</li> </ul>	<p><b>SWOT Mapping</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Innovative and seeking efficiencies</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Competence in effective use of data analytical tools/ AI</li> </ul>
		<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Digital transformation</li> <li>Enhanced collaboration</li> <li>Devolution/ LGR</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Budget constraints</li> </ul>

## Performance Objectives

Objective	Measurement
Compliance with Global Internal Audit Standards in the UK Public Sector	For 2025/26, measurement will be achieved via internal processes (see separate indicator), and full assessment by external independent assessor.
Quality assurance reviews confirm that adequate competencies are in place to comply with the Internal Audit Standards.	Completion of planned QAIP audits and all actions arising are implemented.
Customers / clients are satisfied with the Internal Audit experience.	Achieve minimum 95% customer satisfaction with audit from customer surveys.
To ensure audit coverage is sufficient / covers the key control areas, to enable the Audit Manager to provide a year-end opinion on the governance, risk and control environment.	There is enough supporting evidence to enable the Audit Manager to provide a year-end opinion (via direct internal audit work and / or via other assurance providers).
To provide an efficient and compliant audit service	Fieldwork is completed within two months of the start date.
	Management Debriefs are scheduled within 2 weeks of field work being completed.
	*Management Responses are received within 2 weeks of the debrief meeting.
	Draft audit reports are issued within 1 week of receipt of full management responses.
	Final audit reports are issued within 2 week of draft audit reports.
Agreed actions are completed and result in the desired outcomes.	*, **100% of high priority and 90% of medium priority agreed actions are subsequently signed off as implemented within the agreed time scale.
To implement Critical Success Factor actions, as outlined in the Internal Audit Strategy.	Completion of Critical Success Factor action plan.

*\*This measure is not exclusively a reflection on the Internal Audit Service's performance.*

*\*\*Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.*

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## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** Internal Audit Progress Report 2025/26 Q4  
**Report Author** Shared Service Audit Manager

#### 1. What is this report about?

- 1.1 The purpose of this report is to inform the Committee of the progress against the Internal Audit plan for 2025/26 and to highlight incidences of any significant control failings or weaknesses that have been identified between 1 January 2026 and 31 March 2026 (Q4).

#### 2. Recommendation(s)

- 2.1 To note the Internal Audit progress report and comment as appropriate.

#### 3. Reason for Decision(s) Recommended

- 3.1 To inform the Audit and Corporate Governance Committee of progress against the Internal Audit plan for 2025/26 and to highlight any incidences of significant control failings or weaknesses that have been identified.

#### 4. Matters to consider

##### 4.1 Background

The Global Internal Audit Standards in the Public Sector require that the Council's Audit and Corporate Governance Committee approve the audit plan and monitor progress against it. The Standards require that the Audit and Corporate Governance Committee receive periodic reports on the work of internal audit.

The Audit and Governance Committee approved the 2025/26 Audit Plan on 28 April 2025. Quarterly progress reports are received by the Audit and Governance Committee.

##### 4.2 Progress Report

The Internal Audit Progress Report for the period from 1 January 2026 and 31 March 2026 (Q4) is attached at Appendix 1.





# **INTERNAL AUDIT SHARED SERVICE**

## **Blaby District Council**

### **Internal Audit Progress Report 2025/26 Q4**

## 1. Introduction

- 1.1 Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2025/26 Internal Audit Plan for quarter 4.

## 2 Internal Audit Plan Update

- 2.1 The 2025/26 audit plan is included at Appendix A for information and shows the audits in progress. Since the last update report five final reports have been issued.

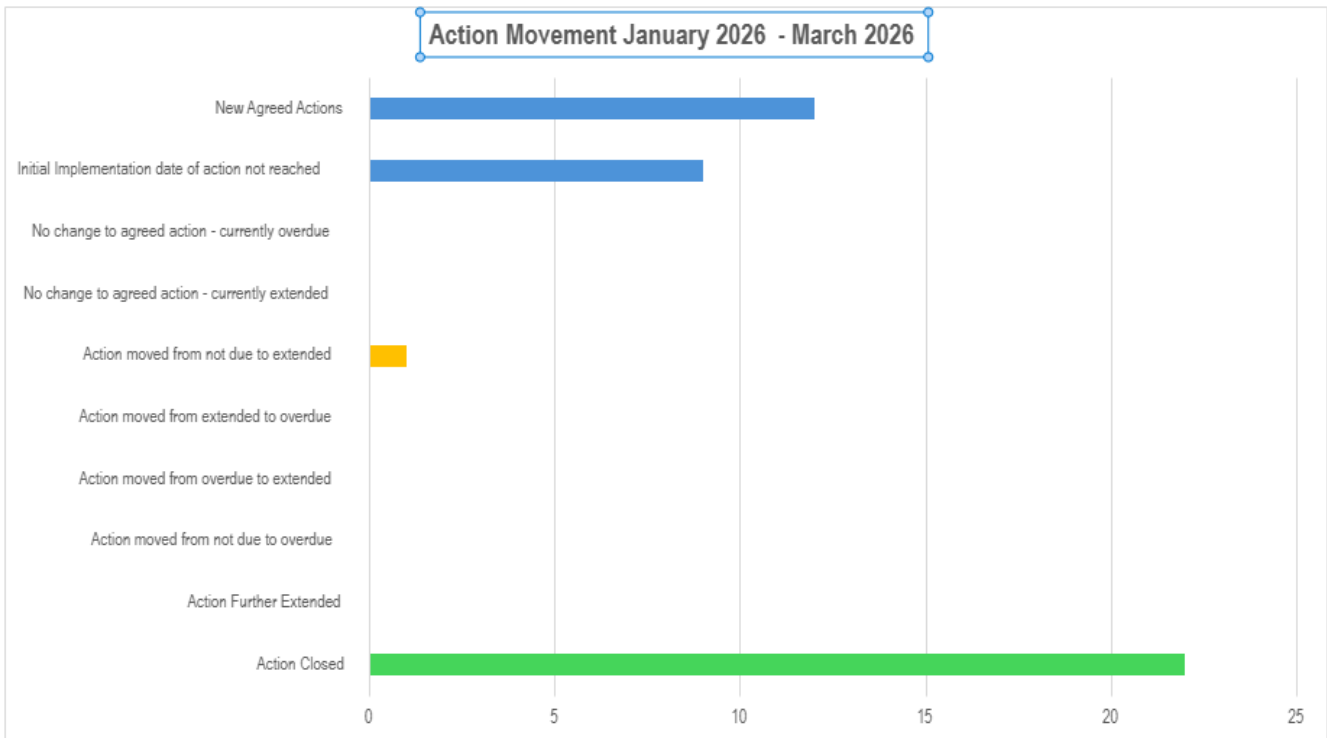
The executive summaries for the reports are included at Appendix B.

Progress during the year has been affected by delays, primarily arising from a period when the audit service was unable to access Blaby IT systems during the transition to an in-house arrangement, alongside subsequent report finalisation and staffing challenges. Despite this, sufficient audit coverage is expected to be achieved to support the provision of an annual opinion to the Audit and Corporate Governance Committee in July 2026.

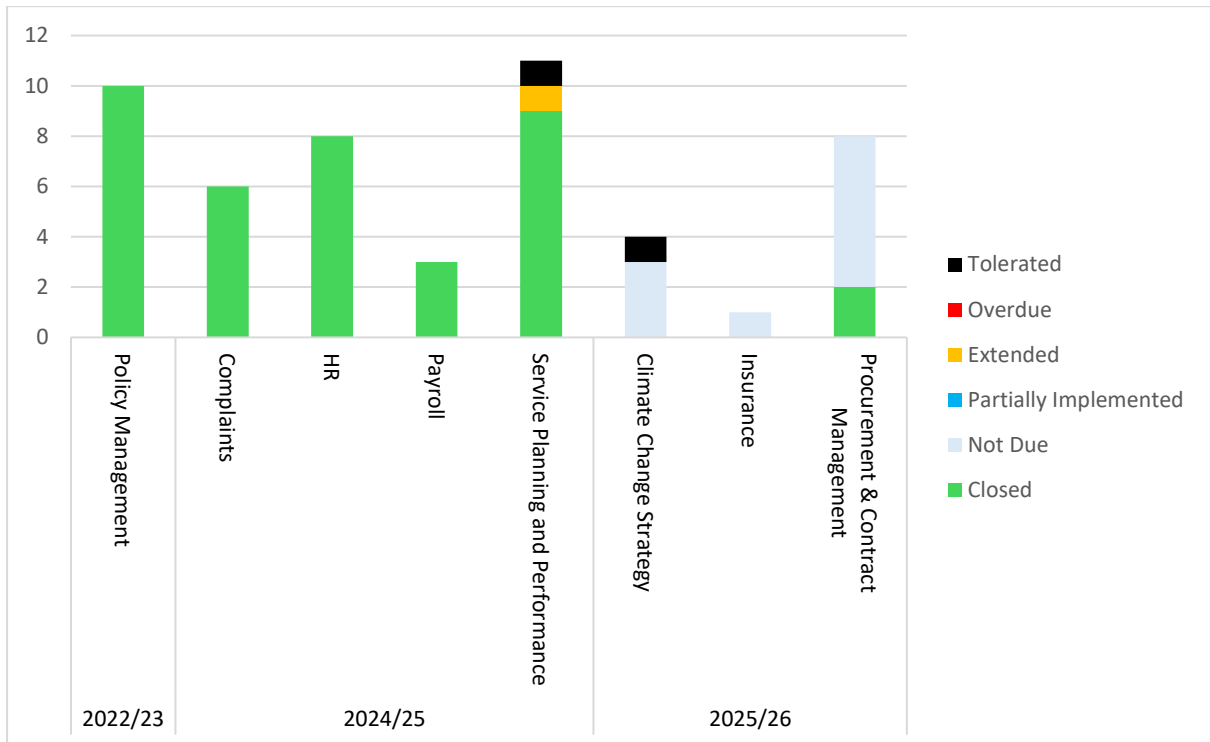
## 3 Internal Audit Recommendations

- 3.1 Internal Audit monitor and follow up all critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
24/25	-	-	-	1	-	-
25/26	7	2	-	-	-	-



### Implementation of Actions by Audit



2025/26 AUDIT PLAN PROGRESS

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
IT Key Controls	Audit	10	10	Draft	Reasonable					
Food Waste Project	Advisory	3	-	As required						
Disabled Facilities Grant Determinations	Grant	3	3	Completed	N/A					
Climate Change Strategy	Audit	10	7.5	Complete	Reasonable	-	1	2	-	
Home Support Grant	Audit	5	-	Cancelled						Cancelled due to service provision changes.
Licensing (Street Trading)	Audit	10	0.5	In progress						
Data Protection	Audit	15	3.5	In progress						
NNDR	Audit	4	2	Complete	Substantial	-	-	-	-	
Creditors	Audit	10	0.5	In progress						
Debtors	Audit	4	0.5	In progress						
Main Accounting	Audit	10	0.5	In progress						
Council Tax	Audit	4	1.5	In progress						
Benefits	Audit	4	3.5	Complete	Substantial	-	-	-	-	
Treasury Management	Audit	4	2	Debrief						
Payroll	Audit	4	0.5	In progress						
Insurance	Audit	8	9	Complete	Reasonable	-	-	1	-	
Benefits Subsidy	Advisory	5	3	Complete	N/A					
Community Development	Audit	12	-	Cancelled						Cancelled, no longer applicable to be carried out during 2025/26.
UKSPF	Audit	8	1	Postponed						Postponed until 2026/27
Planning	Audit	15	1	In progress						

Culture	Audit	15	0.5	Postponed						Postponed until 2026/27
Fleet Management and Grey Fleet	Audit	10	8	Management Review						
Procurement and Contract Management	Audit	15	18.5	Complete	Limited	-	7	1	-	
Devolution and LGR Support	Advisory	4	-	As required						

SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2025/26 Q4

Insurance



Key Findings

Areas of positive assurance identified during the audit:

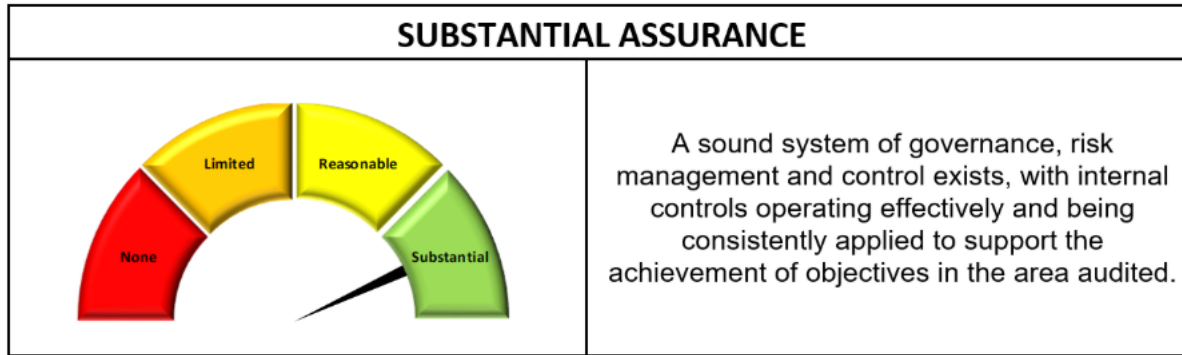
- Adequate insurance cover is in place for all Council assets and services, including public and employer liability.
- Insurance service providers have been selected in accordance with Contract Procedure Rules.

The main areas identified for improvement are:

- Having procedures in place for all areas of the insurance process. Ensuring guidance is available to staff to assist them with completing insurance claims.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1.A review of the insurance process is undertaken to ensure that there are adequate procedure documents in place to cover all insurance processes.</p> <p>Certain processes are shown in our observation, but the processes should not be limited to these.</p> <p>As the insurance contract is due for renewal in April 2026 some procedure documents will require updating should new insurers be appointed.</p>	Medium (CP)	<p>Management acknowledge the observations and recommendations.</p> <p>Whilst the handling of claims procedure do not contain timescales, it does state under point 2 'enquires should be completed promptly.' And point 3 'full notes... should be passed to the Insurance Officer as soon as possible'. The timescale is dependent on the nature of the claim, which can vary.</p> <p>Whilst a process is in place for additions and disposals, a written procedure is not currently held, therefore this will be documented.</p> <p>The annual renewal, questionnaires are completed by individual Service Managers and then reviewed by both the Insurance Officer and the Accountancy Service Manager. A meeting is held with our external Insurance Broker, to further review and discuss. Therefore, I consider that there is sufficient control in place without adding an additional step for any further review and sign off.</p> <p>Following the upgrade of the Insurance system last year, a new procedure is being produced.</p>	Insurance and Accountancy Officer	June 2026

## Benefits

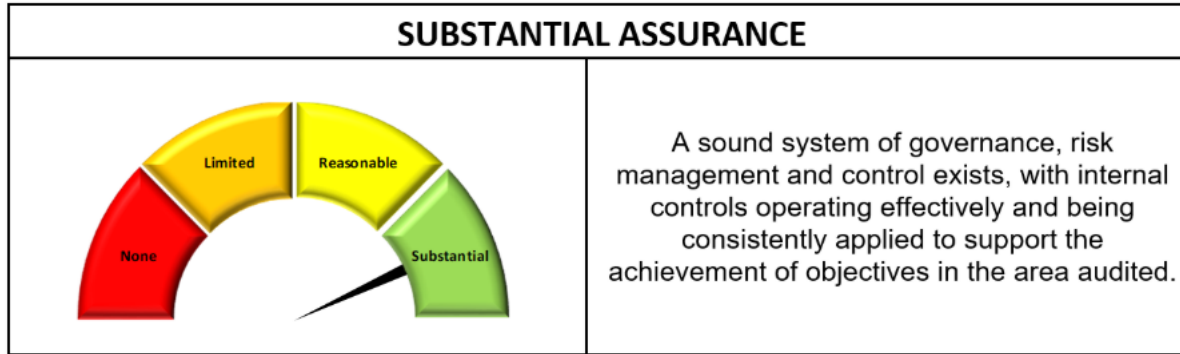


## Key Findings

Areas of positive assurance identified during the audit:

- Procedures are in place, up to date and accessible to all relevant staff.
- System parameters were updated for 2025/26 as required.
- Monitoring checks are completed and issues identified are documented and corrected.
- System access is appropriately managed.

## NNDR



### Key Findings

Areas of positive assurance identified during the audit:

- Procedures and guidance are in place, up to date and available to all staff.
- The system parameters were updated for 2025/26 in accordance with legislation.
- The NNDR system is reconciled to Valuation Office records.
- Supervisory monitoring checks are carried out to ensure accuracy.
- The suspense account is regularly reviewed and cleared.
- System access is appropriately managed.

## Climate Change Strategy



### Key Findings

Areas of positive assurance identified during the audit:

- The Climate Change Strategy 2020-2030 was approved by Members on 19.05.20 and is published on the Council's website.
- Costs are agreed for individual projects and initiatives as part of the approval process.
- Individual projects are adequately monitored and reported and the overall Net Zero 2030 programme has recently been added to the Programme Board reporting plan.
- A Net Zero and Climate Impact Assessment is completed for all decisions at full Council.

The main areas identified for improvement are:

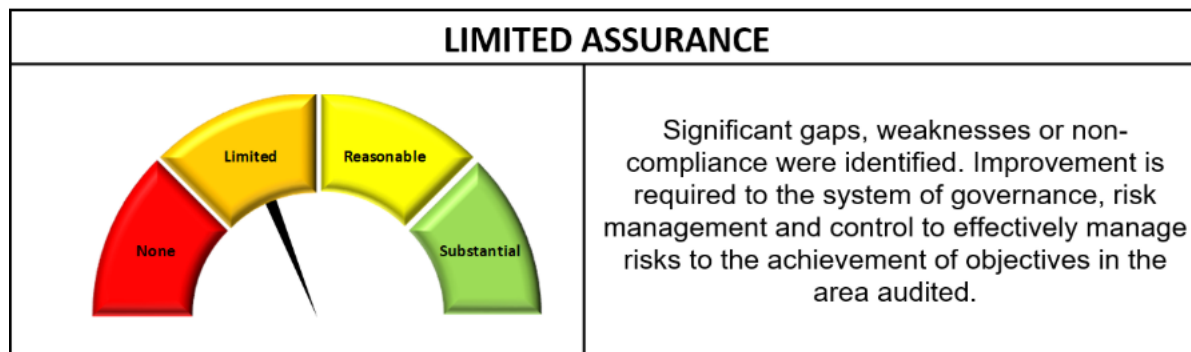
- The process for reviewing and updating key documents.
- Formal reporting to members.
- Project documentation.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1. The process and timetable for reviewing, updating and publishing the key documents is clarified, documented, and aligned with the updating schedule detailed on the Key Published Document Register.</p>	<p>Medium (CP)</p>	<p>It is agreed that the website did not make it clear how often the documents were reviewed. Steps have already been taken to update the website to outline the review frequency, to ensure greater transparency going forward.</p> <p>We will implement a formal annual review each Autumn.</p> <p>This review will incorporate the annual GHG report, which analyses emissions data provided by multiple teams across the Council. The data is generally submitted between April and July each year and is subsequently compiled to produce the annual report.</p> <p>The outcomes of the annual review will be informed by the findings of the GHG report. Some strategic documents may remain unchanged where no revisions are required. However, key documents such as the Action Plan will be updated where necessary to reflect progress, emerging priorities, or areas requiring further intervention.</p> <p>The iPlan system has been configured to require an annual update. End dates have now been amended to align with the current active strategy to ensure appropriate monitoring and governance.</p>	<p>Environmental Services Team Leader and Net Zero Programme Delivery Officer</p>	<p>November 2026</p>
<p>2. Performance and progress towards the achievement of the Net Zero target is formally reported to Members together with annual emissions data to provide increased</p>	<p>Medium (CP)</p>	<p>Current progress is reported to the Net Zero Climate Change Portfolio Holder through monthly meetings with the relevant group manager. In addition, updates are provided to the cross-party Net Zero Working Group on a quarterly basis, with representation from councillors across all political groups and independents.</p> <p>Initiatives within the programme are reported as part of the Corporate Action Plan. The Annual Emissions measure and commentary is</p>	<p>Environmental Services Team Leader, Net Zero Programme Delivery Officer and Environmental Health, Housing and</p>	<p>December 2026</p>

<p>visibility, transparency and oversight.</p>		<p>contained within iPlan which is accessible by Cabinet and Scrutiny and will be accessible by all members in the next phase of iPlan development. In addition, the annual emission measure was shared to all members as part of the scrutiny of the budget for 2026/27.</p> <p>On an annual basis the net zero cross party working group will produce a report for consideration at scrutiny commission, which will contain an update on key projects, initiatives and the annual emissions measure.</p>	<p>Community Services Group Manager.</p>	
<p>3. Project procedures and documentation are updated to ensure that the potential environmental impact of each scheme is appropriately documented and considered as part of the decision-making process.</p>	<p>High (CP)</p>	<p>A Climate Change Risk Assessment Tool will now be mandatory for all projects at Initial Stage Gate 1.</p> <p>The assessment will be completed by the Project Lead via a Microsoft Forms questionnaire. Once submitted, the form will automatically generate a report and notify the Net Zero Climate Change Officer for review.</p> <p>Each question within the form generates a RAG (Red, Amber, Green) rating, enabling clear identification of potential areas of climate-related risk or concern.</p> <ul style="list-style-type: none"> <li>• Where identified risks have been fully assessed and appropriate mitigation measures are in place — or where no viable alternative exists — the assessment will be approved and retained as a formal project document. It will then form part of the evidence considered during project approval or rejection by the approving manager/team.</li> <li>• Where insufficient information has been provided, or risks have not been adequately addressed, the assessment will be rejected and returned to the Project Lead for further detail and resubmission.</li> </ul>	<p>Environmental Services Team Leader, Net Zero Programme Delivery Officer and Transformation and Projects Service Manager</p>	<p>April 2026</p>

		<p>This process ensures that climate risk considerations are embedded at the earliest stage of project development and supports informed, responsible decision-making aligned with Net Zero objectives.</p> <p>The Climate Change Risk Assessment tool is currently in the final stages of development, with the ES Team and Transformation Team working collaboratively to resolve any outstanding issues and ensure a smooth implementation.</p> <p>Subject to final sign-off, the assessment will become a mandatory requirement for all projects entering Initial Stage Gate 1 from 1 April.</p>		
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## Procurement and Contract Management



### Key Findings

Areas of positive assurance identified during the audit:

- The arrangement with the Council's procurement partner (Welland) is adequately monitored and the roles and responsibilities of both Welland and the Council's officers are clearly defined and understood.
- Extensions to contracts are only granted in appropriate circumstances, fully documented and formally approved.
- There are effective contract management arrangements in place and performance is appropriately monitored.

The main areas identified for improvement are:

- Policies, procedures and guidance.
- The recording and approval of all relevant procurements in accordance with legislation and internal procedures.
- Ensuring that written contracts are in place for all applicable goods and services, the Contracts Register is up to date and contract documents are retained as required.
- The process to identify contracts nearing their expiry date to allow sufficient time for further action where applicable.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Contract Procedure Rules document is updated as soon as possible to reflect the new legislation and correct procedure.	High (CP)	BDC have already engaged Welland to assist in the review and update of the contract procedure rules. Once the CPR are updated these will be added to Iblaby as an easy access link.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026
2. The information and guidance published on iBlaby, and the website are updated to reflect current legislation and procedure, and officers are made aware of the updated documents and guidance.	High (CP)	Iblaby has been updated to remove out of date information. Once the CPR are updated these will be added to Iblaby as an easy access link. Website has been updated.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026
3. Officers that are assigned with the responsibility for updating the Contract Procedure Rules and published guidance on both the website and iBlaby should ensure that a regular review is scheduled so that they are kept up to date.	High (SP)	Management will undertake a regular review through monthly meetings with Welland. Updates to the CPR are outstanding and are in process of being undertaken through the appropriate democratic procedures. In order to ensure officers have access to the most up to date information we plan to strengthen the delegated authority to the Monitoring Officers, to allow for legislative changes to the constitution to be undertaken in a timely manner. We will continue to undertake regular reviews and ensure the Website and Iblaby are amended accordingly in a timely manner.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026
4. A record of the contract meetings with Welland should be held and any actions and outcomes are documented and shared.	Medium (SP)	Management acknowledge and will put this in place going forward.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	March 2026

<p>5. The responsibility to ensure that all Contracts are approved by an appropriate officer, in accordance with the Contract Procedure Rules, should be assigned to an officer.</p>	<p>High (CP)</p>	<p>Due to the new process that has already been put in place by Legal Services, all new contracts will be reviewed and held by Legal, who will pass through to an appropriate Senior Leadership Team member to sign, in line with the Contract Procedure Rules. Details of the process will be added to iBlaby and staff notified of the details.</p>	<p>Legal Services Solicitor</p>	<p>Implemented Feb-26.</p>
<p>6. A process should be designed and put in place to ensure that contracts are in place for all applicable goods and services.</p>	<p>High (CP)</p>	<p>Management acknowledges the observation and recommendation and will undertake a regular quarterly exercise to review all expenditure to ensure written contracts are in place and held on the contracts register. A procedure will be produced accordingly.</p>	<p>Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer</p>	<p>December 2026 (Procedure in place). April 2027 (Full review to have been completed).</p>
<p>7. A robust procedure is put in place to ensure that all contracts are identified, accurately recorded on the Contracts Register, and retained by Legal Services.</p>	<p>High (CP)</p>	<p>End to end mandatory training is being planned to be undertaken by Welland to ensure all Officers across the Council have the understanding of the importance of ensuring that a procurement exercise has been undertaken and a written contract held by Legal and on the Contracts Register. As above the CPRs are planned to be updated. The current process in place is working well, with all contracts being passed from Legal Services to Finance (specific contracts email address) to update the contract register. The Finance Administration Assistant has specific responsibility for ensuring all contracts received are added to the contracts register, and cover is in place in their absence.</p>	<p>Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer</p>	<p>December 2026</p>

		A written procedure is currently being drafted to support this process.		
8. A formal process/ procedure is put in place to ensure that contracts nearing expiry are highlighted and contract managers are aware of their responsibility to take appropriate action.	High (CP)	A process is in place for all contracts on the contracts register that are nearing expiry. An email is sent to the contract manager with Legal Services cc'd in for awareness. The contracts manager is then responsible for undertaking the relevant procurement exercise. The end-to-end training planned will emphasize and support this. For those contracts not on the contracts register, the process planned to be undertaken reviewing efinancials expenditure will help address the gaps.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026 (Process in place). April 2027 (to align with recommendation no. 6 above).

EXTENDED RECOMMENDATIONS AS AT 31 MARCH 2026

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Due Date	1st Follow up comments	Extension Date
2024/25	Service Planning & Reporting	7.For each measure/ project a target, status and value is recorded to ensure that performance can be relevantly tracked, managed and monitored.	Medium	Priority 1 and 2 measures have meaningful targets and thresholds set so that they return a status. Prior to setting targets for P3-P5 measures the value, meaning and purpose of these measures must be reviewed.	Service Manager	Jan-26	February 2026 - agreement to extend due to further work to clear up data in iPlan and produce staff guidance.	Jul-26

**RECOMMENDATIONS YET TO REACH THEIR DUE DATE AS AT 31 MARCH 2026**

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Implementation Date
2025/26	Climate Change Strategy	1. The process and timetable for reviewing, updating and publishing the key documents is clarified, documented, and aligned with the updating schedule detailed on the Key Published Document Register.	Medium	<p>It is agreed that the website did not make it clear how often the documents were reviewed. Steps have already been taken to update the website to outline the review frequency, to ensure greater transparency going forward.</p> <p>We will implement a formal annual review each Autumn.</p> <p>This review will incorporate the annual GHG report, which analyses emissions data provided by multiple teams across the Council. The data is generally submitted between April and July each year and is subsequently compiled to produce the annual report.</p> <p>The outcomes of the annual review will be informed by the findings of the GHG report. Some strategic documents may remain unchanged where no revisions are required. However, key documents such as the Action Plan will be updated where necessary to reflect progress, emerging priorities, or areas requiring further intervention.</p> <p>The iPlan system has been configured to require an annual update. End dates have now been amended to align with the current active strategy to ensure appropriate monitoring and governance.</p>	Environmental Services Team Leader and Net Zero Programme Delivery Officer	Nov-26
2025/26	Climate Change Strategy	2. Performance and progress towards the achievement of the Net Zero target is formally reported to Members together with annual emissions data to provide increased visibility, transparency and oversight.	Medium	<p>Current progress is reported to the Net Zero Climate Change Portfolio Holder through monthly meetings with the relevant group manager. In addition, updates are provided to the cross-party Net Zero Working Group on a quarterly basis, with representation from councillors across all political groups and independents.</p> <p>Initiatives within the programme are reported as part of the Corporate Action Plan. The Annual Emissions measure and commentary is contained within iPlan which is accessible by Cabinet and Scrutiny and will be accessible by all members in the next phase of iPlan development. In addition, the annual emission measure was shared to all members as part of the scrutiny of the budget for 2026/27.</p> <p>On an annual basis the net zero cross party working group will produce a report for consideration at scrutiny commission, which will contain an update on key projects, initiatives and the annual emissions measure.</p>	Environmental Services Team Leader, Net Zero Programme Delivery Officer and Environmental Health, Housing and Community Services Group Manager.	Dec-26
2025/26	Climate Change Strategy	3. Project procedures and documentation are updated to ensure that the potential environmental impact of each scheme is appropriately documented and considered as part of the decision-making process.	High	<p>A Climate Change Risk Assessment Tool will now be mandatory for all projects at Initial Stage Gate 1. The assessment will be completed by the Project Lead via a Microsoft Forms questionnaire. Once submitted, the form will automatically generate a report and notify the Net Zero Climate Change Officer for review.</p> <p>Each question within the form generates a RAG (Red, Amber, Green) rating, enabling clear identification of potential areas of climate-related risk or concern.</p> <ul style="list-style-type: none"> <li>• Where identified risks have been fully assessed and appropriate mitigation measures are in place — or where no viable alternative exists — the assessment will be approved and retained as a formal project document. It will then form part of the evidence considered during project approval or rejection by the approving manager/team.</li> <li>• Where insufficient information has been provided, or risks have not been adequately addressed, the assessment will be rejected and returned to the Project Lead for further detail and resubmission.</li> </ul> <p>This process ensures that climate risk considerations are embedded at the earliest stage of project development and supports informed, responsible decision-making aligned with Net Zero objectives.</p> <p>The Climate Change Risk Assessment tool is currently in the final stages of development, with the ES Team and Transformation Team working collaboratively to resolve any outstanding issues and ensure a smooth implementation.</p> <p>Subject to final sign-off, the assessment will become a mandatory requirement for all projects entering Initial Stage Gate 1 from 1 April.</p>	Environmental Services Team Leader, Net Zero Programme Delivery Officer and Transformation and Projects Service Manager	Apr-26
2025/26	Procurement and Contract Management	1. The Contract Procedure Rules document is updated as soon as possible to reflect the new legislation and correct procedure.	High	BDC have already engaged Welland to assist in the review and update of the contract procedure rules. Once the CPR are updated these will be added to lblaby as an easy access link.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Sep-26
2025/26	Procurement and Contract Management	2. The information and guidance published on iBlaby, and the website are updated to reflect current legislation and procedure, and officers are made aware of the updated documents and guidance.	High	Iblaby has been updated to remove out of date information. Once the CPR are updated these will be added to lblaby as an easy access link. Website has been updated.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Sep-26

2025/26	Procurement and Contract Management	3. Officers that are assigned with the responsibility for updating the Contract Procedure Rules and published guidance on both the website and iBlaby should ensure that a regular review is scheduled so that they are kept up to date.	High	Management will undertake a regular review through monthly meetings with Welland. Updates to the CPR are outstanding and are in process of being undertaken through the appropriate democratic procedures. In order to ensure officers have access to the most up to date information we plan to strengthen the delegated authority to the Monitoring Officers, to allow for legislative changes to the constitution to be undertaken in a timely manner. We will continue to undertake regular reviews and ensure the Website and Iblaby are amended accordingly in a timely manner.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Sep-26
2025/26	Procurement and Contract Management	6. A process should be designed and put in place to ensure that contracts are in place for all applicable goods and services.	High	Management acknowledges the observation and recommendation and will undertake a regular quarterly exercise to review all expenditure to ensure written contracts are in place and held on the contracts register. A procedure will be produced accordingly.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	December 2026 (Procedure in place).  April 2027 (Full review to have been completed).
2025/26	Procurement and Contract Management	7. A robust procedure is put in place to ensure that all contracts are identified, accurately recorded on the Contracts Register, and retained by Legal Services.	High	End to end mandatory training is being planned to be undertaken by Welland to ensure all Officers across the Council have the understanding of the importance of ensuring that a procurement exercise has been undertaken and a written contract held by Legal and on the Contracts Register. As above the CPRs are planned to be updated. The current process in place is working well, with all contracts being passed from Legal Services to Finance (specific contracts email address) to update the contract register. The Finance Administration Assistant has specific responsibility for ensuring all contracts received are added to the contracts register, and cover is in place in their absence. A written procedure is currently being drafted to support this process.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Dec-26
2025/26	Procurement and Contract Management	8. A formal process/ procedure is put in place to ensure that contracts nearing expiry are highlighted and contract managers are aware of their responsibility to take appropriate action.	High	A process is in place for all contracts on the contracts register that are nearing expiry. An email is sent to the contract manager with Legal Services cc'd in for awareness. The contracts manager is then responsible for undertaking the relevant procurement exercise. The end-to-end training planned will emphasize and support this. For those contracts not on the contracts register, the process planned to be undertaken reviewing efinancials expenditure will help address the gaps.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026 (Process in place).  April 2027 (to align with recommendation no. 6 above).

## Blaby District Council

### Audit and Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** External Audit Planning Report 2025/26  
**Report Author** Finance Group Manager

#### 1. What is this report about?

- 1.1 The report enables the Council's external auditors, Azets, to present Members with their annual Audit Planning Report for 2025/26.

#### 2. Recommendation(s)

- 2.1 That Azets Audit Planning Report for 2025/26 is approved.

#### 3. Reason for Decision(s) Recommended

- 3.1 The Audit Planning Report sets out the proposed audit approach and the scope of the work to be carried out by Azets, and their fees for undertaking that work.

#### 4. Matters to consider

##### 4.1 Background

Azets have set out their proposals for the planned audit work in respect of the 2025/26 financial year in the document attached at Appendix A. The coverage of the Audit Planning Report includes the following key elements:

- Introduction and audit scope
- Audit approach
- Audit timeline
- Materiality
- Significant and other risks of material misstatements
- IT audit strategy
- Building back assurance
- Value for money
- Audit team and requirements
- Audit independence, objectivity and other services provided
- Fees

Following the completion of the 2024/25 Audit of the Accounts, a meeting was undertaken on 16<sup>th</sup> March 2026 by Azets with Officers in the Finance team to review the audit process, and consider what changes need to be





# Blaby District Council

External Audit Plan

Year ended 31 March 2026

April 2026

## Your key team members

Chris Brown

Key Audit Partner

[Chris.Brown@azets.co.uk](mailto:Chris.Brown@azets.co.uk)

Bethany Hincks

Director

[Bethany.Hincks@azets.co.uk](mailto:Bethany.Hincks@azets.co.uk)

Malintsa Mohapi

In-Charge auditor

[Malintsa.Mohapi@azets.co.uk](mailto:Malintsa.Mohapi@azets.co.uk)

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Materiality	8
Significant and other risks of material misstatement	10
IT audit strategy	19
Building back assurance	20
Value for money	27
Audit team and requirements	29
Audit independence, objectivity and other services provided	30
Fees	31

### Adding value through the audit

All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Council through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the Council promote improved standards of governance, better management and decision making and more effective use of resources.

### Management responsibility

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements, as a whole, are free from material misstatement, whether caused by fraud or error.

This report has been prepared for the sole use of those charged with governance, should not be quoted in whole or in part without our prior written consent, and should not be relied upon by third parties. No responsibility is assumed by Azets Audit Services to any third parties. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

# Introduction and audit scope

This audit plan highlights the key elements of our proposed audit strategy and provides an overview of the planned scope and timing of the statutory external audit of Blaby District Council ('the Council') for the year ended 31 March 2026

## Scope of our audit

The scope of our audit is set in accordance with the Code of Audit Practice published by the National Audit Office and International Standards on Auditing UK (ISAs). We are responsible for:

- ▶ **Financial statements:** forming and expressing an opinion on the Council's financial statements; and
- ▶ **Value for money:** considering whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in its use of resources (our value for money work).

The audit does not relieve management or the Audit Committee of their responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We consider how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk-based.

*We will conduct our audit in accordance with International Standards on Auditing (ISAs) (UK), the Local Audit and Accountability Act 2014 (the 'Act') and the National Audit Office Code of Audit Practice 2024. The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Act.*

*Our communication to those charged with governance at the Council will be through the Audit Committee.*



# Introduction and audit scope

## Our respective responsibilities

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Council responsibilities	Auditor responsibilities	Statutory powers
<p>Your responsibilities include:</p> <ul style="list-style-type: none"> <li>▶ Preparing financial statements which give a true and fair view, in accordance with the applicable financial reporting framework and relevant legislation;</li> <li>▶ Preparing and publishing, along with the financial statements, an annual governance statement and narrative report;</li> <li>▶ Maintaining proper accounting records and preparing working papers to an acceptable professional standard that support your financial statements and related disclosures;</li> <li>▶ Establishing and maintaining a sound system of internal control;</li> <li>▶ Maintaining standards of conduct for the prevention and detection of fraud and other irregularities;</li> <li>▶ Maintaining strong corporate governance arrangements and a financial position that is soundly based;</li> <li>▶ Establishing and maintaining an effective internal audit function;</li> <li>▶ Ensuring the proper financial stewardship of public funds, complying with relevant legislation and establishing effective arrangements for governance, propriety and regularity.</li> </ul>	<p>Our primary responsibility is to form and express an independent opinion on the Council’s financial statements, stating whether they provide a true and fair view and have been prepared properly in accordance with applicable law and the CIPFA Code of Practice on Local Authority Accounting in the UK (the ‘CIPFA Code’). We are also required to:</p> <ul style="list-style-type: none"> <li>▶ Report on whether the other information included in the Statement of Accounts (including the Narrative Report and Annual Governance Statement) is consistent with the financial statements;</li> <li>▶ Report by exception if the disclosures in the Annual Governance Statement are incomplete or if the Annual Governance Statement is misleading or inconsistent with our knowledge acquired during the audit;</li> <li>▶ Report by exception any significant weaknesses identified in arrangements for securing value for money and a summary of associated recommendations;</li> <li>▶ Report by exception on the use of our other statutory powers and duties; and</li> <li>▶ Certify completion of our audit.</li> </ul> <p>We will issue our Audit Completion Report and an Auditors Annual Report to the Audit Committee setting out the findings from our work.</p>	<p>Under the Act we have a broad range of reporting responsibilities and powers that are unique to local authorities in the United Kingdom. These include:</p> <ul style="list-style-type: none"> <li>▶ Reporting matters in the public interest;</li> <li>▶ Making written recommendations to the Council;</li> <li>▶ Making an application to the court for a declaration that an item of account is contrary to law;</li> <li>▶ Issuing an advisory notice;</li> <li>▶ Making an application for judicial review; and</li> <li>▶ Giving electors the opportunity to raise questions about your financial statements and considering and deciding upon any objections received in relation to the financial statements.</li> </ul>



# Audit approach

## General approach

Our objective when performing an audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement and to issue an auditor's report that includes our auditor's opinion.

As part of our risk-based audit approach, we will:

- ▶ Perform risk assessment procedures including updating our understanding of the Council, its environment, the financial reporting framework and its system of internal control;
- ▶ Review the design and implementation of key internal controls;
- ▶ Identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement level and the assertion level for classes of transaction, account balances and disclosures;
- ▶ Design and perform audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; and
- ▶ Exercise professional judgment and maintain professional scepticism throughout the audit recognising that circumstances may exist that cause the financial statements to be materially misstated.

We would ordinarily undertake a variety of audit procedures designed to provide reasonable assurance that the financial statements are free from material misstatement. However, as your prior years' financial statements have been disclaimed, we will this year undertake specific procedures to build back assurance in accordance with LARRIG06 and in line with our overarching build back plan.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud and respective responsibilities for prevention and detection of fraud.

### Accounting systems and internal controls

The purpose of an audit is to express an opinion on the financial statements. We will follow a substantive testing approach to gain audit assurance rather than relying on tests of controls. As part of our work, we consider certain internal controls relevant to the preparation of the financial statements such that we are able to design appropriate audit procedures. However, this work does not cover all internal controls and is not designed for the purpose of expressing an opinion on the effectiveness of internal controls. If, as part of our consideration of internal controls, we identify significant deficiencies in controls, we will report these to you in writing.



# Audit approach

## Other key areas

### Going concern: management responsibility

Management is required to make and document an assessment of whether the Council is a going concern when preparing the financial statements. The review period should cover at least 12 months from the date of approval of the financial statements. Management are also required to make balanced, proportionate and clear disclosures about going concern within the financial statements where material uncertainties exist in order to give a true and fair view.

### Related party transactions

ISA 550 requires that the audit process starts with the audited body providing a list of related parties to the auditor, including any entities under common control. During our initial audit planning you have informed us of the individuals and entities that you consider to be related parties. Please advise us of any changes as and when they arise.

### Going concern: auditor responsibility

Under ISA (UK) 570, we are required to consider the appropriateness of management's use of the going concern assumption in the preparation of the financial statements and consider whether there are material uncertainties about the Council's ability to continue as a going concern that need to be disclosed in the financial statements.

In assessing going concern, we will consider the guidance published in the CIPFA Code and Practice Note 10, which focuses on the anticipated future provision of services in the public sector rather than the future existence of the entity itself.

### Use of experts

We will use audit specialists to assist us in our audit work in the following areas:

- The audit of actuarial assumptions used in the calculation of the defined benefit pension liability; and
- ▶ The audit of property valuations, should the need arise during the audit.

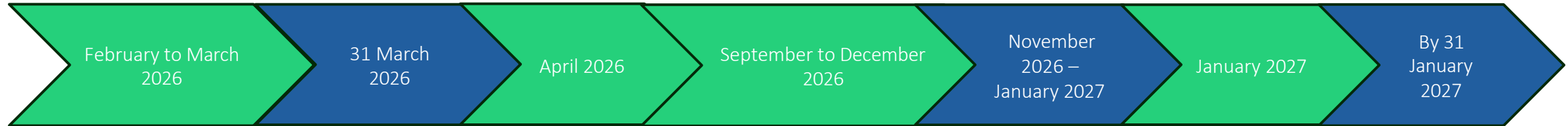
### Additional procedures required by the National Audit Office

The National Audit Office (NAO) team for the Whole of Government Accounts issues group audit instructions which set out additional audit requirements. We expect the procedures for this year to be similar to previous years. The NAO audit team request us to undertake specific audit procedures in order to provide them with additional assurance over the amounts recorded in the Council's WGA schedules. The extent of these procedures will depend on whether the Council has been selected by the NAO as a sampled component for 2025/26. As at the date of this report, the draft instructions have not yet been issued by the NAO and the NAO has not yet confirmed which entities will be sampled components. We will comply with the instructions and report to the NAO in accordance with their requirements once instructions have been issued.



# Audit Timeline

The following timeline indicates the key milestones of the audit



Planning	Period end: 31 March 2026	Communicating	Final accounts	Audit Committee	Completion	Sign off
<ul style="list-style-type: none"> <li>▶ Identify changes in your business environment</li> <li>▶ Determine materiality</li> <li>▶ Scope the audit</li> <li>▶ Risk assessment</li> <li>▶ Planning meetings with management</li> <li>▶ Planning requirements checklist to management</li> <li>▶ Issue audit plan</li> <li>▶ Document control design and effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>▶ Management to produce draft accounts for audit by statutory deadline of 30 June 2026.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Discuss audit plan with audit committee.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular updates with management</li> <li>▶ Completion of all audit testing</li> <li>▶ Review of Narrative Report and Annual Governance Statement</li> <li>▶ Undertake procedures on significant risk areas</li> <li>▶ Report observations on other risk areas, management judgements</li> <li>▶ Draft Audit Completion Report</li> <li>▶ Close-out meeting with management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Discuss audit findings with audit committee</li> <li>▶ Issue draft Audit Completion (ISA260) report</li> </ul>	<ul style="list-style-type: none"> <li>▶ Subsequent events procedures</li> <li>▶ Management representation letter</li> <li>▶ Receive IAS19 assurance letter from pension fund auditor</li> <li>▶ Sign financial statements</li> <li>▶ Issue Auditor's Annual Report.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sign audit report opinion</li> <li>▶ Issue delayed audit certificate</li> </ul>



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# Materiality

## We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the Council and the needs of the users. When planning, we make professional judgements about the size of misstatements which we consider to be material, based on our knowledge of the Council, considering factors such as financial stability, expectations of readers and stakeholders, sector developments and financial reporting requirements. In determining materiality, we consider the level of misstatement that could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report any uncorrected misstatements of lower value errors we identify.

Under ISA (UK) 260 we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial'. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Our determination of materiality:

- ▶ Informs the scope of our audit and audit procedures
- ▶ Informs the sample sizes required for substantive testing
- ▶ Informs our evaluation of the effect of actual and projected misstatements in the financial statements.

Materiality is revised as our audit progresses, should we become aware of any information that would have caused us to determine a different amount had we known about it during our planning.

We also consider whether any specific items of account require a separate, lower materiality. We have determined that no specific materiality levels need to be set for this audit.



# Materiality

The table below highlights the levels of materiality determined at the planning stage of the audit

	Council £'000	Explanation
Overall materiality for the financial statements	782	This is 1.75% of gross revenue expenditure based on the prior year audited financial statements. This is a common measure for calculating materiality for councils as the primary interest of users of the Council's financial statements is in the cost of providing services, how the Council manages its spending and where the Council has expended its income during the year.
Performance materiality	469	Performance materiality has been set at 60% of overall materiality. This is based on the internal control environment of the Council and reflects our risk assessed knowledge of the potential for errors occurring. It is intended to reduce, to an acceptably low level, the probability that cumulative undetected and uncorrected misstatements exceed materiality for the financial statements as a whole.
Trivial threshold	39.1	This is set at 5% of the overall materiality calculation. Individual errors above this threshold are communicated to those charged with governance.



# Significant risks of material misstatement

## Significant risks are risks that require special audit consideration

Significant risks include risks of material misstatement that are close to the upper range of inherent risk due to their nature and the likelihood and potential magnitude of misstatement or are required to be treated as significant risks by auditing standards.

The table below summarises the significant risks we have identified from our audit planning. Detail behind each risk and the work proposed is set out on the subsequent pages.

All other material balances and transaction streams will also be audited; however, the procedures will not be as extensive as for the risks identified below.

Significant risk	Financial Statement / Assertion Level Risk	Fraud risk?	Approach to controls	Inherent risk of material misstatement
Management override of controls	Financial Statement Level	Yes	Assess design & implementation	Very high
Prior year opinion on financial statements	Financial Statement level	No	Assess design & implementation	Very high
Presumption of fraud in revenue recognition	Assertion Level	Rebutted	Process documentation only	Low
Presumption of fraud in expenditure recognition	Assertion level	Rebutted	Process documentation only	Low
Valuation of land and buildings	Assertion Level	No	Assess design & implementation	High
Valuation of investment properties	Assertion Level	No	Assess design & implementation	High
Valuation of the defined benefit pension fund net liability (IAS19)	Assertion Level	No	Assess design & implementation	High
Implementation of IFRS 16 (rolled forward from 2024/25)	Assertion Level	No	Assess design & implementation	High



# Significant risks of material misstatement

## Significant risks at the financial statement level

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

Significant risk	Audit approach
<p>Management override of controls</p> <p>Auditing Standards require auditors to treat management override of controls as a significant risk on all audits. This is because management is in a unique position to perpetrate fraud by manipulating accounting records and overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities.</p> <p>Specific areas of potential risk including manual journals, management estimates and judgements and one-off transactions outside the ordinary course of the business.</p> <p>Risk of material misstatement: Very High</p>	<p>Procedures we will perform to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the journals posting process and evaluating the design effectiveness and implementation of management controls over journals;</li> <li>• Analysing the journals listing and determining the criteria for selecting high risk and/or unusual journals;</li> <li>• Testing high risk and/or unusual journals posted during the year and after the draft accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the Council’s journals policy;</li> <li>• Gaining an understanding of the key accounting estimates and critical judgements made by management. We will also challenge assumptions and consider for reasonableness and indicators of bias which could result in material misstatement due to fraud; and</li> <li>• Evaluating the rationale for any changes in accounting policies, estimate or significant unusual transactions.</li> </ul>



# Significant risks of material misstatement

Significant risk	Audit approach
<p>Prior year disclaimed audit opinions As a result of the backstop implemented on 27 February 2026, a disclaimer audit opinion was provided on the Council’s 2024/25 financial statements. Disclaimed audit opinions have also been provided on the council’s accounts for 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25.</p> <p>As a result of prior year disclaimed audit opinions:</p> <ul style="list-style-type: none"> <li>• There is limited assurance available over the Council’s opening balances, including those balances which involve higher levels of management judgement and more complex estimation techniques (e.g defined benefit pension valuations, land and building and investment property valuations, amongst others); and</li> <li>• Significant transactions, accounting treatment and management judgements may not have been subject to audits for one or more years – or at all. This may include management judgements and accounting treatment in respect of significant or complex schemes or transactions which came into effect during the qualified or disclaimed periods.</li> </ul> <p>The absence of prior year assurance raises a significant risk of material misstatement at the financial statement level that may require additional audit procedures.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> <li>• Prior year opinion on the financial statements: Very high</li> </ul>	<p>Our approach to address this risk is covered in detail in the “Building back assurances” section later in this plan.</p>



# Significant risks of material misstatement

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

The following tables summarise significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Significant risk	Audit approach
<p>Fraud in revenue recognition (rebutted)</p> <p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a rebuttable presumed risk in ISA (UK) 240.</p> <p>Having considered the nature of the revenue streams at the Council, we consider that the risk of fraud in revenue recognition can be rebutted due to the following:</p> <ul style="list-style-type: none"><li>• There is little incentive to manipulate revenue;</li><li>• Opportunities to manipulate revenue are very limited;</li><li>• The culture and ethical frameworks of local authorities includes counter-fraud policies, procedures and controls.</li></ul> <p>Therefore, we do not consider this to be a significant risk for the Council.</p>	<p>We do not consider this to be a significant risk for the Council and standard audit procedures will be carried out. We will keep this judgement under review throughout the audit to ensure it remains appropriate.</p>



# Significant risks of material misstatement

Significant risk	Audit approach
<p data-bbox="147 364 690 396">Fraud in expenditure recognition (rebutted)</p> <p data-bbox="147 444 1403 511">Due to the presumption that there are risks of fraud in expenditure recognition, we are required to evaluate which types of expenditure, transactions or assertions give rise to such risks.</p> <p data-bbox="147 558 1403 776">We have considered Practice Note 10 which comments that, for certain public bodies, the risk of manipulating expenditure could exceed the risk of manipulating revenue. We have therefore considered the risk of fraud in expenditure at the Council for all expenditure streams and concluded that there is not a significant risk. This is due to the low fraud risk in the underlying nature of the transactions, the high predictability of certain expenditure streams, such as payroll or interest, or the immaterial nature of the expenditure streams both individually and collectively.</p> <p data-bbox="147 823 1403 929">Our consideration of expenditure streams also included capital expenditure and we similarly concluded that there is not a significant risk. Capital expenditure transactions are likely to be larger and subject to more scrutiny, reducing the risk of improper recognition.</p>	<p data-bbox="1447 364 2397 469">We do not consider this to be a significant risk for the Council and standard audit procedures will be carried out. We will keep this judgement under review throughout the audit to ensure it remains appropriate.</p>



# Significant risks of material misstatement

Significant risk	Audit approach
<p>Valuation of land and buildings (key accounting estimate)</p> <p>Revaluation of operational land and buildings should be performed in line with the revised revaluation requirements for 2025/26 onwards set out in the CIPFA Code. The Council has adopted a quinquennial programme of revaluation with use of indexation in the intervening years. In 2025/26, the Council is using indexation given the last full valuation was completed in 2024/25. Management engaged the services of a qualified valuer, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS) to undertake any valuations required as of 31 March 2026 and to provide advice on appropriate indices.</p> <p>The valuations and index uplifts involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external expert valuers and the methods, assumptions and source data underlying the fair value estimates. This represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of operational land and buildings as a significant risk.</p> <p>We will further pinpoint this risk to specific assets, or asset types, on receipt of the draft financial statements and the year-end updated asset valuations, to those assets where the valuation movement falls outside of our expectations and/or there are significant changes to any of the key assumptions.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> <li>Land and Buildings (valuation): High</li> </ul>	<p>Procedures we will perform to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>Evaluating management processes, controls and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work;</li> <li>Evaluating the competence, capabilities and objectivity of the valuation expert;</li> <li>Considering the basis on which the valuations and indexation uplifts are carried out and challenging the key assumptions applied;</li> <li>Evaluating the reasonableness of the valuation movements for assets revalued during the year, with reference to market data;</li> <li>For unusual or unexpected valuation movements, testing the information used by the valuer to ensure it is complete and consistent with our understanding;</li> <li>Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct;</li> <li>Evaluating the assumptions made by management for any assets not revalued during the year and how management are satisfied that these are not materially misstated; and</li> <li>Engaging our own valuations expert, where necessary, to assess any judgemental assumptions used that underpin the final valuations.</li> </ul>

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# Significant risks of material misstatement

Significant risk	Audit approach
<p>Valuation of investment properties (key accounting estimate)</p> <p>The Council undertakes a full revaluation of its investment properties annually, to ensure that the carrying value is not materially different from the fair value. Management engaged the services of a qualified valuer, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS) to undertake these valuations as of 31 March 2026.</p> <p>The valuations involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external expert valuers and the methods, assumptions and source data underlying the fair value estimates. This represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of investment properties as a significant risk.</p> <p>We will further pinpoint this risk to specific assets, or asset types, on receipt of the draft financial statements and the year-end updated asset valuations, to those assets where the valuation movement falls outside of our expectations and/or there are significant changes to any of the key assumptions.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> <li>Investment properties (valuation): High</li> </ul>	<p>Procedures we will perform to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>Evaluating management processes, controls and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work;</li> <li>Evaluating the competence, capabilities and objectivity of the valuation expert;</li> <li>Considering the basis on which the valuations are carried out and challenging the key assumptions applied;</li> <li>Evaluating the reasonableness of the valuation movements for assets revalued during the year, with reference to market data;</li> <li>For unusual or unexpected valuation movements, testing the information used by the valuer to ensure it is complete and consistent with our understanding;</li> <li>Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct; and</li> <li>Engaging our own valuations expert, where necessary, to assess any judgemental assumptions used that underpin the final valuations.</li> </ul>



# Significant risks of material misstatement

Significant risk	Audit approach
<p>Valuation of the defined benefit pension net liability – IAS19 (key accounting estimate)</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions. An actuarial estimate of the net defined benefit pension liability/asset is calculated on an annual basis under IAS 19 ‘Employee Benefits’, and on a triennial funding basis, by an independent firm of actuaries with specialist knowledge and experience. The triennial estimates are based on the most up to date membership data held by the pension fund and a roll forward approach is used in intervening years, as permitted by the CIPFA Code.</p> <p>The calculations involve a number of key assumptions, such as discount rates and inflation and local factors such as mortality rates and expected pay rises. The estimates are highly sensitive to changes in these assumptions and the calculation of any asset ceiling when determining the value of a pension asset (where relevant). ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external experts (the actuary) and the methods, assumptions and source data underlying the estimates.</p> <p>This represents a key accounting estimate made by management within the financial statements due to the size of the gross asset and liability values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of the net pension liability/asset as a significant risk.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> <li>• Pension fund net liability (valuation): High</li> </ul>	<p>Procedures we will perform to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating managements processes for the calculation of the estimate, the instructions issued to management’s expert (the actuary) and the scope of their work;</li> <li>• Evaluating the competence, capabilities and objectivity of the actuary;</li> <li>• Assessing the controls in place to ensure that the data provided to the actuary by the Council and their pension fund was accurate and complete;</li> <li>• Evaluating the methods, assumptions and source data used by the actuary in their valuations, with the support of an auditors’ expert;</li> <li>• Testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;</li> <li>• If the pension fund is in surplus, ensuring that any asset recorded in the financial statements, and any additional liabilities for secondary contributions have been accounted for correctly in line with the requirements of IFRIC 14;</li> <li>• Obtaining assurances from the pension fund auditor as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements; and</li> <li>• Ensuring pension valuation movements for the year and related disclosures have been correctly reflected in the financial statements.</li> </ul>



# Significant risks of material misstatement

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Significant risk	Audit approach
<p>Implementation of IFRS 16 (rolled forward from 2024/25)</p> <p>We have rolled forward this risk from our 2024/25 audit. This is due to work commencing in 2024/25 but not concluding. The risk is detailed below.</p> <p>IFRS 16 was adopted and implemented by local government bodies under the Code of Audit Practice from 1 April 2024. Under IFRS 16 a lessee is required to recognise a right of use asset and associated lease liability in its balance sheet. This has resulted in significant changes to the accounting for leased assets and the associated disclosures within the financial statements.</p> <p>The implementation of this new accounting standard also represents a key accounting estimate due to the size of the values involved, the subjectivity of the measurement upon recognition of the right of use asset and associated lease liability.</p> <p>Work relating to the evaluation of the implementation of the standard was commenced in the prior year and will be completed in the 2025/26 year. We have therefore identified the implementation of IFRS 16 remains a significant risk.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> <li>Lease liabilities following implementation of IFRS 16 (completeness): High</li> </ul>	<p>Procedures we will perform to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>Perform a walkthrough of the council's systems and processes to capture the data required to account for right of use lease assets and associated liability in accordance with IFRS 16;</li> <li>Review the council's accounting policies for the year ended 31 March 2025 and 31 March 2026 to reflect the requirements of the new accounting standard;</li> <li>Evaluate the competence, capabilities and objectivity of management's IFRS 16 expert;</li> <li>Understand the process the Council has gone through to ensure the completeness of the IFRS 16 disclosure, including inspecting the audit trail which documents the process the Council has undertaken to identify leases and contracts falling into scope of IFRS 16; and</li> <li>Evaluate whether lease liabilities have been appropriately remeasured in line with the requirements of IFRS 16 as set out in the CIPFA Code.</li> </ul>



# IT Audit strategy

We require to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT relevant to our audit and assess the IT general controls (ITGCs) in place to mitigate them.

Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach:

IT Application	Audit area	Planned level of IT audit assessment
eFinancials	Financial reporting	ITGC assessment (design and implementation effectiveness only).
Active Directory	Network access and authentication	ITGC assessment (design and implementation effectiveness only).

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# Building back assurance

This section sets out the work we plan to undertake in 2025/26 to build back assurance from disclaimed years of audit. Our work is planned in accordance with Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01 to 06 published by the National Audit Office

On 30 September 2024, Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" came into force. This legislation imposed annual statutory backstop dates up to and including the 2027/28 year of account for the publication by the Council of its audited financial statements. For 2025/26, the statutory backstop date is 31 January 2027.

The Code of Audit Practice specifies that auditors are required to issue their auditor's report before these dates, even if planned audit procedures are not fully complete, so that local government bodies can comply with the statutory reporting deadline. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Disclaimed opinions were issued by the predecessor auditor for 2020/21, 2021/22 and 2022/23 and by Azets in 2023/24 and 2024/25. Following the publication of LARRIGs 01 to 06 we have developed an overarching strategy for building back assurance for the Council, with the aim of recovering assurance by 31 March 2028. This is subject to:

- ▶ Management implementing in full all recommendations in respect of the financial statements raised in our 2024/25 audit completion report;
- ▶ No adverse or unexpected transactions, errors or misstatements being identified in the current or previous periods as part of our work and minimal retrospective changes to previously published financial statements;
- ▶ Robust and effective control environments being in place and operating throughout the disclaimed period;
- ▶ Full availability of supporting records, information and evidence in the current and previous periods;
- ▶ Sufficient capacity within the finance team to facilitate the current year audit and additional work required as part of building back assurance;
- ▶ Current and previous years' financial statements being of good quality, including all notes, the Narrative Report and the Annual Governance Statement;
- ▶ The availability of good quality working papers being readily available to support previous years of account;
- ▶ The provision of agreed data reports as required, fully reconciled to the values in the accounts, to facilitate our selection of samples for testing in current and previous years;
- ▶ Ensuring staff are available during the period of the audit for current and previous years' financial statements;
- ▶ Prompt and sufficient responses to audit queries within three working days to minimise delays.



# Building back assurance

Following the release of LARRIG06 in July 2025 our focus in 2024/25 was commencing the significant and comprehensive risk assessment required under the statutory guidance, analysing reserves movements across the disclaimed period, commencing the substantive testing to build back property, plant and equipment movements across the disclaimed period, and reviewing the capital financing requirement and minimum revenue provision calculations across the disclaimed period.

For 2025/26, our focus will be on in-year transactions, obtaining full closing balances assurance as at 31 March 2026 and continuing our programme of build-back work over the disclaimed period. A status update on all areas of build-back work is set out below.

Component	Activity	Work planned
Planning	<p>Risk Assessment (Qualitative risk assessment (LARRIG 06))</p> <p>We are required by LARRIG 06 to evaluate the inherent risk of material misstatement in the opening general fund balances and associated earmarked reserves following prior year disclaimers. In the prior year we commenced our detailed assessment of a number of risk factors, as set out in LARRIG 06, including consideration of the following:</p> <ul style="list-style-type: none"> <li>• Whether the Council has a history of timely production of the financial statements</li> <li>• The number of years for which disclaimed opinions have been issued</li> <li>• The complexity and volume of movement in reserves over the disclaimed period</li> <li>• The strength of the control environment in place over the period of disclaimed opinions</li> <li>• Changes in key personnel, financial reporting systems or key processing activities during the disclaimed period</li> <li>• Previous reporting of significant deficiencies in control, significant weaknesses in arrangements to secure VFM or material or other misstatements</li> <li>• The level of reserves in place over the disclaimed period</li> <li>• Issues reported by Internal Audit and in the Annual Governance Statements</li> </ul>	<p>As part of our 2024/25 audit, we completed a comprehensive qualitative risk assessment covering the areas specified in the LARRIG06 guidance from NAO. This risk assessment concluded that the Council is at the lower end of the risk spectrum for building back assurance. This means less extensive procedures over the Council's income and expenditure transactions will be required to build back assurance over the disclaimed period. Our detailed build back work in 2025/26, will therefore be informed by the quantitative risk assessment summarised on the next slide.</p>



# Building back assurance

Component	Activity	Work planned
Planning	<p>Analysis of movements in reserves (Quantitative Risk Assessment (LARRIG 06))</p> <p>We are required by LARRIG 06 to evaluate the inherent risk of material misstatement in the opening general fund balances and associated earmarked reserves following prior year disclaimers. In the prior year we concluded our detailed analysis of the Council’s useable and unusable reserves movements over the disclaimed period, with a view to assessing the cumulative impact of movements and the impact of any identified inconsistencies or irregularities.</p>	<p>As reported in our Audit Completion Report for 2024/25, we completed an analysis of the movement in reserves for each of the disclaimed periods. We have reconciled and validated reserve movements within the Movement in Reserves Statement (MIRS) back to the last clean audit opinion (2019/20). This included detailed testing of reserve movements, statutory adjustments and consistency checks across primary statements and supporting notes to evaluate the accuracy and completeness of reported balances. Significant additional time was spent by audit and management to interrogate these matters and resolve audit queries over four years, which ordinarily would have been dealt with in the year they occurred. Although the MIRS work does not, in itself, provide assurance over the accuracy of individual reserve movements, in combination with the risk assessment noted on the previous page, it helps determine any areas where we may need to perform focussed audit testing as part of our build back approach.</p> <p>In 2025/26, we will consider any additional substantive testing which we may need to perform over the disclaimed period as a result of the MIRS work we have undertaken for the disclaimed periods.</p>



# Building back assurance

Component	Activity	Work planned
Planning	<p>Integrity of accounts and agreement of financial statements to Council systems</p> <p>This work involves confirming that the accounts produced each year during the disclaimed period agree to the Council's own systems, such as agreeing the accounts to the general ledger for each year and agreeing the opening ledger for each year to the prior year financial statements.</p>	<p>We completed the majority of this work over the disclaimed period in 2024/25. In 2025/26 we will maintain this assurance by undertaking our standard audit procedures.</p> <p>Our planned work for building back assurance over the disclaimed periods to address the management override of control risk will mean we will complete an additional check on reconciling the Council's systems and financial statements to the journals posted, providing a further completeness check. This is planned to be done in 2025/26.</p>
Planning	<p>Review of predecessor auditor files</p> <p>We have concluded our work reviewing the predecessor auditor's file to the last clean opinion, 2019/20.</p>	<p>This is complete.</p>
Planning	<p>Consideration of fraud and the control environment over the disclaimed period</p> <p>We are required by LARRIG06 and ISA315 to consider the risk of fraud and the control environment over the disclaimed period. In the prior year we concluded our work in this area.</p>	<p>We have concluded our work over the disclaimed period.</p> <p>In 2025/26 we will maintain this assurance by undertaking our standard audit procedures.</p>



# Building back assurance

Component	Activity	Work planned
Substantive testing	<p>Property, Plant and Equipment: building back assurance over the disclaimed period</p> <p>In order to build back assurance over the reserves, we are required to undertake substantive testing of movements in property, plant and equipment over the disclaimed period. In the prior year we commenced our work in this area.</p>	<p>We substantially completed this work in 2024/25. In 2025/26, we will conclude our work building back assurance over the Council's property, plant and equipment movements over the disclaimed period.</p> <p>In 2025/26 we will maintain this assurance by auditing the current movements for property, plant and equipment.</p>
Substantive testing	<p>Balances directly influenced by the opening position: building back assurance over the disclaimed period</p> <p>In order to build back assurance over balances where the closing position is directly influenced by the opening position, we are required to undertake substantive testing of movements in these balances over the disclaimed period. In the prior year we commenced our work in this area.</p>	<p>In 2025/26 we will conclude our work building back assurance over these areas during the disclaimed period. In 2025/26 we will maintain this assurance by auditing the current closing balances for these areas.</p>



# Building back assurance

Component	Activity	Work planned
Substantive testing	<p>Capital financing requirement and minimum revenue provision: building back assurance over the disclaimed period</p> <p>In order to build back assurance over the reserves, we need to substantively verify the calculations behind the capital financial requirement and minimum revenue provision over the disclaimed period. In the prior year we concluded our work in this area.</p>	<p>We have concluded our work over the disclaimed period. In 2025/26 we will maintain this assurance by auditing the current disclosures for these areas.</p>
Substantive testing	<p>Journals over the disclaimed period</p> <p>To mitigate the risk of management override of controls over the disclaimed period, we need to undertake substantive, risk-based journals testing over the disclaimed period. In the prior year we commenced our work in this area for the 2024/25 and 2023/24 years.</p>	<p>In 2025/26 we will conclude our work building back assurance in this area over the disclaimed period for the financial years we have started, 2023/24 and 2024/25. In addition, we will focus our work on completing the additional disclaimed years, 2020/21, 2021/22 and 2022/23 journals testing. In 2025/26 we will maintain this assurance by auditing the current disclosures for these areas.</p>
Substantive testing	<p>Reserves assurance over the disclaimed period</p> <p>Our analysis of movements in reserves has confirmed that the Council is at the lower end of the risk spectrum for building back assurance on reserves balances. This means less extensive procedures over the Council's income and expenditure transactions will be required to provide assurance on reserves over the disclaimed period.</p>	<p>In 2025/26 we will commence any focussed testing of income and expenditure transactions over the disclaimed period and reach a conclusion on opening reserves for 2025/26 in accordance with the outcome of our qualitative and quantitative risk assessments undertaken in line with LARRIG06.</p>



# Building back assurance

Component	Activity	Work planned
Balance sheet assurance	<p>Closing balances as at 31 March 2026</p> <p>Obtaining full closing assurance over all balances as at 31 March 2026 is subject to:</p> <ul style="list-style-type: none"> <li>• management implementing in full the recommendations raised during our 2024/25 audit to support the building back of assurance.</li> <li>• obtaining historic assurance over those balances directly influenced by the closing position.</li> <li>• receiving full assurances from the pension fund auditor in respect of the net pension liability (IAS19).</li> <li>• no significant errors being identified in either our build back assurance work or the current year audit.</li> </ul>	<p>In 2025/26 we plan to obtain full closing assurance over all balances as at 31 March 2026.</p> <p>Once obtained, this will form the first of three years of balance sheet assurance required to move to a non-disclaimed position in 2027/28.</p>
Reporting	<p>Reporting the results of the audit</p> <p>We will again provide a detailed Audit Completion Report providing additional information over the build back work undertaken, the outcome of our work and the progress against the overarching build back journey. This includes the additional work required to issue the disclaimer of opinion, additional review and consultation requirements and additional file documentation requirements.</p>	<p>In 2025/26 we will issue an extended Audit Completion report to the Audit Committee before the backstop date of 31 January 2027.</p>



# Value for money

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

NAO Auditor Guidance Note 03 'Auditors' Work on Value for Money Arrangements' ("AGN 03") was updated and issued on 14 November 2024 and requires us to provide an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report. Such commentary will highlight any significant weaknesses in arrangements, along with recommendations for improvements.

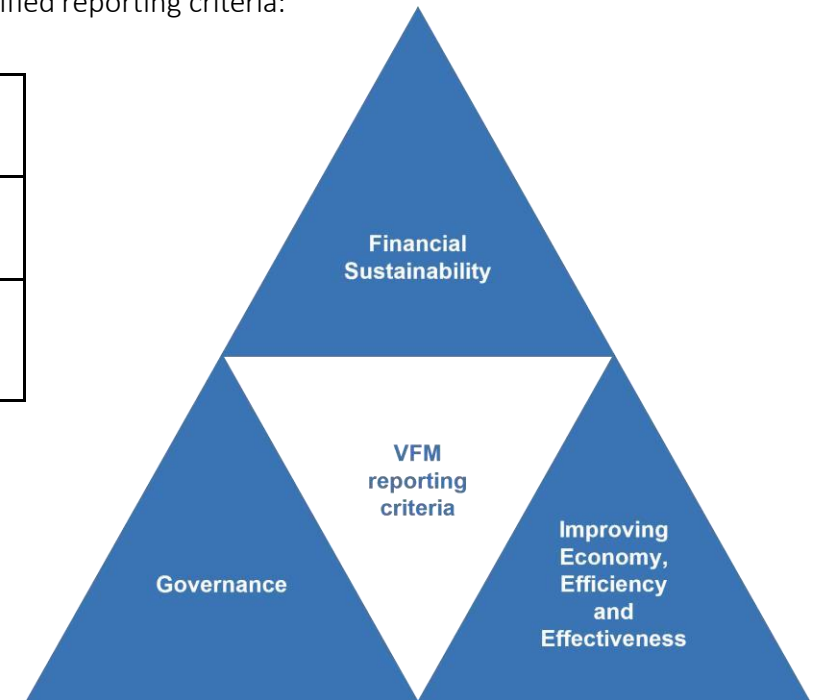
When reporting on such arrangements, the Code of Practice requires us to structure our commentary under three specified reporting criteria:

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Financial sustainability	How the body plans and manages its resources to ensure it can continue to deliver its services
Governance	How the body ensures it makes informed decisions and properly manages risk
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

As part of the planning process, we are required to perform procedures to identify potential risks of significant weaknesses in the Council's arrangements to secure VFM through the economic, efficient and effective use of its resources.

We are required to re-evaluate this risk assessment during the course of the audit and, where appropriate, update our work to reflect emerging risks or findings that may suggest a significant weakness in arrangements. We may make recommendations following the completion of our work.



# Value for money

## Risks of significant weakness

We have carried out an initial risk assessment to identify any risks of potential significant weakness in respect of the three specific areas of proper arrangements using the guidance contained in AGN 03. As set out in the table below, we have not identified any specific risks of significant weaknesses. We will re-evaluate this risk assessment during the audit and, where appropriate, update our work to reflect emerging risks or findings. For 2025/26 the National Audit Office’s draft updated VFM guidance (AGN03) highlights that the arrangements bodies put in place to manage reorganisation fit within the scope of VFM arrangements work. Risks may increase where an entity is involved in, or planning, for reorganisation. Our VFM work will therefore be extended in 2025/26 to consider the impact of local government reorganisation on the council’s VFM arrangements.

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Reporting criteria	2024/25 significant weaknesses reported?	2025/26 planning: risk of significant weakness identified?	Risk based procedures include but are not limited to the following:
<b>Financial sustainability</b> How the body plans and manages its resources to ensure it can continue to deliver its services	No	No	Whilst we have not identified, at this stage, any risks of significant weakness, we will consider as part of our review the arrangements in place around the Council’s financial planning, including but not limited to the capacity to achieve recurrent savings.
<b>Governance</b> How the body ensures it makes informed decisions and properly manages risk	No	No	We have not at this stage identified any risks of significant weakness that require specific audit procedures. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.
<b>Improving economy, efficiency and effectiveness</b> How the body uses information about its costs and performance to improve the way it manages and delivers its services	No	No	We have not at this stage identified any risks of significant weakness that require specific audit procedures. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.



# Audit team and requirements

## Your core audit team

Partner	Director	Audit senior	Value for money
<p>Chris Brown <a href="mailto:Chris.Brown@azets.co.uk">Chris.Brown@azets.co.uk</a></p> <p>Chris is the key contact for senior management and has overall responsibility for audit quality and the audit opinion.</p>	<p>Bethany Hincks <a href="mailto:Bethany.Hincks@azets.co.uk">Bethany.Hincks@azets.co.uk</a></p> <p>Bethany is responsible for the overall management of the audit and quality assurance of audit work. She is the key contact for the finance team management.</p>	<p>Malintsa Mohapi <a href="mailto:Malintsa.Mohapi@azets.co.uk">Malintsa.Mohapi@azets.co.uk</a></p> <p>Malintsa leads the on and off-site audit visits. She is the key day-to-day contact for the finance team.</p>	<p>Bethany Hincks <a href="mailto:Bethany.Hincks@azets.co.uk">Bethany.Hincks@azets.co.uk</a></p> <p>Bethany will lead on our value for money work. She is responsible for meeting with Officers and Members and reviewing the arrangements for obtaining value for money.</p>

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## Our requirements

For us to be able to deliver the audit in line with the agreed fee and timetable, we require the following:

- ▶ Draft financial statements to be produced to a good quality by the deadlines you have agreed with us. These should be complete including all notes, the Narrative Report and the Annual Governance Statement;
- ▶ The provision of good quality working papers at the same time as the draft financial statements. These will be discussed with you in advance to ensure clarity over our expectations;
- ▶ The provision of agreed data reports at the start of the audit, fully reconciled to the values in the accounts, to facilitate our selection of samples for testing
- ▶ Ensuring staff are available and on site (as agreed) during the period of the audit;
- ▶ Prompt and sufficient responses to audit queries within three working days to minimise delays.

The audit process is underpinned by effective project management to ensure we co-ordinate and apply our resources efficiently to meet your deadlines. It is therefore essential that the audit team and the Council's finance team work closely together to achieve this timetable.



# Independence, objectivity and other services provided

The Ethical Standards and ISA (UK) 260 require us to give you full and fair disclosure of matters relating to our independence. In accordance with our profession’s ethical requirements and further to our audit plan issued confirming audit arrangements we confirm that there are no further facts or matters that impact on our integrity, objectivity and independence as auditors that we are required or wish to draw to your attention. We consider an objective, reasonable and informed third party would take the same view.

We confirm that Azets Audit Services and the engagement team complied with the FRC’s Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements. In addition, we have complied with the National Audit Office’s Auditor Guidance Note 01, which sets out supplementary guidance on ethical requirements for auditors of public sector bodies.

In particular:

- ▶ Non-audit services: We provide assurance services as set out below
- ▶ Contingent fees: No contingent fee arrangements are in place for any services provided
- ▶ Gifts and hospitality: We have not identified any gifts or hospitality provided to, or received from, any member of the Council, senior management or staff
- ▶ Relationships: We have no other relationships with the Council, its directors, senior managers and affiliates, and we are not aware of any former partners or staff being employed, or holding discussions in anticipation of employment, as a director, or in a senior management role covering financial, accounting or control related areas.

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## Non-audit service fees

Service	2025/26 Fee	Threats identified	Safeguards
Audit related: Certification of Housing Benefit Assurance Process (HBAP) claim (2025/26)	£28,000 +£2,000 per additional 40+ workbook (if required)	Self interest (recurring fee)  Self review  Management	The level of this recurring fee in and of itself is not considered a significant threat to independence, given the low level of the fee compared to the total fee for the audit and in particular compared to Azets’ UK turnover as a whole. The fee is fixed based on the volume of work required, with no contingent element. These factors, in our view, mitigate the perceived self-interest threat to an acceptable level.  Whilst housing benefit revenue and expenditure streams are within the financial statements, we do not complete the claim form. The focus of our work is solely testing the data in the claim form prepared by the management.  As above, the claim form is completed by management and any adjustments or amendments identified to the form during the certification work are discussed and agreed by management prior to submission of the certification report. We therefore consider these risks sufficiently mitigated.



# Fees

Our estimated fees for the year ending 31 March 2026 are shown to the right.

PSAA set a scale fee for each audit that assumes the audited body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. This scale fee is reviewed by PSAA each year and adjusted, if necessary, based on auditors' experience, new requirements, or significant changes to the audited body. The fee may be varied above the fee scale to reflect the circumstances and local risks within the audited body.

This fee is estimated based on our understanding at this point in time and may be subject to change. Our planned fee is on the basis that our expectations set out on the previous page are met.

It is our policy to bill for overruns or scope extensions e.g., where we have incurred delays, deliverables have been late or of poor quality, where key personnel have not been available, or we have been asked to do extra work.

The PSAA contract stipulates that fees must be raised upon completion of specific milestones:

- ▶ Issue of prior year's draft Auditor's Annual Report or Opinion issued, but not before 1 December
- ▶ Issue of the Draft Audit Plan
- ▶ Completion of 50% of planned hours
- ▶ Completion of 75% of planned hours

Audit fees	Proposed fee £
Scale fee: for the audit of the Council financial statements	158,705
Value for money: additional work required to meet the NAO's Code requirements in respect of the arrangements for local government reorganisation	TBC
Building back assurance: completion of planned work set out in this plan, including PPE build back, IFRS 16 work commenced in 24/25 and journals build back over disclaimed periods.	TBC
Enhanced disclaimer reporting: Additional work required to issue the disclaimer of opinion. This includes the extended reporting contained in this report and the audit plan, additional review and consultation requirements and additional file documentation requirements	TBC
<b>Total audit fees</b>	<b>158,705</b>

MHCLG has announced additional funding to Councils to support the cost of building back assurance. This is subject to draft accounts being published by 30 June 2026 and audit fees being paid.

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here: [Fee Variations Overview - PSAA](#).

Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:

- ▶ Actuarial valuation of the defined benefit pension liability
- ▶ RICS compliant valuation of land and buildings and investment property.



# Fees

The approximate total fees charged to the Council for the provision of services in 2025/26 is as follows:

Non audit fees for other services	Proposed fee £
Council audit	158,705
Total audit fee	158,705
Non audit services	28,000
Total fees charged	186,705





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## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** 2026-27 Internal Audit Annual Audit Plan  
**Report Author** Shared Service Audit Manager

#### 1. What is this report about?

- 1.1 The report outlines the proposed 2026/27 Internal Audit Annual Audit Plan for the Audit Committee to review and approve.

#### 2. Recommendation(s)

- 2.1 That the Audit Committee notes this report and comments as appropriate.  
2.2 That the 2026/27 Internal Audit Annual Audit Plan be approved.

#### 3. Reason for Decision(s) Recommended

- 3.1 To comply with the Global Internal Audit Standards and the CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector.

#### 4. Matters to consider

##### 4.1 Background

The Global Internal Audit Standards in the UK Public Sector require the authority's Audit Committee to review and approve the annual audit plan and resource requirements.

##### 4.2 Balance of advisory and assurance work

The 2026/27 Internal Audit Plan includes a deliberate balance of assurance audits and advisory activity, reflecting the scale and complexity of change anticipated during the year, particularly in relation to Local Government Reorganisation (LGR). Advisory work is undertaken in accordance with the Global Internal Audit Standards and provides independent, objective assurance over the design and implementation of governance, risk management and internal control arrangements at a critical stage. This approach enables Internal Audit to provide early assurance that key controls are being established appropriately, risks are being identified and mitigated, and statutory and governance requirements are being addressed.





# **INTERNAL AUDIT SHARED SERVICE**

**Blaby District Council**

**2026/27 Internal Audit Annual Plan**

## 1. INTRODUCTION

- 1.1 The Global Internal Audit Standards (GIAS) and the accompanying *Application Note: Global Internal Audit Standards in the UK Public Sector* require the Chief Audit Executive (Audit Manager) to develop a risk-based internal audit plan that supports the achievement of the organisation's strategic objectives. This Internal Audit Annual Plan for 2026/27 has been prepared in accordance with the GIAS, the UK Application Note, and the CIPFA *Code of Practice for the Governance of Internal Audit in UK Local Government (2025)*.
- 1.2 The plan sets out the audit approach for the year and explains how Internal Audit will continue to provide independent, objective assurance and advisory services designed to add value, assurance and improve the Council's operations. It also confirms the service's commitment to the **Seven Principles of Public Life (Nolan Principles)**, which form an essential part of ethical conduct under the UK Application Note.

## 2. BACKGROUND

- 2.1 The Council is responsible for maintaining adequate governance, risk management and internal control frameworks. Internal Audit contributes to this by providing independent assurance on the effectiveness of these frameworks and by supporting continuous improvement across the organisation.
- 2.2 Internal Audit's purpose, authority and responsibilities are defined in the Internal Audit Charter. The Charter confirms Internal Audit's unrestricted access to records, personnel, premises and information required to fulfil its duties, consistent with the requirements of the GIAS and the CIPFA Code.
- 2.3 Internal Audit provides both assurance and advisory work. Assurance engagements assess the adequacy and effectiveness of governance, risk management and internal controls. Advisory engagements provide insight and advice intended to enhance systems and processes, ensure that governance arrangements and internal controls are considered and implemented during implementation of changes and risks are appropriately managed. Management remains responsible for ensuring systems operate effectively.
- 2.4 In delivering its work, the Internal Audit function is committed to the IIA Code of Ethics, the Nolan Principles of Public Life, and the ethical expectations of the Global Internal Audit Standards.
- 2.5 The Three Lines of Defence Model (below) is a valuable framework that explains Internal Audit's role in providing assurance that the management arrangements over governance, risk and internal control are adequate and effective.



Source: Chartered Institute of Internal Auditors

### 3. INTERNAL AUDIT PLAN

#### 3.1. Overall Strategy

- 3.1.1 Internal Audit's overall aim is to provide an independent, objective assurance and advisory service that adds value and supports the Council in achieving its priorities. The Audit Manager has developed a **risk-based** annual audit plan in line with the Global Internal Audit Standards and the UK Application Note.
- 3.1.2 The Audit Manager has produced a risk-based annual audit plan for 2026/27. This is informed by a risk assessment which is based on a combination of:
- consulting with key stakeholders including senior management;
  - reviewing the strategic risk register and committee minutes;
  - reviewing reports from external agencies (for example external audit) and legislative updates;
  - factors such as changes in staffing, systems and processes; and
  - the Audit Manager's professional judgement.
- 3.1.3 This ensures that Internal Audit resources are directed where they will have greatest impact and supports the CIPFA Code's requirement for risk-based planning. This approach enables the finite resources of the team to be focussed on areas where it can add value and conforms to the Global Internal Audit Standards in the Public Sector.
- 3.1.4 The outcomes from audit engagements will inform the Audit Manager's annual opinion, which contributes to the Annual Governance Statement.
- 3.1.5 It should be noted that the Global Internal Audit Standards in the UK Public Sector state that
- "The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:
- The impact of any resource limitations on internal audit coverage.

- The rationale for not including an assurance engagement in a high-risk area or activity in the plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.”

3.1.6 The Audit Manager will ensure that the audit plan is regularly reviewed and adjusted as necessary throughout 2026/27. In practice this may mean that audits are added to or removed from the plan, with details included in the quarterly progress reports.

### 3.2 Coordination with other Assurance Providers

3.2.1 In accordance with the Global Internal Audit Standards and the UK Application Note, Internal Audit will continue to coordinate its work with other internal and external assurance providers wherever possible to minimise duplication, share intelligence, and strengthen assurance coverage.

### 3.3 Resources Available

3.3.1 The Internal Audit resource assessment complies with Standard 8.2 of the Global Internal Audit Standards and the CIPFA Code requirement to ensure sufficient and appropriate resources. The total available audit days for 2026/27 have been calculated transparently, taking into account current vacancies in the Internal Audit Assistant and Internal Audit Apprentice posts. A contingency has been built into the plan to mitigate resource risks and ensure delivery of priority work.

3.3.2 The Audit Manager will notify senior management and the Audit and Corporate Governance Committee of any impact arising from resource limitations, in line with GIAS requirements.

**Table 1: Resources Available**

<b>Available Days</b>	<b>264</b>
Team and Contract Management / Annual Opinion/ Annual Plan/Audit Committees/Progress Reports/External Audit/ Audit related meetings	43
Corporate Meetings/General Admin/ Minutes Review/Regional Audit Groups	8
<b>Available Audit Days</b>	<b>213</b>

### 3.2. Internal Audit Annual Plan 2026/27

3.3.1 The proposed 2026/27 Annual Audit Plan is shown in Table 2 below and the detailed plan is shown in Appendix A. The Plan will be subject to ongoing review to ensure that it remains aligned with the Council’s objectives and the risks identified by management and the audit team. Any changes will be reported to the Senior Leadership Team and the Audit and Corporate Governance Committee.

**Table 2: 2026/27 Annual Audit Plan**

Risk Based Audit Work 2026/27 (see Appendix A) delivered in house	170
Completion of 2025/26 Outstanding Audits	17
Follow up reviews	6
Advisory – Ad hoc	6
NFI, Fraud	4
Global Internal Audit Standards in the UK Public Sector	7
Stock takes/Strong Room Records	1
Contingency	2
<b>Total Audit Days</b>	<b>213</b>

3.3.2 The timings shown within the Internal Audit Annual Plan are estimates based on time taken on previous similar audits and a high-level consideration of the scope and existing arrangements. As part of the set-up process for each audit engagement the scope of the audit will be agreed in detail and a more accurate budget for audit days will be set. A contingency has been included in the plan to allow for variances in planned audit days against actual and for ad-hoc or fraud investigations that may arise during the year. The quarterly progress reports to Audit and Corporate Governance Committee will include a comparison of planned to actual days for each audit undertaken.

### 3.4 Limitations

3.4.1 The matters raised in the audit reports will only be those which come to our attention during internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or all the improvements that may be required. Whilst every care will be taken to ensure that the information contained in audit reports is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained therein. Our work does not provide absolute assurance that material errors, losses or fraud do not exist.

## 2026/27 INTERNAL AUDIT ANNUAL PLAN

AUDIT AREA	TYPE	TIMING	STRATEGIC THEMES	RISK REGISTER (WHERE APPLICABLE)	PLANNED AUDIT DAYS
<b>ICT &amp; TRANSFORMATION</b>					
ICT - Governance	Audit	Q3	5	R017, R018	15
ICT - Cyber Security	Audit	External IT Auditor	5	R017, R018	10
Customer Journey/ Experience and Standards	Advisory	Q3	5		12
HR - iTrent system	Advisory	As required	5	R017	2
			<b>Subtotal</b>		<b>39</b>
<b>NEIGHBOURHOOD SERVICES &amp; ASSETS</b>					
Food Waste Service	Audit	Q1	1		8
MOT's	Advisory	As required	5		2
Garden Waste	Audit	Q2	1		2
Whitespace system	Advisory	As required	5	R017	2
Waste Services Follow-up	Advisory	As required	1		2
CCTV - Policy and Process	Advisory	As required	1		2
			<b>Subtotal</b>		<b>18</b>
<b>ENVIRONMENTAL HEALTH, HOUSING &amp; COMMUNITY SERVICES</b>					
Disabled Facilities Grant Determinations	Grant	Q1/2	1		3
Temporary Accommodation	Advisory	As required	1	R019, R071	4
Renter's Rights Preparedness	Advisory	As required	1	R008	3
			<b>Subtotal</b>		<b>10</b>
<b>CORPORATE SERVICES &amp; MONITORING OFFICER</b>					
ModGov System	Advisory	As required	5	R017	2
Building Safety Levy	Advisory	As required	2	R131	2
			<b>Subtotal</b>		<b>4</b>

<b>FINANCE</b>					
Key Financial Systems	Audit	Q3/Q4	All	R004, R008	40
Budget Management	Audit	Q2	All	R004	8
Income Collection	Advisory	As required	All	R004	2
Benefits Subsidy	Advisory	As required	1,5	R004	5
				<b>Subtotal</b>	<b>55</b>
<b>ASSETS &amp; MAJOR PROJECTS</b>					
A Place to Grow	Advisory	As required	1,3		2
UKSPF	Audit	Q1	3		2
				<b>Subtotal</b>	<b>4</b>
<b>PLANNING &amp; STRATEGIC GROWTH</b>					
Planning Enforcement	Audit	Q4	2,3	R002	12
Planning Governance	Audit	Q2	2,3,5	R002	15
Development Management - Pre application Service	Advisory	As required	2,3	R002	2
				<b>Subtotal</b>	<b>29</b>
<b>CROSS CUTTING</b>					
Culture	Audit	Q1/2	All		15
Devolution/ LGR	Advisory	As required	All	LGR Risk Register	6
				<b>Subtotal</b>	<b>21</b>
				<b>Total</b>	<b>180</b>

**Key – Strategic Themes 2024-2028**

1. Enabling our communities and supporting our vulnerable residents
2. Enhancing and maintaining our natural and built environments
3. Growing and supporting our economy
4. Keeping you safe and healthy
5. Ambitious and well-managed Council, valuing our people

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## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** Annual Report of the Audit & Corporate Governance  
**Report Author** Committee 2025-26  
Shared Service Audit Manager

#### 1. What is this report about?

- 1.1 The report is to detail how the committee has complied with the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022.

#### 2. Recommendation(s)

- 2.1 To agree the content on the report in advance of it being presented to Council.
- 2.2 The report is presented at Council to be noted.

#### 3. Reason for Decision(s) Recommended

- 3.1 To ensure compliance with the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022

#### 4. Matters to consider

##### 4.1 Background

In May 2022, the Chartered Institute of Public Finance & Accountancy (CIPFA) published a revised and updated edition of the document *Position Statement: Audit Committees in Local Authorities and Police 2022*. In addition to the statement CIPFA also released guidance documentation in October 2022 – *Audit committees: practical guidance for local authorities and police*.

##### 4.3 Relevant Consultations

Not applicable

##### 4.4 Significant Issues

None.

**5. What will it cost and are there opportunities for savings?**

5.1 No costs or opportunities for savings in the context of this report.

**6. What are the risks and how can they be reduced?**

6.1 There are no risks relating to this report.

**7. Other options considered**

7.1 Not applicable.

**8. Other significant issues**

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

**9. Appendix**

9.1 Appendix 1 – Annual Report of the Audit & Corporate Governance Committee 2025-26.

**10. Background paper(s)**

[CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022](#)

**11. Report author's contact details**

Cllr Mark Jackson                      Chair of Audit & Governance Committee

Kerry Beavis                              Audit Manager

Kerry.beavis@blaby.gov.uk

**AUDIT & CORPORATE GOVERNANCE COMMITTEE  
ANNUAL REPORT  
2025/26**

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## FOREWORD

As Chair of the Audit and Corporate Governance Committee, I am pleased to present this Annual Report which sets out the role of the Committee and summarises the work and achievements we have undertaken as a committee during the financial year 2025/26.

It is my duty to commend the 2025/26 Audit Committee Annual Report.

Effective audit committees build strong relationships, so we intend to collaborate with management, external auditors, and other stakeholders.

In particular, it is pleasing to report that in such febrile times for local councils, that is, with the imminent prospect of fundamental changes, the first in half a century; because of *Local Government Reform* (LGR); Blaby District Council can rightly claim the status of a going concern, which is risk averse but has the resources and willingness to adapt to such challenges, financial or organisational, that may present themselves in the relative short and medium term. The aim and objective of BDC is to be the standard bearer of excellence for whatever form future LGR councils become in Leicestershire and Rutland.

My personal thanks as Committee Chair go to the BDC Finance Team from every level up to Director, the independent Internal Audit Team for their excellence in driving the work of the Committee plus providing its training programme and not least the Democratic Services Team that support the Committee so consistently well.

Our independently appointed external auditors Azets too deserve recognition and thanks. Clarity and timeliness of reporting is, like a breath of fresh air, most welcome.

Lastly, my thanks go to fellow Committee members, both elected and independently appointed for their consistent support through the quality and quantity of their questions and suggestions during our work.

Cllr Mark Jackson

Chair, Audit and Corporate Governance Committee

April 2026

## 1. INTRODUCTION

While there is no statutory obligation to have such an arrangement, Audit Committees are widely recognised as a core component of effective governance and therefore reflect good practice. The CIPFA (Chartered Institute of Public Finance and Accountancy) Position Statement also states that *“Audit Committees are a key component of an authority’s governance framework. Their function is to provide an independent and high-level resource to support good governance strong public financial management.”*

The Blaby District Council (BDC) Audit and Corporate Governance (ACG) Committee is properly constituted and as such is given sufficient authority and resources by the Council. In effect, the Committee has the right to obtain all the information it considers necessary and to consult directly with senior managers. In line with best practice the Committee can report its observations and concerns directly to the Council.

A local authority has a duty to ensure that it is fulfilling its responsibilities for adequate and effective internal control, risk management and governance, as well as the economy, efficiency, and effectiveness of its activities. The Committee has a key role in overseeing and assessing the internal control, risk management and corporate governance arrangements and advising the Council on the adequacy and effectiveness of those arrangements.

This role is reflected in the Committee’s Functions, as detailed in the Council’s Constitution. During May 2022 CIPFA published its update Position Statement on Audit Committees in Local Authorities and Police, this was supported by guidance, published in October 2022, ‘Audit Committees – Practical guidance for Local Authorities and Police’, an update from 2018.

## 2. HIGHLIGHTS OF THE YEAR

There have been many benefits from the work of the Committee. The main outcomes and improvements include:

- a) Received and approved the 2024/25 Accounts.
- b) Received risk register updates at each of its meetings.
- c) Training received for Committee Members.
- d) Received and approved the Internal Audit Plan for 2025/26.
- e) Received and approved the External Audit Planning Report from the external auditors, Azets, for 2024/25.

### **3. SUMMARY OF WORK UNDERTAKEN**

#### **3.1 EXTERNAL AUDIT**

- a) Received and approved the Statement of Accounts for 2024/25.
- b) Received and approved the Annual Audit Report 2023/24.
- c) Received and approved the Annual Audit Report 2024/25.
- d) Received and approved the External Audit Planning Report from the external auditors, Azets, for 2024/25.
- e) Received updates on a regular basis on the build back and backstop dates in relation to the audit assurance of the statement of accounts.

#### **3.2 INTERNAL AUDIT**

- a) Continued to oversee the internal audit arrangements for the Council.
- b) Received and approved the Internal Audit Annual Report for 2024/25. This included the Annual Audit Opinion on the adequacy and effectiveness of the framework of control, risk management and governance within the Council.
- c) Received and approved the Internal Audit Charter and Mandate.
- d) Received and approved the Internal Audit Strategy.
- e) Received and approved the Internal Audit Plan for 2025/26. The plan ensures that internal audit resources are prioritised towards those systems and areas which, are considered to be of high risk, or which contribute most to the achievement of the Council's corporate objectives. It is designed to enable the Internal Audit Manager to give her opinion at the end of the year but is flexible to ensure it remains relevant throughout the year.
- f) Monitored the delivery of the Internal Audit Plan for 2025/26 through regular update reports presented by the Audit Manager.
- g) Received and considered the results of internal audit work performed in respect of each Directorate.
- h) Monitored the progress made by management during the period to address identified control weaknesses (recommendations).

- i) Monitored the performance of the Internal Audit team through the regular update reports.

### **3.3 RISK MANAGEMENT**

- a) Continued to oversee the Council's risk management arrangements.
- b) Received quarterly corporate risk updates.
- c) Reviewed the progress made by the Council to identify and address corporate risks. This included consideration of the Corporate Risk Register.

### **3.4 CORPORATE GOVERNANCE**

- a) Ensured the work plan for the year ahead, covered all relevant areas during the year.
- b) Reviewed the Annual Governance Statement prior to it being considered by Cabinet.

### **3.5 FINANCE**

- a) Reviewed and approved the proposed Accounting Policies to be used in the preparation of the 2024/25 Statement of Accounts.

## **4. TRAINING & DEVELOPMENT**

- a) Members have completed a self-assessment against CIPFA Guidance for Local Authority Audit Committees. The assessments will be used to inform an ongoing training programme for Members and assist in the recruitment of a second independent member.
- b) Members have received training in respect of Global Internal Audit Standards and expanded their understanding of Internal and External Audit Functions.

## **5. LOOKING FORWARD**

- a) The Committee approved the work programme for the 2026/27 financial year setting out the receipt of regular update reports and annual assurance reports.
- b) The Committee will continue to closely monitor the publishing of the Council's Statement of Accounts.
- c) Continued training and development, as required, of Members in line with the CIPFA Position Statement.
- d) Begin the recruitment of a second independent person to the Committee following the update of the skills and knowledge audit for committee members.
- e) Continue to review the functions of the Committee in line with the CIPFA Position Statement.

## **6. FUNCTIONS OF THE AUDIT & CORPORATE GOVERNANCE COMMITTEE**

### **FUNCTIONS**

#### **1. Governance, Risk and Control**

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

#### **2. Financial and Governance Reporting**

##### **Governance Reporting**

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

##### **Financial reporting**

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

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

### **3. Arrangements for audit and assurance**

#### **External audit**

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To consider additional commissions of work from external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

#### **Internal audit**

- To approve the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
  - regular reports on the results of the QAIP

- reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit’s annual report, including:
  - the statement of the level of conformance with the PSIAS and LGAN and the results of the Quality Assurance and Improvement Programme (QAIP) that support the statement (these will indicate the reliability of the conclusions of internal audit)
  - the opinion on the overall adequacy and effectiveness of the council’s framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations.
- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

#### **4. Accountability Arrangements**

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

## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** **Accounting Policies 2025/26**  
**Report Author** Finance Group Manager

#### 1. What is this report about?

- 1.1 The report sets out the proposed accounting policies that will be followed by the Council in the preparation of its annual Statement of Accounts for 2025/26.

#### 2. Recommendation(s)

- 2.1 It is recommended that the accounting policies set out in Appendix A are approved.

#### 3. Reason for Decision(s) Recommended

- 3.1 The Council should select appropriate accounting policies to be applied in the preparation and presentation of its annual Statement of Accounts.
- 3.2 It is considered good practice for the Audit and Corporate Governance Committee to review and comment upon the proposed accounting policies to be used in the preparation of the Council's annual accounts.

#### 4. Matters to consider

##### 4.1 Background

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an annual Statement of Accounts in accordance with proper accounting practices. This means that our accounts should comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), and various International Financial Reporting Standards (IFRS).

The Code defines accounting policies as “the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements”.

Accounting policies represent one of the key notes that support the Financial Statements. It is important that the Council selects appropriate policies for all material transactions and balances. Examples of these include revenue

recognition, non-current assets, and retirement benefits. It is also important that those policies, once developed, are applied in practice.

Policies do not need to be disclosed in respect of immaterial transactions or balances, or where they are not applicable to the Council. They are reviewed and updated annually to reflect changes to the Code, accounting standards, or statutory guidance.

#### 4.2 Changes in Accounting Policies in 2025/26

The 2025/26 Code of Practice introduces the following new accounting standards from 1<sup>st</sup> April 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)
- IFRS 17 Insurance Contracts
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for property, plant and equipment, requiring indexation for non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy

These new standards, are expected to have little or no impact on the content or substance of the Council's accounts.

#### 4.3 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

### **5. Environmental impact**

5.1 No Net Zero and Climate Impact Assessment (NZCIA) is required for this report.

### **6. What will it cost and are there opportunities for savings?**

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

## 7. What are the risks and how can they be reduced?

### 7.1

Current Risk	Actions to reduce the risks
That the accounting policies might not reflect changes to the Code or accounting standards.	Annual review of the existing accounting policies to ensure compliance with the latest Code.
That the accounting policies may not reflect materiality.	The annual review seeks to ensure that policies are in place for all material transactions and balances, and that policies are not included where the transactions and balances related to those policies are not material.

## 8. Other options considered

8.1 Not to present the accounting policies to Audit and Corporate Governance Committee. However, it is considered good practice to give Members early sight of the policies on which the financial statements will be based. The external auditors will also require evidence that the policies have been considered and approved by those charged with governance.

## 9. Appendix

9.1 Appendix A – Accounting Policies 2025/26

## 10. Background paper(s)

10.1 None.

## 11. Report author's contact details

Jo Davis Accountancy Services Manager  
Joanne.davis@blaby.gov.uk 0116 272 7625

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## 1 . Accounting Policies

### i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-ended 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

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

The Council's accounting policies have been developed to ensure that, as far as possible, the Council's accounts are understandable, relevant, free from material error or misstatement, reliable and comparable, and are applied consistently.

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the common needs of most users.
- The objective of showing the results of stewardship and accountability of elected members and management of the resources entrusted to them.
- The underlying assumption of going concern.

#### Going Concern Basis:

The provisions in the Code of Audit Practice in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. Therefore, it would not be appropriate for local authority financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a local authority's services will continue to operate for the foreseeable future.

The Council updated its Medium-Term Financial Strategy (MTFS) in February 2026 as part of the 2026/27 budget setting process. The MTFS sets out the financial forecast for the period through to 2030/31. Central Government have undertaken a fair funding review and a reset of the business rates baseline, both of which reduce the funding the Council receive going forward. The Draft Financial Settlement was announced on 18th December 2025 with a 3-year settlement covering 2026/27 to 2028/29. The final Settlement was received on the 9th February 2026 and following the consultation responses to the Draft Settlement, the Ministry for Housing Communities and Local Government (MHCLG) identified an error in their approach to the treatment of compensating authorities for lost income from growth in Business Rates and Income from the Business Rate Pools. The Final Settlement included the adjustments to correct the error. To offset the impact of this and the reduction of funding an Adjustment Support Grant had been included for 2026/27, however this is only included in the settlement for 2026/27 with no commitment that the grant will

continue for future years. A balanced budget was set for 2026/27, however this was supported by releasing funds from earmarked reserves and balances. An increase in demand on the Councils Services has been seen over the past year, particularly within the Homelessness Service, and demand for Temporary Accommodation reaching peak levels. There are increasingly significant budget shortfalls forecast from 2027/28 onwards with these pressures expected to continue. There is also considerable uncertainty over the future nature and level of central government funding. Defra funding of £1.5m was received for Extended Producer Responsibility for Packaging in 2025/26 and funding estimations have been included in the MTFS in future years, however MHCLG have recently raised concerns over the longevity of this funding stream. There is further uncertainty with the forthcoming Local Government Reorganisation (LGR), with no confirmation of how this will be funded and the impact on the Council's financial position. An allowance of £700,000 has been included in the 2026/27 budget for LGR, however further costs are expected to be incurred in future years as the Council transitions towards the new Unitary Authority.

In mitigation, the Council's balances and reserves are robust and this helps to underpin the assessment of going concern. Furthermore, the Council's cash flow forecast demonstrates that cash balances will remain in a positive position for a minimum of 12 months from the approval of these accounts, meaning that the going concern basis of accounting will continue to apply for the foreseeable future.

## ii. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when, or as, the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for respectively as expenditure and income based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Expenditure is accrued where goods or services have been received before 31 March but the invoice relating to the goods or services is paid after 31 March. Similarly, income is accrued where it is due before 31 March, but an invoice has not been raised, or payment has not been received. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue, in financing and investment income and expenditure, for the income that might not be collected.

## iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that

mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

#### iv. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

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

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

#### v. Charges to Revenue for Non-Current Assets

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

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

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

In September 2022, the Council approved a change in its MRP Policy, effective from 1<sup>st</sup> April 2022.

- For supported capital expenditure incurred before 1st April 2008, the Council will apply the Asset Life Method using an annuity calculation over 50 years.
- For unsupported borrowing undertaken after 1<sup>st</sup> April 2008, MRP will be charged on an annuity basis over the weighted average life of the assets in question.

#### vi. Council Tax and Business Rates

The Council, as a billing authority, acts as agent in the collection of council tax and business rates (or non-domestic rates/NDR) on behalf of the major preceptors and government. The Council is principal in terms of collecting council tax and business rates for itself. Billing authorities are required by statute to maintain a separate account, known as the Collection Fund, for the collection and distribution of amounts due in respect of council tax and business rates. Under the legislative

framework, billing authorities, major preceptors, and central government (for NNDR) share proportionately the risks and rewards that the amount of council tax and business rates collected could be less or more than predicted.

## Accounting for Council Tax and Business Rates

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of the accrued income for the year. However, regulations determine the amount of council tax and business rates that must be included in the General Fund. As a result, the difference between the income included in the CIES and the amount credited to the General Fund under regulation is credited to the Collection Fund Adjustment Account and included as a reconciling amount in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the year end balances in respect of council tax and business rates arrears, impairment allowances for doubtful debts, overpayments and prepayments, and appeals.

Where debtor balances for the above are identified as impaired, due to a likelihood arising from a past event that payment might not be received, the balance is written down and a charge made to the Taxation and Non-Specific Grant Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

### vii. Employee Benefits

**Benefits Payable During Employment** – short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement to the Short-Term Accumulated Absences Account, so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

**Termination Benefits** – termination benefits are amounts payable because of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accrual's basis to the appropriate service or, where applicable, to the Non-Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

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

**Post-Employment Benefits** – employees of the Council are members of the Local Government Pensions Scheme, administered by Leicestershire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

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

- The liabilities of the Leicestershire pension scheme attributable to the Council are included in the balance sheet on an actuarial basis using the projected unit method – that is, an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and so on, and estimates of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate set by the actuary.
- The assets of the pension fund attributable to the Council are included in the balance sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property - market value

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

Service cost comprising:

- current service cost – the increase in liabilities because of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
- past service cost – the increase in liabilities because of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Net interest on the net defined benefit liability, that is net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments

Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Local Government Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to

remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

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

#### viii. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

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

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

#### ix. Financial Instruments

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

For the type of borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

#### Financial Assets

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

- Amortised cost
- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)

The Council’s business model is to hold investments to collect contractual cash flows. Financial assets are, therefore, measured at amortised cost. The only exception to this would be financial

assets whose contractual payments are not solely payment of principal and interest, that is where the cash flows do not take the form of a basic debt instrument.

### **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

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

### **Expected Credit Loss Model**

Where material, the Council recognises expected credit losses on its financial assets held at amortised cost, either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

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

### **Financial Assets Measured at Fair Value through Profit or Loss**

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

### **Fair Value Measurements of Financial Assets**

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price.
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

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

#### x. Government Grants and Contributions

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

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

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

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

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

#### xi. Heritage Assets

Heritage assets are assets that are held principally for their contribution to knowledge or culture. The Council's only heritage asset is the Ice House situated in the grounds of Bouskell Park, Blaby, a grade 2 listed building. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example, where an asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note xvi below.

#### xii. Intangible Assets

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

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods and services.

Intangible assets are initially measured at cost. Amounts are only revalued where the fair value of assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

### xiii. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. They are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is also applied to gains or losses on disposal.

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

### xiv. Leases

#### The Authority as Lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with £nil consideration, peppercorn, or nominal payments.

#### Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit

in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- Amounts expected to be payable under a residual value guarantee.
- The exercise price under a purchase option that the authority is reasonably certain to exercise.
- Lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option.
- Penalties for early termination of a lease unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or £nil consideration leases, the asset is measured at fair value.

### Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- Assets held under non-commercial leases.
- Leases where rent reviews do not necessarily reflect market conditions.
- Leases with terms of more than five years that do not have any provision for rent reviews.
- Leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- There is a change in future lease payments arising from a change in index or rate.
- There is a change in the group's estimate of the amount expected to be payable under a residual value guarantee.
- The authority changes its assessment of whether it will exercise a purchase, extension, or termination option, or
- There is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

### Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- For low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and
- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

### Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments, and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairment are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

## The Authority as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant, or equipment from the lessor to the lessee. All other leases are classified as operating leases.

### Finance Leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the

capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve (England and Wales) in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve (England and Wales).

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

## Operating Leases

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

## xv. Overheads and Support Services

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

## xvi. Property, Plant and Equipment

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

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

**Measurement** – assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. The Council revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where the Council cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of service where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

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

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

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

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

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

**Depreciation** – depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for

assets without a determinable finite useful life (that is, freehold land and certain community assets) and assets that are not yet available for use (that is, assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture, and equipment – straight-line allocation over the useful life of the asset, based on the historic cost of that asset.
- Infrastructure – straight-line allocation over 1 to 15 years

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

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

Additions are depreciated for six months of the accounting period in which they are acquired irrespective of when in the year they were acquired by the Council.

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

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

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

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

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

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

## xvii. Provisions, Contingent Liabilities and Contingent Assets

**Provisions** – Provisions are made where an event has taken place on or before the Balance Sheet date:

- That gives the Council a present obligation.
- That probably requires settlement by a transfer of economic benefits or service potential.
- Where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists on the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

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

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

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

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

## xviii. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then

transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

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

#### xix. Revenue Expenditure Funded from Capital under Statute

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

#### xx. Value Added Tax (VAT)

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

## Blaby District Council

### Audit & Corporate Governance Committee

**Date of Meeting** 27 April 2026  
**Title of Report** Risk Management Quarter 4 2025/26  
**Report Author** Council Tax Income & Debt Manager

#### 1. What is this report about?

- 1.1 The report provides Audit and Corporate Governance Committee with an update in relation to the Council's Corporate Risk Register up to 31st March 2026.

#### 2. Recommendation(s)

- 2.1 That the latest information in respect of the Council's major corporate risks is accepted.

#### 3. Reason for Decision(s) Recommended

- 3.1 The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee. It is important that members are aware of the corporate risks and their potential impact on Council business, and that they review the control measures in place to mitigate risks.

#### 4. Matters to consider

##### 4.1. Background

The management of risk is a critical success factor in terms of an organisation achieving its objectives. The Audit and Corporate Governance Committee, supported by Internal Audit, has the role of evaluating the effectiveness of the Council's risk management procedures, and commenting upon areas of improvement as appropriate.

Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

Risk Score	Matrix Category
16-25	High
9-15	Medium
1-8	Low

Further information is contained within the Risk Management Strategy which was presented to this Committee in July 2023.

## 4.2 Corporate Risk Register

The Corporate Risk Register captures the most significant current risks that have a potential impact on the Council's strategic aims and objectives. Updates on the latest corporate risks are presented to Audit and Corporate Governance Committee every quarter.

Corporate Risks are monitored by the Corporate Risk Group which comprises the Chief Executive, the Executive Directors, the Finance Group Manager, the Group Manager - Corporate Services & Monitoring Officer and the Council Tax Income and Debt Manager. The Corporate Risk Group met on 17<sup>th</sup> March 2026 to review and update the Corporate Risk Register, ensuring that it properly reflects the current corporate risks and that actions are in place to mitigate those risks. A copy of the Corporate Risk Register is included at Appendix A, and this sets out each risk, an assessment of the degree of risk to the Council, and any control measures that are in place to mitigate the likelihood and impact of the risk occurring.

The following table summarises the number of corporate risks before any control measures are put in place (i.e., uncontrolled risks).

<b>All Corporate Risks – Uncontrolled Rating Summary</b>			
<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
16	11	0	27

The corporate risks, once control measures have been put in place, i.e., controlled risks, are as follows:

<b>All Corporate Risks – Controlled Rating Summary</b>			
<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
3	9	15	27

Since the last quarterly report to Audit and Corporate Governance Committee on 9<sup>th</sup> February 2026, 1 new risk has been added to the register in relation to The Council's Residential Stock does not meet the required standards, including Health and Safety, Decent Homes Standards and Awabb's Law - R184, which means that there are now 27 corporate risks recognised.

Overall, 16 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, 13 of these are reduced to medium or low risk.

The latest review undertaken by the Corporate Risk Group has led to no risk scores being increased and 2 risk scores being decreased.

Reduced risks:

**R017 – Failure of ICT systems.**

This risk has been reduced due to the adequate internal controls in place and the unlikelihood of this occurring.

**R018 – ICT security breaches and non-compliance with Government security standards.**

This risk has been reduced due to the adequate internal controls in place and the unlikelihood of this occurring.

There is a change to an existing risk to note in relation to R131 - That the Leicestershire Building Control Partnership is unable to deliver the service due to lack of in-house capacity and/or the costs of employing consultants. This risk has been updated with regards to the title of the risk which was previously R131 - Effectiveness and Partners lose confidence in the Leicestershire Building Control Partnership delivery model. Additional internal controls have also been added to this risk.

4.3 Local Government Reorganisation (LGR) Risk Register

This register is fully incorporated into the Council's risk management procedures and is also subject to review by the Corporate Risk Group on a quarterly basis.

Since the last quarterly report to Audit and Corporate Governance Committee on 9<sup>th</sup> February 2026, no new risks have been added to the register.

The following table summarises the number of LGR risks before any control measures are put in place (i.e., uncontrolled risks).

<b>All LGR Risks – Uncontrolled Rating Summary</b>			
<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
2	1	0	3

The LGR risks, once control measures have been put in place, i.e., controlled risks, are as follows:

<b>All LGR Risks – Controlled Rating Summary</b>			
<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
0	3	0	3

Overall, 2 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, both are reduced to medium or low risk.

The latest review undertaken by the Corporate Risk Group has led to no changes to the risk scores.

Once an LGR decision has been notified to the Council, a further review of this risk register will be conducted accordingly.

#### 4.4 Service and Project Risk Registers

Service risks are those which are more related to operational and service delivery matters. They are maintained on a separate risk register and are subject to quarterly monitoring by Service Managers to ensure that they remain up to date and have not become obsolete. Group Managers will provide an overview of the service risks on a quarterly basis, but service risks will not be reported to Audit and Corporate Governance Committee other than in exceptional circumstances.

Project risks are managed through the Council's project management framework, with risk registers maintained for corporate projects and high-profile service projects. These are monitored through individual project teams and by the Senior Leadership Team sitting as Programme Board.

#### 4.5 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern

### 5. **Environmental impact**

5.1 In preparing this report, the author has considered issues related to Climate Local and there are no areas of concern.

### 6. **What will it cost and are there opportunities for savings?**

6.1 There are no direct financial implications arising from this report. However, financial implications may arise because of inadequate risk management, but with robust procedures in place they are minimised or removed

## 7. What are the risks and how can they be reduced?

### 7.1

Current Risk	Actions to reduce the risks
If risks are not monitored, then the Council may not be aware of possible events arising.	Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate.
If risks are not effectively managed through mitigation, risks identified cannot be minimised and may have a significant impact on the Council.	Mitigating control measures are in place and monitored through Audit and Corporate Governance Committee, Corporate Risk Group and by Senior Leadership Team/Group Managers.

## 8. Other options considered

8.1 None. It is a requirement of the Risk Management Strategy that regular reports are brought to Audit and Corporate Governance Committee.

## 9. Appendix

9.1 Appendix A – Corporate Risk Register

9.2 Appendix B – Local Government Reorganisation (LGR) Register

## 10. Background paper(s)

Risk Management Strategy 2023 – 2026.

## 11. Report author's contact details

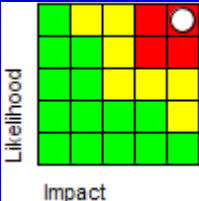
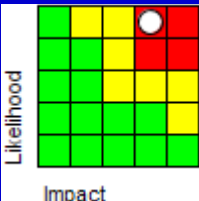
Sarabjit Khangura  
Sarabjit.Khangura@blaby.gov.uk

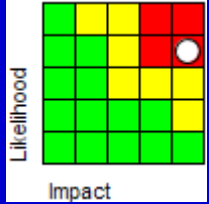
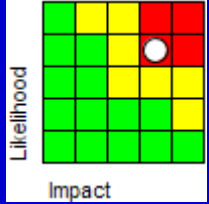
Council Tax Income and Debt Manager  
0116 272 7646

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## Appendix A - Overview of Corporate Level Risks

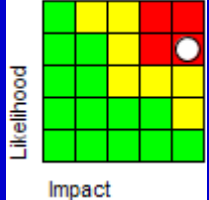
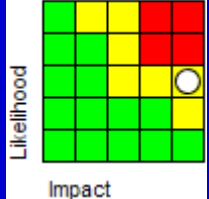
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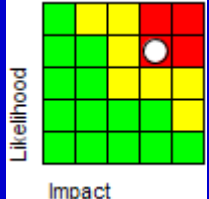
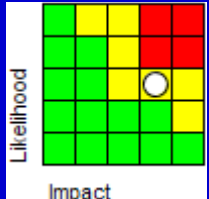
<b>Risk Code &amp; Title</b>	<b>R013 Failure to provide affordable housing and supporting infrastructure in the district in line with identified need.</b>	<b>Uncontrolled Risk Score</b>		<b>25</b>
<b>Consequence / Impact Description</b>	This would increase the level of homelessness cases and create additional pressure on the Council's services and finances.	<b>Current Controlled Risk Score</b>		<b>20</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Agreement on countywide housing distribution</li> <li>• Council adoption of appropriate housing needs policies</li> <li>• Feedback to consultation processes</li> <li>• Input into Strategic Planning Groups</li> <li>• Review of options to deliver affordable housing &amp; balanced housing market</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

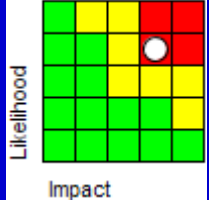
<b>Risk Code &amp; Title</b>	<b>R007 Impact on financial position as a result of lack of certainty around future funding streams (i.e. Settlement Funding, Extender Producer Responsibility for Packaging Funding and also costs associated with LGR), and cost of living crisis.</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	There could be a negative impact on delivery of services affecting residents, businesses and resources.	<b>Current Controlled Risk Score</b>		<b>16</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Awareness &amp; Understanding of national policy changes</li> <li>• Balanced budget approved</li> <li>• Deliver Action Plan of Commercialisation Strategy</li> <li>• Maintain an awareness of changing priorities</li> <li>• MTFS in place</li> <li>• Strategy to maximise growth of Business Rates</li> <li>• Working with significant partners</li> <li>• Maintain adequate level of reserves</li> <li>• Financial plan now in place with measures to reduce the budget gap.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating. Although a 3 Year Settlement has now been received there are still some concerns associated with the certainty of Extended Producer Responsibility funding levels and costs associated with Local Government Reorganisation.	
		<b>Latest Note Date</b>	10 Apr 2026	

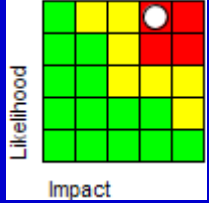
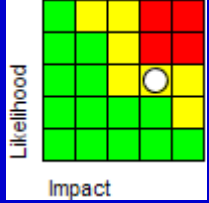
<b>Risk Code &amp; Title</b>	<b>R158 The Council is unable to meet its 5 year land supply target</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	Without a 5 year Housing land supply, speculative development could take place across the district. There would be no control over development and to create the capacity of the 5 year housing land supply. The Council would not meet it's housing targets or operate with the new national planning framework.	<b>Current Controlled Risk Score</b>		<b>16</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Re-establish land supply through new local plan</li> <li>• Ensure that Planning Committee are sufficiently well-trained to be able to approve favourable housing applications</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R019 Cost of living crisis and other external factors impacting on services.</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	Leading to an increased demand for the Council's services.	<b>Current Controlled Risk Score</b>		<b>15</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• CAB service</li> <li>• Earmarked reserve in place to support cases of serious hardship</li> <li>• Communication with food banks to be able to provide support</li> <li>• Supporting residents in times of crisis</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating. As confirmed by Cabinet in the responses to Scrutiny's Budget Recommendations, the criteria for the hardship reserve held by the Council is being reviewed, and other mechanisms are being considered to help support residents who are facing hardship. There is a potential that if fuel prices do not reduce this could have an impact on our residents and the Council budget – this will continue to be monitored.	
		<b>Latest Note Date</b>	10 Apr 2026	

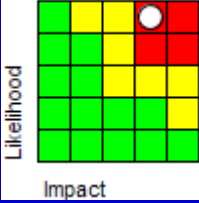
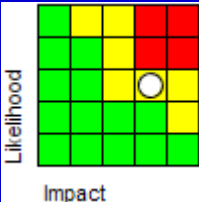
<b>Risk Code &amp; Title</b>	R184 The Council's Residential Stock does not meet the required regulatory standards, including Health and Safety, Decent Homes Standards and Awabb's Law	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	This results in poor health and wellbeing outcomes for our tenants and leaves the Council exposed to judicial challenge and compensation claims.	<b>Current Controlled Risk Score</b>		<b>15</b>
<b>Internal Controls</b>	Robust regulatory oversight through the Housing Management Group and Board to ensure health and safety compliance and the welfare of our tenants is assured.	<b>Latest Note</b>	New Risk added to the Corporate Risk Register following the Q4 meeting held 17 <sup>th</sup> March 2026.	
		<b>Latest Note Date</b>	14 <sup>th</sup> April 2026	

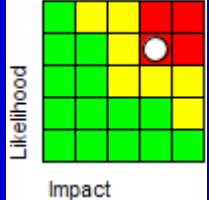
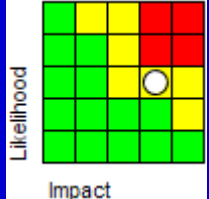
<b>Risk Code &amp; Title</b>	R014 Impact on structural, legislative and budgetary changes in other Public Sector organisations (e.g. DWP, Health, NHS, Police, Leicestershire CC).	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	There would be an impact on the Council's financial position & delivery of services.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>Maintain awareness &amp; respond to implications of emerging changes in public sector delivery organisations</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating. The PCC funding requirements for 2026/27 are more stringent than previous seen which could impact the service provided.	
		<b>Latest Note Date</b>	19 Mar 2026	

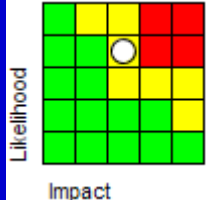
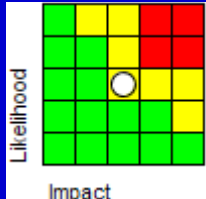
<b>Risk Code &amp; Title</b>	<b>R021 External factors influencing the Council's progress on achieving the 2030 net zero carbon reduction target.</b>	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	This would affect the Council's reputation and have a detrimental impact on the area and environment.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Carbon reduction action plan in place</li> <li>• Dedicated officer working on "green" initiatives</li> <li>• Cross service working group in place to maintain high profile and awareness</li> <li>• Fleet replacement strategy under review</li> <li>• Member steering group to be formed</li> <li>• Establishment of Climate Action Board</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating. This will be continually reviewed given the increase in HVO prices as we may need to revert back to diesel.	
		<b>Latest Note Date</b>	19 Mar 2026	

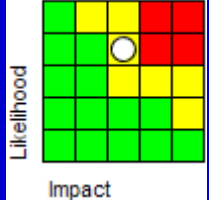
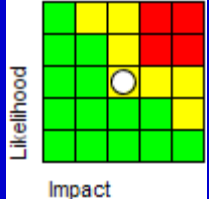
<b>Risk Code &amp; Title</b>	<b>R071 Failure to provide appropriate temporary accommodation for homeless households</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	We would see an increase in homeless households sleeping rough.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Continue to source alternative provision of temporary accommodation in the District.</li> <li>• We continue to see high numbers of approaches but we have a wide variety of sources of accommodation to house homeless families and single persons.</li> <li>• We have purchased a significant number of properties and continue to seek funding opportunities and direct capital spend to increase this number to give us the ability and flexibility to provide temporary accommodation.</li> <li>• In addition we have recently secured a Lease of a building containing a large number of self contained units which will reduce our reliance on B and B accommodation for single households.</li> <li>• Our relationships with EMH means that we are</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

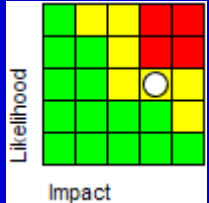
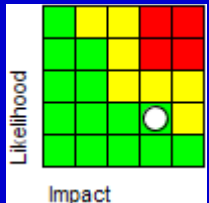
able to look to utilise a limited number of their stock and in the private rented market we work with providers who can locate self contained larger units for us to enable us to house larger families as required.

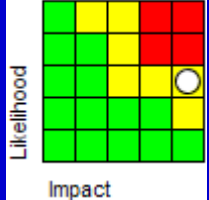
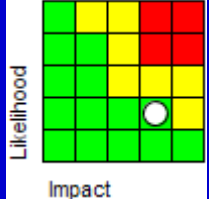
<b>Risk Code &amp; Title</b>	<b>R131 That the Leicestershire Building Control Partnership is unable to deliver the service due to lack of in-house capacity and/or the costs of employing consultants.</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	There is a risk that the Building Control Partnership will be unable to continue to attract and retain surveyors which would mean employing consultant surveyors at a much greater cost to the Partnership. Partners could decide to leave the Partnership which would affect Blaby District Council's financial position.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Quarterly Board Meetings</li> <li>• Regular contact with members of the Partnership</li> <li>• We have already implemented a recruitment and retention package.</li> <li>• Market share increase does however mean we have a chance of income which then in turn supports our ability to offer incentives to keep or attract staff.</li> <li>• Partnership liaison.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

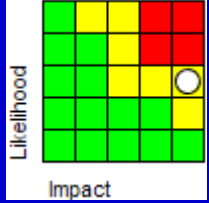
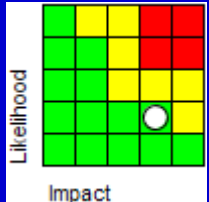
<b>Risk Code &amp; Title</b>	<b>R157 The Council is unable to deliver a new Local Plan</b>	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	There is a risk that the Council may not be able to adopt a new local plan if agreement cannot be reached over sites to be included that contribute towards our target land supply. Linked to R158. This could have an impact on the Council's reputation.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Identify additional sites for residential development</li> <li>• Release appropriate sites for residential development through the development management process</li> <li>• Progress the local plan in accordance with the Local Development Scheme</li> <li>• Member training plan in place</li> <li>• Resource in place to ensure delivery</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

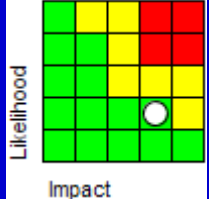
<b>Risk Code &amp; Title</b>	R001 Engagement of elected members negatively impacting on decision making process	<b>Uncontrolled Risk Score</b>		<b>12</b>
<b>Consequence / Impact Description</b>	This could lead to issues regarding proper decision making.	<b>Current Controlled Risk Score</b>		<b>9</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Cabinet &amp; Leader awareness and development</li> <li>• Code of conduct</li> <li>• Member development strategy/ supporting roles &amp; responsibilities</li> <li>• Recruitment/member succession</li> <li>• Audit &amp; Corporate Governance Committee</li> <li>• Training/Cabinet development</li> <li>• Induction Programme for new members</li> <li>• New, cross-party Whips Group in place.</li> <li>• Additional training planned to be undertaken for the leader and cabinet members.</li> <li>• Media training.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

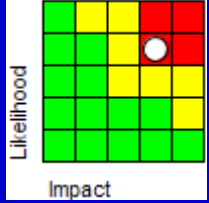
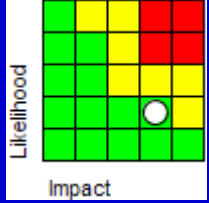
<b>Risk Code &amp; Title</b>	<b>R130 Delivery of the Hospital Enablement Team Model Becomes Unsustainable</b>	<b>Uncontrolled Risk Score</b>		<b>12</b>
<b>Consequence / Impact Description</b>	HET is fully externally funded. One of the funders may decide that they are unable to continue to support the service due to increasing financial pressures. However, the main risk is over loss of confidence in our ability to deliver the service, and alternative models might be explored.	<b>Current Controlled Risk Score</b>		<b>9</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Regular board meetings in place</li> <li>• Recognition of partners' financial position</li> <li>• Regular budget monitoring</li> <li>• 100% external funding in place</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

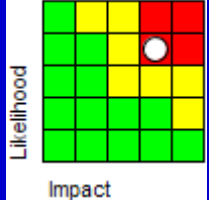
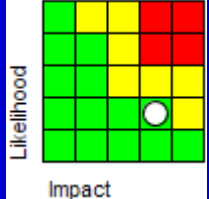
<b>Risk Code &amp; Title</b>	<b>R002 Blaby District Plan is not deliverable within available resources.</b>	<b>Uncontrolled Risk Score</b>		<b>12</b>
<b>Consequence / Impact Description</b>	If we do not deliver the corporate objectives the quality of life of residents and those who work in the district will not be improved.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• All service plans aligned to Blaby District Plan objectives</li> <li>• Be clear about expected outcomes</li> <li>• Monitor delivery of Blaby District Plan</li> <li>• Review Blaby District Plan priorities regularly</li> <li>• Reserves give us a choice to put resources in should it be required</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

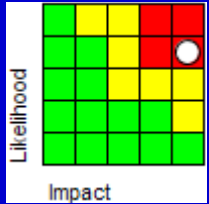
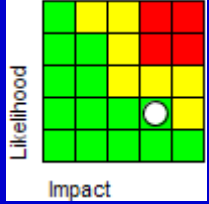
<b>Risk Code &amp; Title</b>	<b>R003 Failure to have effective safeguarding arrangements and a plan in place to safeguard children and vulnerable adults.</b>	<b>Uncontrolled Risk Score</b>		<b>15</b>
<b>Consequence / Impact Description</b>	Children and vulnerable adults may be placed in danger.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Active Member of District DSO Group</li> <li>• Continuous training of designated officers, review of policies</li> <li>• Ensuring enough trained officers are available</li> <li>• Policies in place and effectively communicated to staff</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R004 Failure to ensure adherence to internal control arrangements.</b>	<b>Uncontrolled Risk Score</b>		<b>15</b>
<b>Consequence / Impact Description</b>	Failure to ensure adherence to internal control arrangements would leave the council open to fraud, affecting reputation. If adequate fraud & corruption prevention arrangements are not in place this leaves the council open to potential financial losses, wrong doing, breaches of the councils procedures & policies & legal responsibilities.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Anti Fraud &amp; Corruption/Benefit Fraud policies reviewed &amp; adopted.</li> <li>• Staff/Member training</li> <li>• Employees adhere to governance procedures</li> <li>• Ensure we do not employ staff with false records</li> <li>• Use of NAFN bulletins to maintain awareness of latest threats</li> <li>• Policies and procedures ensure segregation of duties</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
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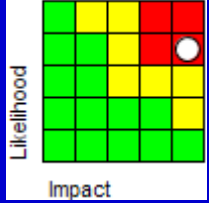
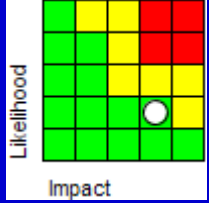
<b>Risk Code &amp; Title</b>	<b>R006 Lack of effective Emergency Planning and Business Continuity arrangements</b>	<b>Uncontrolled Risk Score</b>		<b>15</b>
<b>Consequence / Impact Description</b>	Service delivery would be negatively affected impacting on residents, businesses and staff. There could also be potential damage to the Council's reputation.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• All key EP &amp; BC documents on Resilience Direct</li> <li>• Internal EP &amp; BC working group meeting</li> <li>• Periodic training with SLT &amp; key officers of plans</li> <li>• Out of hours Emergency Contact Centre Contract (First Call)</li> <li>• Partnership with the Leicestershire Resilience Forum</li> <li>• Senior Leadership Team On Call Rota</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R011 Failure to identify, record, monitor and report health and safety risks.</b>	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	There could be a negative impact on the health and safety of staff and residents.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Effective Health &amp; Safety Committee</li> <li>• Effective Health &amp; Safety procedures</li> <li>• Service blueprints</li> <li>• Dedicated Health &amp; Safety Officer</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

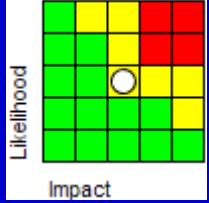
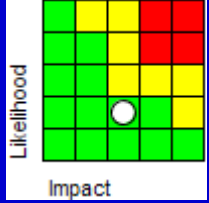
<b>Risk Code &amp; Title</b>	<b>R012 Closure, downsizing of premises or relocation of a major district employer.</b>	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	This may cause significant unemployment, retraining requirements and a potential loss of Business Rates.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Review the Council's Economic Development Strategy and resources</li> <li>• Develop the work and skills capacity</li> <li>• Engage regularly with businesses to understand requirements</li> <li>• Work with authorities, landowners, developers &amp; agents</li> <li>• The establishment of business breakfasts, the Economic development group and Tourism partnership enables the council to have links into local businesses. Through these links it is possible to understand, and hear news about, potential business closure risks, whilst also assessing what more BDC can do to support businesses.</li> <li>• A Business Board has been established which will add further capacity to business engagement capabilities. The first meeting is on 16th September 2025.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

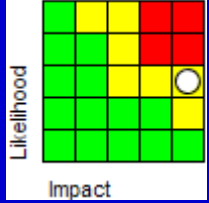
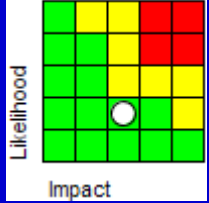
<b>Risk Code &amp; Title</b>	<b>R017 Failure of ICT systems.</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	This would mean the Council is unable to deliver services.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Adoption of ITIL standards around service desk management.</li> <li>• Internet provision resilience at both main sites (2x connections).</li> <li>• Location agnostic (supported by the ability to securely work “anywhere you have an internet connection”)</li> <li>• Zonal redundancy across the entirety of our ICT infrastructure.</li> <li>• File storage resiliency, immutable backups and DR policies.</li> <li>• Monthly privileged account review.</li> <li>• Cyber security – Managed Endpoint Protection, Managed Infrastructure Protection, Security Operations Centre (24/7/365 monitoring), Zero Day Threat Alerts, CAF v4 best practice, Cyber Essentials accreditation, conditional access polices, geographical protection, phishing resistant MFA, phishing attack simulation, change management procedures, end-user training, end-user reporting</li> </ul>	<b>Latest Note</b>	The risk rating has been reduced due to the unlikelyhood of this occurring.	
		<b>Latest Note Date</b>	19 Mar 2026	

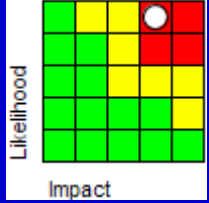
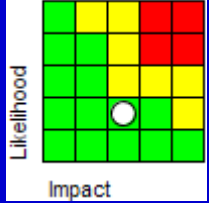
	<p>facility, device isolation, biometric device authentication.</p> <ul style="list-style-type: none"><li>• 3rd party IT health check / external threat scanning.</li><li>• Cloud presence – Patch management schedules, server &amp; RBAC protection.</li></ul>		
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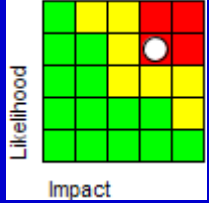
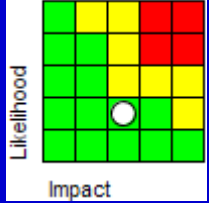
<b>Risk Code &amp; Title</b>	<b>R018 ICT security breaches and non-compliance with Government security standards.</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	That there could be a cyber attack.	<b>Current Controlled Risk Score</b>		<b>8</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Cyber security – Managed Endpoint Protection, Managed Infrastructure Protection, Security Operations Centre (24/7/365 monitoring), Zero Day Threat Alerts, CAF v4 best practice, Cyber Essentials accreditation, conditional access policies, geographical protection, phishing resistant MFA, phishing attack simulation, change management procedures, end-user training, end-user reporting facility, device isolation, biometric device authentication.</li> <li>• 3rd party IT health check / external threat scanning.</li> <li>• PSN Accreditation.</li> <li>• DWP MOU in place.</li> <li>• Information governance process in place for reporting breaches.</li> </ul>	<b>Latest Note</b>	The risk rating has been reduced due to the unlikelihood of this occurring.	
		<b>Latest Note Date</b>	19 Mar 2026	

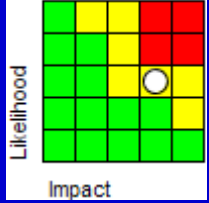
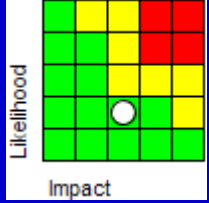
<b>Risk Code &amp; Title</b>	<b>R008 Failure to comply with legislation.</b>	<b>Uncontrolled Risk Score</b>		<b>9</b>
<b>Consequence / Impact Description</b>	The Council would not meet it's statutory obligations.	<b>Current Controlled Risk Score</b>		<b>6</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Constitution regularly reviewed and kept up to date</li> <li>• Annual Governance Statement</li> <li>• Independent Member Committees</li> <li>• Skilled workforce</li> <li>• Training/CPD</li> <li>• The organisation promotes and demonstrates the principle and values of good governance</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

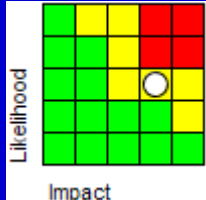
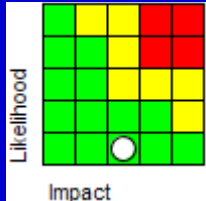
<b>Risk Code &amp; Title</b>	<b>R009 Contracts may fail to deliver intended outcomes if not managed effectively.</b>	<b>Uncontrolled Risk Score</b>		<b>9</b>
<b>Consequence / Impact Description</b>	If contracts are not managed effectively, improvements and efficiencies may not be delivered.	<b>Current Controlled Risk Score</b>		<b>6</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Ensure that effective contract management arrangements are put in place as part of procurement process.</li> <li>• Manage SLM Contract through quarterly governance meetings.</li> <li>• Awareness and contract management training delivered to staff involved with procurement.</li> <li>• Development of working relationship with the Welland Procurement Unit.</li> <li>• Review being undertaken of the contract regulations in the Constitution and additional guidance being shared with staff.</li> <li>• An internal audit of the procurement and contracts register has been undertaken and actions identified.</li> <li>• The Contract Procedure rules are being reviewed and revised, and training planned to be undertaken by Welland to ensure procurement is undertaken in line with the Councils CPRs and contracts managed effectively across the Council.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R020 Elevated levels of methane from landfill site at Huncote Leisure Centre and surrounding site.</b>	<b>Uncontrolled Risk Score</b>		<b>15</b>
<b>Consequence / Impact Description</b>	The impact on the area and environment.	<b>Current Controlled Risk Score</b>		<b>6</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Additional monitoring and venting wells installed</li> <li>• Regular communication with partners on site</li> <li>• Trenches installed around perimeter of building, including a pump and pipework to drain water away to land at rear of site</li> <li>• A further active ventilation stack to be installed to draw gas away from building</li> <li>• A 24 hour service and maintenance contract which provides immediate response to concerns</li> <li>• The children's centre has officially moved onto the Council's kit so there is only one in the building</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R126 Impact of Industrial Action on Services &amp; Residents</b>	<b>Uncontrolled Risk Score</b>		<b>20</b>
<b>Consequence / Impact Description</b>	Disruption to Council services impacting on residents and businesses in the District.	<b>Current Controlled Risk Score</b>		<b>6</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Alternative workforce where possible; mental health support in place; arbitration measures; regular communication to staff, members, and residents; SLT presence at depot</li> <li>• Monitoring national trends</li> <li>• Regular meetings with Unions - JCC - bi-annually; Unison - quarterly.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R132 Delivery of the Lightbulb Model becomes unsustainable</b>	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	Unable to deliver the Lightbulb service to residents.	<b>Current Controlled Risk Score</b>		<b>6</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Regular board meetings in place</li> <li>• Recognition of partners' financial position</li> <li>• Regular monitoring of budget</li> <li>• Meetings held with partners as part of the contract planning process</li> <li>• Inclusion on Internal Audit Plan</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

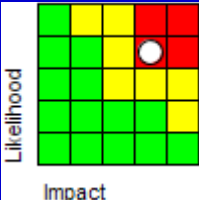
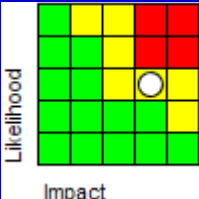
<b>Risk Code &amp; Title</b>	<b>R178 Procurement Advice provided is incorrect</b>	<b>Uncontrolled Risk Score</b>		<b>12</b>
<b>Consequence / Impact Description</b>	Procurement regulations are not adhered to affecting the Council's reputation and potentially legal consequences.	<b>Current Controlled Risk Score</b>		<b>6</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Knowledge maintained of relevant legislation</li> <li>• Ongoing training provided for Managers and officers</li> <li>• Legal team engaged early on in the process and throughout</li> <li>• Contract Regulations are included within the Constitution</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating. There is an increase in the awareness by officers and a training programme now available throughout the year.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R177 Uncontrolled Use of Artificial Intelligence</b>	<b>Uncontrolled Risk Score</b>		<b>12</b>
<b>Consequence / Impact Description</b>	Staff sharing council data without due oversight with Public domain AI services. Staff using AI tools without sufficient oversight and business sign-off. Staff using AI tools without sufficient knowledge of the implications of using AI tools	<b>Current Controlled Risk Score</b>		<b>3</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Establishment of AI Governance</li> <li>• Ongoing user training and awareness of GDPR, data breaches and cyber security</li> <li>• BDC AI Policy in place and accessible through iBlaby</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

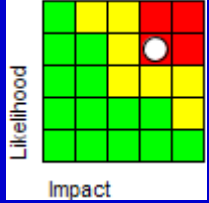
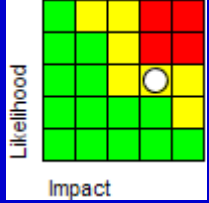
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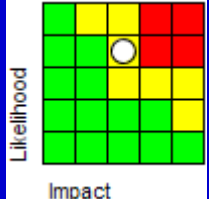
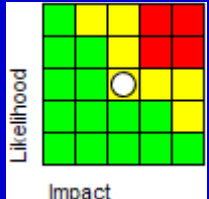
## Appendix B - Overview of LGR and Devolution Risks

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<b>Risk Code &amp; Title</b>	R005 Failure to recruit and retain the right people for the right jobs	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	The impact on delivering services to the residents and businesses of the District.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Learning and development provision, including skills and training needs analysis</li> <li>• Supporting Employee Performance policies and practices</li> <li>• Workforce planning including succession planning and use of market supplements where applicable.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

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<b>Risk Code &amp; Title</b>	<b>R022 Officer and Member emotional wellbeing is impacted by ongoing service demand and financial pressures</b>	<b>Uncontrolled Risk Score</b>		<b>16</b>
<b>Consequence / Impact Description</b>	There could be an increase in the level of sickness absence and performance issues impacting on delivery of services.	<b>Current Controlled Risk Score</b>		<b>12</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Policies and procedures being revised and reviewed together with guidance documents for staff and managers</li> <li>• Employee helpline in place for employees and Members</li> <li>• Continuous review with teams and individuals</li> <li>• Being flexible with working policies.</li> <li>• Member Induction Programme.</li> <li>• Improvement in signposting.</li> <li>• Wellness action plans in place.</li> <li>• Communication engagement strategy.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

<b>Risk Code &amp; Title</b>	<b>R165 Business as Usual is Negatively Impacted Due to the Focus on Devolution</b>	<b>Uncontrolled Risk Score</b>		<b>12</b>
<b>Consequence / Impact Description</b>	Devolution focus means that our key business is no longer a priority and existing resources are stretched or key staff are demotivated due to uncertainty of future.	<b>Current Controlled Risk Score</b>		<b>9</b>
<b>Internal Controls</b>	<ul style="list-style-type: none"> <li>• Staff are being kept informed and engaged.</li> <li>• A £50,000 budget has been established for supporting the proposal stage.</li> <li>• Consideration of the Corporate Plan/Projects and Priorities to enable capacity.</li> </ul>	<b>Latest Note</b>	There is no change to the risk rating.	
		<b>Latest Note Date</b>	19 Mar 2026	

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## Blaby District Council

### Audit & Corporate Governance Committee

<b>Date of Meeting</b>	27 April 2026
<b>Title of Report</b>	<b>Statutory Best Value Duty – Voluntary Self-Assessment</b>
<b>Report Author</b>	Business Systems & Information Manager

#### 1. What is this report about?

- 1.1 This report provides an insight into the recent voluntary self-assessment of our performance in meeting the statutory 'Best Value' duty.

The 'Best Value' duty has been an obligation for local government since its inclusion in Part 1 of the Local Government Act published in 1999. However, in May 2024 the government published a 'Statutory Guide for Best Value Standards and Intervention' for local authorities which provided greater clarity to the local government sector on how to fulfil the duty.

#### 2. Recommendation(s)

- 2.1 For members of the committee to review the appended 'Assessment Report' and consider the self-assessment and the methodology used.
- 2.2 For members of the committee to review the results of the voluntary self-assessment via the appended 'Opportunities for Improvement' document and note the potential next steps.

#### 3. Reason for Decision(s) Recommended

- 3.1 This is the first voluntary self-assessment to be carried out since the publication of the Statutory Guide for Best Value Standards in May 2024. Therefore, officers are asking members to note the results of the assessment and the improvement areas where actions have been identified.

#### 4. Matters to consider

##### 4.1 Background

Section 1 of the appended 'Assessment Report' provides an introduction and relevant background information relating to the Best Value Duty, the recently published Government guidance and the methodology used to carry out the self-assessment.

##### 4.2 Proposal(s)

For Members to note the results of the voluntary assessment (shown below and included within the **best value** assessment report) and the improvement areas where actions have been identified (as shown in the 'Opportunities for Improvement' document).

Theme	Assessment Results against all Characteristics of a Well-Functioning Authority'											
Continuous Improvement	CI001 3	CI002 Exc*	CI003 Exc*	CI004 4	CI005 5	CI006 5	CI007 4	CI008 5	CI009 4	CI010 4	CI011 1	CI012 5
Leadership	L001 4	L002 4	L003 5	L004 5	L005 5	L006 3	L007 3	L008 4	L009 4	L010 5		
Governance	G001 4	G002 3	G003 4	G004 3	G005 5	G006 5	G007 5	G008 Exc*	G009 3	G010 3		
Culture	C001 3	C002 4	C003 4	C004 5	C005 5	C006 4	C007 4	C008 5	C009 5	C010 5	C011 5	
Use of Resources	R001 4	R002 4	R003 5	R004 5	R005 5	R006 3	R007 5	R008 5	R009 3	R010 5	R011 Exc*	R012 3
Service Delivery	SD001 3	SD002 3	SD003 3	SD004 4	SD005 5	SD006 3	SD007 3	SD008 3	SD009 4	SD010 3		
Partnerships & Community Engagement	PC001 4	PC002 4	PC003 3	PC004 4	PC005 2	PC006 6						

\* Exc = Excluded as the characteristic is not relevant to Blaby District Council

To clarify, the self-assessment was an entirely voluntary process. It was not instructed or motivated by any external organisations. It represents 'best practice' and is intended to act as a broad 'barometer' of our organisational performance, providing assurance of aspects that are delivered well and an indication of where improvements could be made.

##### 4.3 Relevant Consultations

The **best value** assessment report details the range of internal managers that took part in the assessment process which helped to ensure suitable scrutiny and challenge as well as a variation of views and knowledge.

##### 4.4 Significant Issues

There are no significant issues to consider.

##### 4.5 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

## 5. Environmental impact

- 5.1 There is no environmental impact arising from this report. This was a desk-based assessment resulting in a list of improvement opportunities for the Council.

## 6. What will it cost and are there opportunities for savings?

- 6.1 There were no direct costs associated with producing this report or carrying out the self-assessment.

	Current year	2027/28
Revenue	0	0
Capital	0	0

## 7. What are the risks and how can they be reduced?

Current Risk	Actions to reduce the risks
Blaby District Council are accused of non-compliance with their statutory Best Value duty.	The voluntary self-assessment demonstrates that the Council has given due regard to this duty and assurance that the duty is being met along with acknowledgement of areas for improvement.
The Council are unaware of how they can improve their compliance with the Best Value duty.	The self-assessment process produces a list of 'opportunities for improvement' which can be considered by senior officers and members

## 8. Other options considered

- 8.1 No other options were considered.

## 9. Appendix

- 9.1 Appendix A – Best Value 'Assessment Report'  
9.2 Appendix B – Best Value 'Opportunities for Improvement'

## 10. Background paper(s)

- 10.1 There are no additional background papers. Section 1 of the appended 'Assessment Report' does include links to published government webpages that provide further context and background to the report.

## 11. Report author's contact details

Luke Clements

Business Systems, Performance &  
Information Manager

Luke.clements@blaby.gov.uk

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# Blaby District Council 'Best Value Duty' Voluntary Self-Assessment

## 1. Introduction & Background

1.1 In the spring of 2025, the Chief Executive of Blaby District Council (Julia Smith) requested that officers conduct an organisational self-assessment of our performance in meeting the statutory 'Best Value' duty.

1.2 The Best Value Duty is outlined in [Part 1 of the Local Government Act 1999](#). This requires Local Authorities to '*make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*'.

1.3 The self-assessment was entirely voluntary and not instructed or motivated by any external organisations. It was intended to act as a broad 'barometer' of our organisational performance, to provide assurance of aspects that are delivered well and to provide an indication of where improvements could be made.

1.4 In May 2024, the government published a [Statutory Guide for Best Value Standards and Intervention](#) for local authorities which provided greater clarity to the local government sector on how to fulfil the Best Value Duty. It described what constitutes best value, the standards expected by the department, and the models of intervention at the Secretary of State for Levelling Up, Housing and Communities' disposal in the event of failure to uphold these standards.

1.5 In conducting our 'Best Value' self-assessment, Blaby District Council carefully followed the guidance outlined in this publication which sets out seven overlapping themes of good practice for running an authority that meets and delivers best value. These themes are illustrated below.

**Diagram 1: Seven best value themes**



- Continuous improvement
- Leadership
- Governance
- Culture
- Use of resources
- Service delivery
- Partnerships and community engagement

1.6 The guidance further defines best value themes by providing a description of the theme and what is expected, along with specific ‘characteristics of a well-functioning authority’. In total, there are 70 separate characteristics across the 7 themes described in the statutory guidance.

1.7 The designated group of officers responsible for carrying out the assessment then began to conduct this against all the ‘characteristics of a well-functioning authority’ contained within each of the seven Best Value themes. A robust systematic process was developed to assess and reflect on current position against the Best Value Duty.

## 2. Process

2.1 A group of Service and Senior Group Managers who lead the departments most closely related to each theme were assembled as a core project group.

The full group met at an initial ‘kick off’ meeting in May 2025, where the scope and methodology of the assessment was explained and discussed in full.

Managers with specific and specialist knowledge applicable to each theme were then designated to work on the assessment for those themes. To ensure consistency, the Council’s Senior Manager for Corporate Services & Monitoring Officer attended all the themed sessions along with the Council’s Performance & Information Manager.

2.2 To ensure suitable scrutiny and challenge as well as a variation of views and knowledge, the project co-ordinators (the Corporate Services & Monitoring Officer and Performance & Information Manager) maximised the number of managers attending each session. This is shown in the table below.

Theme	Number of Managers Involved in the Theme Assessment
Continuous Improvement	7
Leadership	11
Governance	6
Culture	8
Use of Resources	7
Service Delivery	7
Partnerships & Community Engagement	6

2.3 During the kick-off meeting, managers were introduced to the characteristics of a well-functioning authority. In advance of the themed sessions, they were invited to prepare and share evidence of how the Council currently delivers ‘Best Value’ against each of the characteristics. Conversely, if they were unable to provide evidence, they were encouraged to consider and share (in advance) ways in which the Council could improve itself against these particular characteristics.

2.4 At each themed assessment session, managers reviewed the evidence brought forward systematically for each characteristic. They then discussed an appropriate quantitative score to apply to that characteristic to demonstrate how well they agreed that the Council meets its Best Value duty for each of these.

## Appendix A

The scoring matrix is shown below.

Score Description	Score and Colour Code Applied
Fully delivering best value	5
Mostly delivering best value	4
Partly delivering best value	3
Mostly not delivering best value	2
No evidence of delivering best value	1

2.5 Applying a quantitative score to each characteristic also enabled the full theme to be scored, which in turn, enables a greater level of benchmarking to be applied to any future assessments designed to re-assess progress and ongoing Best Value delivery.

2.6 The seven themed assessment sessions took place during August and September 2025.

### 3. Summary of Outcomes

3.1 The final scoring 'heat map' output is shown below:

Theme	Assessment Results against all Characteristics of a Well-Functioning Authority'											
Continuous Improvement	CI001 3	CI002 Exc*	CI003 Exc*	CI004 4	CI005 5	CI006 5	CI007 4	CI008 5	CI009 4	CI010 4	CI011 5	
Leadership	L001 4	L002 4	L003 5	L004 5	L005 5	L006 3	L007 3	L008 4	L009 4	L010 5		
Governance	G001 4	G002 3	G003 4	G004 3	G005 5	G006 5	G007 5	G008 Exc*	G009 3	G010 3		
Culture	C001 3	C002 4	C003 4	C004 5	C005 5	C006 4	C007 4	C008 5	C009 5	C010 5	C011 5	
Use of Resources	R001 4	R002 4	R003 5	R004 5	R005 5	R006 3	R007 5	R008 5	R009 3	R010 5	R011 Exc*	R012 3
Service Delivery	SD001 3	SD002 3	SD003 3	SD004 4	SD005 5	SD006 3	SD007 3	SD008 3	SD009 4	SD010 3		
Partnerships & Community Engagement	PC001 4	PC002 4	PC003 3	PC004 4	PC005 2	PC006 3						

\* Exc = Excluded as the characteristic is not relevant to Blaby District Council

3.2 In summary, across the seven Best Value themes and 66\* 'characteristics of a well-functioning authority' that are described in the statutory Best Value guidance, the following scores have been assigned for Blaby District Council.

24 characteristics received a score of 5 (dark green) - **Fully delivering best value**

21 characteristics received a score of 4 (light green) - **Mostly delivering best value**

20 characteristics received a score of 3 (yellow) - **Partly delivering best value**

1 characteristics received a score of 2 (orange) - **Mostly not delivering best value**

0 characteristics received a score of 1 (red) - **No evidence of delivering best value**

3.3 \*There is a total of 70 characteristics in the [Statutory Guide for Best Value Standards and Intervention](#). Blaby opted to assess themselves against 66 of these, excluding 4 from the process after they were agreed as ‘not relevant’ for Blaby District Council.

The excluded characteristics are outlined below.

- In the ‘Continuous Improvement’ theme, characteristics 2 and 3 related to Oflog. This is a government office that no longer exists.
- In the ‘Governance’ theme, characteristic number 8 refers to wholly or partly owned council commercial entities. Blaby District Council does not currently have any ownership of commercial entities.
- Characteristic 11 in the ‘Use of Resources’ theme also relates to wholly or partly owned council commercial entities.

3.4 45 of the 66 characteristics (68%) were deemed to be either fully or mostly delivering best value (scoring either 4 or 5), with the gathered evidence demonstrating that the Council can be confident in the validity of these scores and assured that it is delivering against the duty in relation to these characteristics.

However, particularly for those characteristics found to be ‘mostly delivering best value’, there were several suggested improvements identified that are included in the appended ‘Opportunities for Improvement’ document.

3.5 The 20 characteristics that were found to be ‘partly delivering best value’ gave some assurance that the duty was being met, but also that there was clear scope for development and improvement. These again are included in the appended ‘Opportunities for Improvement’ document.

3.6 1 of the 66 characteristics assessed was found to be mostly not delivering best value. Although this was a concern to the project team and to the Councils Senior

Leadership, it was felt that this demonstrated that an honest and objective exercise had been completed.

There was significant scope for improvement identified by the project team, with the detail for this included in the appended 'Opportunities for Improvement' document.

## 4. Conclusion & Next Steps

4.1 The resulting 'Opportunities for Improvement' document, which is appended to this report, will now be assessed by our Senior Leadership team to determine which of the opportunities carry the most value and which are viable to implement in terms of capacity and cost. Those opportunities identified as a priority will then be added to our corporate action plan and service planning processes.

4.2 The project team have also recommended that the assessment process is repeated on a bi-annual basis with the intention of demonstrating quantifiable progress towards maximising the delivery of the Best Value duty for the Council and Blaby District. It is acknowledged that the current uncertainty surrounding Local Government Reorganisation may hinder the opportunity for future repeated assessments, but whilst that uncertainty remains, we should continue with the intention to do this.

# Best Value Assessment - Opportunities for Improvement

Prepared for: Senior Leadership Team / Audit & Governance Committee

## Executive Summary

### 1 Introduction

1.1 This document is an appendix to the primary Best Value report.

1.2 It lists the opportunities for improvement that have arisen from the assessment of Blaby’s delivery of the Best Value duty against 66 characteristics of a well-functioning authority outlined in the [Statutory Guide for Best Value Standards and Intervention](#) published by the government in May 2024.

1.3 Within the government guidance, the 66 characteristics are divided into 7 best value themes. The table below categorises the characteristics into those 7 themes and includes the opportunities for improvement identified for each characteristic.

1.4 Implementation of these opportunities would increase the likelihood of an improved score during any future repeated assessments, thereby increasing our delivery of the Best Value duty.

1.5 Due to capacity constraints, it may not be feasible for Blaby District Council to implement all the opportunities for improvement. An objective prioritisation exercise will be undertaken to select the opportunities that carry the greatest value and impact.

1.6 The scoring matrix used to assess each characteristic is shown below. **Please note that** this report focused on the characteristics with a score of either 2 or 3, excluding characteristics that were found to be already ‘Fully Delivering Best Value’ (scoring 5) or ‘Mostly Delivering Best Value’ (which scored 4).

Best Value Assurance – Opportunities for Improvement

Score Description	Score and Colour Code Applied
Fully delivering best value	5
Mostly delivering best value	4
Partly delivering best value	3
Mostly not delivering best value	2
No evidence of delivering best value	1

Across themes, common areas for improvement relate to

- the consistent use of performance data to evidence delivery.
- clearer articulation of the ‘golden thread’ between corporate priorities, service plans and individual objectives
- stronger and more systematic approaches to risk and learning from complaints
- Improved consistency in how improvement activity is initiated, governed and reviewed.

The detailed tables that follow are intended to inform prioritisation and selection of assurance activity and ongoing improvement planning rather than to represent areas of failure.

### Continuous Improvement

Summary: There were 2 characteristics with an assessment score of under 4 for this theme

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Continuous improvement - CI001 (a)	There is an organisational-wide approach to continuous improvement, with frequent monitoring, performance reporting and updating of the corporate and improvement plans.	3	We will ensure that Data / Performance Measures captured at service level are integral to the service planning process.
Continuous improvement - CI001 (b)	There is some form of established transformation function or programme	3	The development of more specific and defined corporate transformational targets will enable us to demonstrate the impact of our approach to transformation and make it central to our continuous improvement ambitions.

### Culture

Summary: There was only 1 characteristic with an assessment score under 4 identified for this theme.

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Culture - C001	Members and officers promote and demonstrate the highest ethical standards and appropriate working behaviours through established shared values and ways of working	3	Implement a training programme on the constitution and support officers to locate, interpret and utilise relevant protocols. Training to be appropriate dependent upon role.  Incorporate Councillor complaints onto our formal complaints database so that the data can be scrutinised using Power BI.

## Governance

Summary: There were 2 characteristics with an assessment score of under 4 for this theme

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Governance - G009	Performance management and quality assurance information effectively measures outcomes and is frequently interrogated.	3	We will undertake a review to align higher priority measures with projects, the Corporate Action Plan and key objectives. Further we will align the Outcomes Framework to our corporate performance framework.
Governance - G010	Lessons are learned from complaints	3	We will introduce a measure and process to ensure that lessons learned are consistently recorded and reflected up for complaints where we have accepted some or all responsibility.

## Leadership

Summary: There were 2 characteristics with an assessment score of under 4 for this theme

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Leadership - L006	Robust systems are in place and “owned” by members for identifying, reporting, mitigating and regularly reviewing risk	3	We will regularly review the corporate risk register with The Leader and Deputy Leader and ensure that Service Risks are regularly reviewed and updated by meeting as a Corporate Risk Board on a quarterly basis.
Leadership - L007	Effective succession planning, with the recruitment and nurturing of officers with the necessary skills, ensures organisational resilience	3	We will look to formalise our informal approach to mentoring, building on the buddy programme for new service managers and external mentoring for new Group Managers and Directors through Solace, DCN and within Leicestershire Authorities.  We will as part of our transition through LGR, nurture and provide a package of support to our staff to upskill and provide resilience to change.

### Partnerships & Community Engagement

Summary: There were 3 characteristics with an assessment score of under 4 for this theme.

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Partnerships & Community Engagement - PC003	There is early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services. In some cases, this involves co-design of services.	3	More consideration around co-designing with communities required.  We will look at tools that are available, “the voice toolkit” and focus our efforts to match government initiatives such as the Youth Strategy to support co design of services.
Partnerships & Community Engagement PC005	Partners and residents are involved in developing indicators and targets, and monitoring and managing lack of performance. The authority may be beginning to experiment with more participative forms of decision making.	2	Review partners and residents’ engagement in development of performance measures and where opportunities present themselves, we will take up those opportunities.
Partnerships & Community Engagement PC006	The authority drives social and environmental value in their place through mechanisms like procurement and employment.	3	We will embed “Social Value” across all service areas, utilising the best practice we have developed in our procurement. activates. We will continue to monitor, measure and report.

## Service Delivery

Summary: There were 6 characteristics with an assessment score of under 4 for this theme.

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Service Delivery - SD001	Service plans are clearly linked to the local authority’s priorities, strategic plans and longer-term planning – a golden thread that runs through to individual objectives and accountability.	3	We will highlight in the annual review template which prompts individuals to consider how their objectives have contributed towards delivering on our corporate values.
Service Delivery - SD002	Service delivery is evidence based; customer and citizen focused and meets the needs of different groups within the community.	3	Ensure that the corporate plan is evidence based by being measurable in the form of data or key indicators.
Service Delivery - SD003	Users are satisfied with the level and quality of services provided.	3	We will review our approach to measuring customer satisfaction.
Service Delivery - SD006	The authority has complete, timely and accurate data, and the skills to interpret it, to inform decisions.	3	We will improve Data Quality and utilisation of data to inform decision making, particularly widening the use of Power BI as a data analysis and presentation tool.
Service Delivery - SD007	There are clear and effective mechanisms for scrutinising performance across all service areas. Performance is regularly reported to the public to ensure that citizens are informed of the quality of services being delivered	3	Define corporately what we mean by performance and consequently define what 'good' looks like for Blaby, and how we report to the public. We will benchmark using the Outcomes Framework in key areas.

Best Value Assurance – Opportunities for Improvement

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Service Delivery - SD008	Procurement processes are economic, efficient and ensure the outcomes of efficient contract procurement and management.	3	<p>We will highlight the requirement to engage with legal services before conducting procurement, entering a contract or placing an order. This is to ensure compliance with Procurement legislation, BDC's own Contract Procurement Rules and ensure we can demonstrate best value</p> <p>The Contract register is under review to improve process, accessibility and visibility.</p>

### Use of Resources

Summary: There were 2 characteristics with an assessment score of under 4 for this theme.

Theme / Code	Characteristic of a Well-Functioning Authority	Score	Suggested Areas for Improvement if we want to increase our score
Use of Resources - R009	Sustainable, competitive corporate functions including procurement and IT which deliver value for money	3	Introduce a formalised process for determining how services are provided, internally, externally or in partnership and triggering a review to determine Best Value.
Use of Resources - R012	Effective project management of projects to enhance governance and effective use of resources	3	We will continue to implement the improvement plan to embed our Project Management processes.

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## Blaby District Council

### Audit and Corporate Governance Committee

<b>Date of Meeting</b>	27 April 2026
<b>Title of Report</b>	<b>Annual Fraud Report 2025/26</b>
<b>Report Author</b>	Finance Group Manager

#### 1. What is this report about?

- 1.1 The purpose of this report is to provide assurance that the Council continues to maintain strong, proactive arrangements to prevent, detect, and respond to fraud and corruption, and to bring to members attention any fraud referrals received in the year.
- 1.2 The report also provides members with details of the new corporate offence introduced by the Economic Crime and Corporate Transparency Act 2023 (ECCTA) in September 2025, a self-assessment of the Council's fraud prevention arrangements currently in place, as well as highlighting potential areas for improvements.
- 1.3 As part of the consideration of these arrangements, the Whistleblowing policy, Anti-Fraud and Corruption policy, and Anti-Money Laundering Policy have been reviewed and updated.

#### 2. Recommendation(s)

- 2.1 To consider and accept the Council's self-assessment against the six principles of 'reasonable prevention' for the new offence of 'failure to prevent fraud' and improvement planned.
- 2.2 To review and approve the updated Anti-Fraud and Corruption policy, Whistleblowing policy and Anti-Money Laundering Policy.

#### 3. Reason for Decision(s) Recommended

- 3.1 The high-level focus on the adequacy of governance, risk and control arrangements is a key responsibility of the Audit and Corporate Governance Committee. The Committee are also required to maintain an overview of the Whistleblowing Policy, and to monitor the Anti-fraud & Corruption Policy.

## 4. Matters to consider

### 4.1 Background

Local authorities are responsible for the effective stewardship of public money and for safeguarding against losses arising from fraud and corruption. Blaby District Council maintains a zero-tolerance stance on fraud and corruption and is committed to the prevention, detection and investigation of Fraud and Corruption.

The Council has 3 policies in place which have been adopted and support the Councils commitment to prevent, detect and investigate fraud.

The Whistleblowing policy plays a key role in supporting our employees, members, suppliers and others working with the Council to raise concerns, providing confidential reporting routes and assurance of protection against victimisation.

The Anti-Fraud and Corruption Policy sets out the zero-tolerance approach to preventing, detecting, and investigating fraud and corruption by requiring all members, employees, and partners to act honestly, report concerns, and cooperate with proportionate investigations, including referral to the police where appropriate.

The Anti-Money Laundering Policy sets out proportionate safeguards to prevent the Council being used for money laundering or terrorist financing, requiring employees and Members to remain vigilant, identify and report suspicions promptly, and comply with relevant legislation and reporting arrangements.

Any fraud reported during the year is recorded and investigated. During 2025/26 there have been 4 reports of suspected fraud during the year. 1 was upheld, 2 which were not upheld, and 1 is currently being investigated, and Internal Audit have been consulted. The table below provides high level detail of the reported fraud instances.

Source	Nature of Fraud	Value	Upheld Yes/No
NFI Data Match	Council Tax Support and Benefit Fraud	£4,648.53	Yes, CTS cancelled & DWP informed
Member of Staff	Credit Card Fraud	£200.00	No
Member of Public	Falsification of documents relating to Planning Application & Consultation	N/A	No
NFI contact from Local Authority	Employment Fraud	TBC	Under investigation

In addition whistleblowing reports are also recorded and investigated. During the year there have been 4 whistleblowing instances that have been reported and investigated. The table below provides high level detail of the reported whistleblowing instances.

<b>Source</b>	<b>Nature of Fraud</b>	<b>Value</b>	<b>Upheld Yes/No</b>
Member of Staff	Using company asset for personal gain.	Under £3k	Yes, disciplinary action taken and dismissal of staff member.
Member of Staff	Personal use of vans and waste licence validity.	N/A	Investigation, not upheld.
Member of Staff	Personal use of van.	N/A	Investigation, not upheld.
Member of Staff	Using company asset for personal gain.	N/A	Partly upheld, disciplinary action taken and sanction given.

In September 2025 the Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence of *failure to prevent fraud*, under which an organisation may be held criminally liable if an employee, agent, subsidiary, or other associated person commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. This new legislation places the responsibility on the Council to ensure they have designed and adopted appropriate procedures.

Government guidance highlights six core elements that constitute “reasonable procedures”:

1. Top level commitment,
2. A structured fraud risk assessment,
3. Proportionate prevention controls,
4. Due diligence on associated persons,
5. Clear communication and training, and
6. Ongoing monitoring and review.

In order to comply with the Act, the Council must prove that they have taken reasonable steps to prevent fraud.

Following the new corporate offence introduced, and as the Council continue to strengthen its governance, risk management, and internal control environment, officers have conducted a review of the policies in place, and the current practices undertaken to prevent fraud. This has been compared to the Economic Transparency Act 2023. Findings are included at Appendix A including recommended actions.

The following policies have also been reviewed and revisions made where necessary -

- Whistleblowing policy (Appendix B)
- Anti-Fraud and Corruption policy (Appendix C)
- Anti-Money Laundering Policy (Appendix D)

Officers are currently looking into joint working with other Authorities on additional Counter Fraud Work.

**5. What will it cost and are there opportunities for savings?**

5.1 It is anticipated that the current budget available will be sufficient to cover external training costs.

**6. What are the risks and how can they be reduced?**

6.1

Current Risk	Actions to reduce the risks
If risks are not monitored, then the Council may not be aware of possible events arising.	Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate.
If the Council does not have appropriate procedures adopted, following the new legislation the Council may be held criminally liable if an employee, agent, subsidiary, or other associated person commits a fraud intending to benefit the organisation	Procedures are in place and adopted by the Council, with regular review, and revisions made where required, which are brought to Audit and Corporate Governance Committee.

**7. Other options considered**

7.1 None. If the Council did not implement any measures to address the risk of fraud it would leave the Council in a vulnerable position.

**8. Other significant issues**

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

**9. Appendix**

- 9.1 Appendix A – Fraud Prevention Self-Assessment
- 9.2 Appendix B – To follow
- 9.3 Appendix C – Anti-Fraud and Corruption Policy
- 9.4 Appendix D – Anti-Money Laundering Policy

**10. Background paper(s)**

None.

**11. Report author's contact details**

Katie Hollis	Finance Group Manager
Katie.hollis@blaby.gov.uk	0116 272 7739

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Fraud Prevention Arrangement Self-Assessment April 2026

Core Elements of 'reasonable procedures'	Detail	Current Practice	Review of Current Practice and Action required	Date to be implemented
Governance & Top Level Commitment	Senior management and the board of directors must foster a culture where fraud is never acceptable, leading by example and rejecting profit derived from fraudulent activity	<p>The Council has a zero tolerance on fraud and corruption and this is captured in the anti fraud and corruption policy with the Whistleblowing policy and Anti-money Laundering policy collectively supporting the culture at the Council that fraud is unacceptable.</p> <p>Member protocol and Officer code of conduct is included within the Councils Constitution</p> <p>The Council's Audit Committee have a responsibility to maintain an overview of the Council's anti-fraud and corruption approach and policies, any changes to the policies are brought to the Committee for review and approval.</p> <p>The Annual Governance statement provides assurance over the governance framework, which is embedded and maintained.</p>	<p>The Council has a clear zero tolerance on Fraud and Corruption, and expect Members, Officers of Blaby District Council, individuals and organisations who deal with the Council to act fairly and honestly.</p> <p>Amendments and changes to the policies in place are reported to the Audit and Corporate Governance Committee.</p> <p>Increased awareness for staff and Members should be undertaken of the officer/member protocol and officer code of conduct, and the Whistleblowing policy.</p>	September 2026

<p>Fraud Risk Assessment</p>	<p>Organisations must conduct a thorough, tailored assessment of the risks they face, including identifying areas where employees or "associated persons" might commit fraud to benefit the business. The assessment should be undertaken annually as a minimum.</p>	<p>Service Level are reported through Iplan (the Council's Performance Management system). The assessment scoring is reviewed and updated quarterly by Service Managers, taking into account impact and likelihood of the risks they face.</p> <p>The Corporate Risk Group which includes the Chief Executive, 3 x Directors (including S151), the Council Tax Income and Debt Manager, and the Finance Group Manager) meet quarterly to review the Corporate Risks and any Service Risks that have been escalated to a Corporate Risk. This is reported quarterly to the Audit and Corporate Governance Committee with detail of any changes made to the Corporate risks.</p> <p>During Engagement planning by Internal Audit, a risk assessment is undertaken. However it is managements responsibility to develop and maintain sound systems of risk management, internal control and governance for the prevention and detection of irregularities and fraud.</p>	<p>Risk assessments are undertaken at both a Service level and corporate level, with reviews being undertaken on a regular basis.</p> <p>Management have the responsibility to ensure that effective systems of control are in place within their services to prevent and detect fraud, and that those systems operate properly.</p> <p>A Fraud Risk Register should be considered to highlight the key areas of risk, and what mitigating controls are in place. They should be considered for the likelihood and impact and an assessment undertaken each year and reported Audit and Corporate Governance Committee.</p>	<p>September 2026</p>
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<p>Proportionate Procedures</p>	<p>The procedures to prevent fraud must be appropriate to the level of risk the organisation faces, ensuring they are not unnecessarily burdensome but effective.</p>	<p>Anti Fraud and Corruption policy, Whistleblowing policy and Anti-Money Laundering policy are in place and adopted by the Council. The policies are published on the Council website and on the Intranet and are reviewed a minimum of every 3 years.</p> <p>Key financial and procurement policies in place, such as the Financial Procedure Rules and Contract Procedure Rules which set out controls to prevent fraud within the Council's financial systems and processes, including purchasing and contracting. The Councils Contract Procedure Rules are currently being revised and updated.</p> <p>Individual systems and services with risk-based prevention procedures in place. This includes, for example, the separation of duties and access controls in key financial systems and functions as well as the Council's recruitment and management processes which aim to establish the integrity of employees.</p> <p>The Council takes an active part in the National Fraud Initiative (NFI) as organised by the Cabinet Office.</p>	<p>Policies are in place and have been adopted by the Council. The are held in an accessible location via the website and intranet.</p> <p>Increased communication should be undertaken to ensure all employees and members are aware of, and have reviewed the policies in place, and know the location they are saved.</p> <p>A training schedule is currently being implemented to ensure all relevant employees have undertaken NFI training and are aware of their responsibilities. This should then be implemented to be undertaken bi-annually as a minimum, with a procedure held locally.</p>	<p>April 2027 (Training dependant on NFI dates available)</p>
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		<p>This involves a rolling programme of electronic data extraction, data matching, review and investigation of matched reports and reporting on outcomes. The extracted data is matched with other data from public sector organisations to highlight potential fraudulent activity.</p>		
Due diligence	<p>Organisations must perform due diligence on "associated persons" (agents, subsidiaries, employees) to understand the risks of their actions and mitigate them.</p>	<p>The Councils Constitution sets out processes for proportionate due diligence in procuring contracts. This includes seeking key information from successful bidders, such as insurance certificates, policies, accreditations and DBS checks (where relevant).</p> <p>In awarding grants, the Council conducts due diligence checks on organisations applying for monies.</p>	<p>The Council has engaged Welland Procurement as a Procurement advisor.</p> <p>Due diligence is undertaken prior to contract award and detailed in procedures provided by Welland.</p> <p>Whilst procurement training provided by Welland is undertaken ad hoc by employees, this is not mandatory. The Council are considering additional mandatory training as part of Procurement and Contract Management process improvements and reviewing and revising the documentation accessible on the intranet as part of this process.</p> <p>As part of the recruitment process, due diligence is undertaken prior to employee contracts being issued with pre-employment checks being undertaken including documentary evidence where required.</p>	September 2026

			A thorough due diligence check is undertaken as part of the process for awarding grants to organisations.	
Communication & Training	Prevention policies and procedures must be communicated to all employees and associated persons, along with regular training.	<p>The Council publishes the Anti-Fraud and Corruption Policy, Whistleblowing Policy and Anti-Money Laundering Policy on its website. All policies are accessible to employees and members on the Councils intranet.</p> <p>Fraud awareness training on the Councils e-learning platform is mandatory, and to be undertaken every 3 years.</p>	<p>Policies are held and can be accessed on the website and via the Council intranet.</p> <p>Whilst mandatory training is undertaken via Skillsgate, it may be beneficial for this to be undertaken annually or a minimum of bi-annually, and consideration of a whistleblowing specific mandatory course for all employees.</p>	April 2027
Monitoring & Review	The fraud prevention procedures must be monitored, tested, and reviewed regularly to ensure they remain effective, especially as the organisation's risk profile changes.	<p>Regular review and update of key policies and reporting on this to the Audit and Corporate Governance Committee.</p> <p>Quarterly Corporate Risks report brought to Audit and Corporate Governance committee for</p>	<p>Policies are held and updated a minimum of every 3 years. Should there be any change in guidance or legislation, the policies should continue to be reviewed and revised at an earlier date than scheduled. Any changes are reported to the Committee for review and oversight.</p> <p>The Corporate Risks are reviewed quarterly and reported to the Audit and Corporate Governance Committee.</p>	No action required

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## Blaby District Council Policy

### Anti-Fraud and Corruption Policy

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

<b>Original Publish Date</b>	February 2018	<b>Review Frequency</b>	Every 3 Years	<b>Current Version Publish Date</b>	April 2026
<b>Approved By*</b>	Senior Leadership Team	<b>Approval Date*</b>	February 2018	<b>Version Number</b>	002
<b>Author Job Title</b>	Council Tax Income & Debt Manager	<b>Service Area</b>	Income & Collection – Financial Services	<b>Document Register Reference</b>	A 918

\*Approved by and 'approval date' are in relation to the most recent version.

Review History			
Version*	Reviewed By (Job Title)	Review Completion Date	Brief Description of Changes (add 'no changes required' if applicable)
001	Council Tax Income & Debt Manager	July 2020	No changes required
001	Council Tax Income & Debt Manager	6 February 2024	Job titles and contact details updated, spelling error corrected
002	Council Tax Income & Debt Manager	14 April 2026	Change of Portfolio Holder, Executive Director (Section 151 Officer) contact details and Executive Director's job title updated. Details added - Economic Crime and Corporate Transparency Act 2023 (ECCTA).

\*Version number remains the same if no significant changes are made upon review.

## Document Definition / Approval & Review

### Defining the document type and how it is approved and reviewed

Blaby District Council policies ‘**outline a set of rules or principles that govern how the council (or services within the council) will operate**’.

Key published documents are approved for publication in line with the approval matrix illustrated in the [Key Published Document Procedure](#).

Unless agreed by exception, key published documents must be reviewed at least **every 3 years** from the date of approval.

Significant updates/changes must also seek reapproval in line with the approval matrix.

## Scope

### To what and to whom this policy applies

This policy applies to all employees, whether permanent or temporary, and Members of the Council. Its aim is to enable employees and Members and other individuals who may have concerns about potential fraud or corruption related to any aspect of Council activity, to voice those concerns and ensure that they are responded to effectively.

## Terms & Definitions

Definition of any acronyms, jargon, or terms that might have multiple meanings.

Term	Definition

# Policy Sections

## Section 1 Introduction – The purpose and reason for the policy.

### Foreword

Blaby District Council's vision is for a thriving, sustainable, safe, healthy, and secure community where people are happy to live and work, and where we are recognised for our high quality, responsive, efficient and valued public services.

Members, Officers of Blaby District Council, individuals, and organisations who provide services on behalf of the Council are expected to treat our customers in a fair and honest way. Conversely, we expect that the Council will be treated fairly and honestly in its dealings with others and by those who work for and serve the Council and community. We are therefore committed to the prevention and detection of fraud and corruption, and we seek to engender a culture of zero tolerance.

Fraud has a negative effect on the economy, councils and taxpayers with the honest majority paying for it through the adverse effect on frontline public services. Every pound lost through fraud cannot be spent on valuable public services or to reduce the tax burden. Single person discount and exemptions fraud on council tax is estimated at £133 million per year, and in recruitment, by supplying false references or qualifications, people are able to carry out tasks for which they are not trained or qualified, potentially putting the public in danger.

Fraud and corruption can therefore have damaged and wide ranging consequences, undermining our corporate vision and priorities, and damaging our reputation to which a corporate response is required. This policy, along with associated policies (such as the Corporate Collection Policy & Civil Penalty Policy for Council Tax) and procedures will ensure a consistent approach to the detection, investigation, sanctions, and recovery of losses as a result of fraud and corruption activity.



Councillor Cheryl Cashmore  
Finance, People and Transformation Portfolio Holder (and Deputy Leader)  
March 2026

In conducting its business, Blaby District Council is committed to the prevention, detection and investigation of fraud and corruption. We expect Members, Officers of Blaby District Council, individuals, and organisations who deal with the Council to treat us and our customers in a fair and honest way. We take all cases of potential fraud and corruption seriously and will refer these to the Police or Action Fraud if appropriate.

We promote a zero tolerance anti-fraud and corruption culture through the anti-fraud and corruption policy, whistleblowing policy, procedures, and training etc. Our systems of internal control help to prevent and detect fraud and corruption with prompt detection and investigation of any fraud and corruption, with sanctions against those individuals' committing fraud and corruption and recovery of any losses.

The Council's approach to fraud and corruption will compliment and reinforce other corporate policies such as Member and Officer Codes of Conduct and disciplinary and grievance procedures.

The Fraud Response Plan sets out Blaby District Council's procedure to be followed in the event of fraud being suspected or detected.

We see preventing and detecting fraud and corruption as the joint responsibility of all members and officers within the Council, from those who are involved in providing strategic direction and policy, to those managing resources and those working in the day-to-day operation of Council activities.

In September 2025, the Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence of failure to prevent fraud, under which an organisation may be held criminally liable if an employee, agent, subsidiary, or other associated person commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. This new legislation places the responsibility on the Council to ensure they have designed and adopted appropriate procedures.

## Section 2 – Purpose

The public expect local authorities to be accountable for protecting public money and to operate in a transparent manner. Therefore, the Council needs to ensure that there are effective systems of anti-fraud and corruption arrangements in place and are working.

Stopping fraud happening in the first place must be the first aim; however, motivated fraudsters will still succeed. This document sets out the Council's approach to: raising awareness; encouraging prevention; promoting detection; ensuring effective investigation where suspected fraud or corruption has occurred; taking appropriate action.

The policy of the Council is to reduce losses through fraud and corruption to the absolute minimum in all areas.

Through this policy, and its associated procedures, we will enable employees, councillors and other individuals who may have concerns about potential fraud or corruption related to any aspect of Council activity, to voice those concerns and ensure that they are responded to effectively.

## Section 3 – Definition of Fraud and Corruption

### Fraud

The Fraud Act 2006 is legislation that has been introduced in order to provide absolute clarity on the subject of fraud. Section 1 of the Act introduced a new general offence of fraud and three ways of committing it:

- Fraud by false representation
- Fraud by failing to disclose information; and
- Fraud by abuse of position.

Fraud by false representation requires:

- Dishonesty.
- An intent to make gain or cause loss; and
- The person makes the representation knowing that it is or might be untrue or misleading.

Fraud by failing to disclose information requires:

- Dishonesty.
- An intent to make gain or cause loss; and
- Failure to disclose information where there is a legal duty to disclose.

Fraud by abuse of position requires:

- Dishonesty.
- An intent to make gain or cause loss; and
- Abuse of a position where one is expected to safeguard another person's financial interests.

## Corruption

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward, or showing any favour or disfavour which may influence the action of any person to act improperly.

## Bribery

The Bribery Act 2010 covers, amongst other things, the offences of bribing another person, of allowing persons to be bribed and organisational responsibility. Such offences include:

- The offer, promise or giving of financial or other advantage to another person in return for the person improperly performing a relevant function or activity.
- Requesting, agreeing to receive or accepting a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly.
- Commercial organisation responsibility for a person, associated with the organisation, bribing another person for the purpose of obtaining or retaining business for the organisation.

## Section 4 – Prevention and Detection of Fraud and Corruption

The primary responsibility for maintaining sound systems of control including arrangements to prevent and detect fraud and corruption lies with the Chief Executive, Executive Directors, and the Group Managers of the Council. An annual programme of internal audits is designed to assist this process by highlighting areas where controls are inadequate, require improvement or are not operating correctly, or at all, or where good practice can be shared.

The starting point of a strategic approach is to **Acknowledge** and understand the threat of the risk of fraud. The second element must be to build **Prevention** into the system rather than have a reliance on detection and enforcement once fraud or corruption has occurred. Finally, where fraud does occur, the Council will be strong in **Pursuing** fraud through recovery of losses and the enforcement of the law.

The Council has adopted the following policies, procedures, and codes of conduct to assist with the prevention and detection of fraud and corruption:

- Council Constitution - details the regulation of meetings, proceedings and business of the Council and its committees.
- Scheme of Delegation - details officer authorisation levels
- Financial Regulations and Financial Procedure Rules - the financial procedures to be followed by staff conducting the council's business.
- Contract Procedure Rules – the procedures to be followed for procurement purposes.
- Members' Code of Conduct – governs the conduct of councillors in the course of the Council's business.
- Officers' Code of Conduct - governs the conduct of officers in the course of the Council's business.

Councillors and employees are required to abide by, and act responsibly under, this policy and therefore assist in maintaining the reputation and public confidence in the Council. Councillors and managers are expected to lead by example in the implementation of this policy.

## Section 5 – Responsibilities of Members

Members of the Council are required to operate within the limits set out in the Council's Constitution (including financial regulations, Standing Orders and other relevant legislation) and the Members' Code of Conduct. This includes a

requirement to declare interests that may conflict with their duties and to not take part in decision-making where their interest could influence their decision. Councillors are expected to familiarise themselves with the Council's Constitution and the Members' Code of Conduct.

Members have a duty to report, and provide information, where they suspect fraud or corruption (including bribery) in accordance with the procedures set out in this policy.

## **Section 6 – Responsibilities of Officers**

Employees should familiarise themselves with and comply with the requirements of the Officers' Code of Conduct, Financial Regulations, Financial Procedure Rules, Contract Procedure Rules, and any other procedures relevant to their particular role.

Each employee is governed in their work by the Council's Standing Orders and Financial Regulations and other codes on conduct and policies. Included in the Code of Conduct are guidelines on Gifts and Hospitality and advice on professional and personal conduct and conflicts of interest. They should seek advice of the Monitoring Officer if in doubt. They should be aware that they could be found guilty of a criminal offence if they receive or give any reward or advantage or show favour or disfavour to any person when acting on behalf of the Council. Employees are responsible for ensuring that they follow instructions given to them by management, particularly in relation to the safekeeping of the assets of the Council.

Where employees are members of professional bodies, they are also expected to comply with the standards of conduct required by the relevant body.

Blaby District Council encourages its employees to raise concerns relating to suspected fraud and corruption and provides the necessary support to enable employees to do this. All employees have a duty to report any case where they suspect fraud or corruption may have taken place using the procedures set out in this policy. The Whistleblowing Policy supports those wishing to report concerns.

Managers are expected to ensure that policies and procedures are designed to prevent fraud and corruption in the course of delivering Council services, and existing services are revised as necessary to remove weaknesses. Managers must ensure all staff are aware of the Council's rules and procedures and have adequate training to equip them to undertake their job and comply with those rules and procedures. Managers must ensure there are appropriate arrangements in place to identify cases where members of their staff are not complying with rules and procedures in carrying out their role.

Internal Audit makes sure that the policies and procedures that are in place are adequate to ensure that possibilities of fraud and corruption are prevented or minimised.

Independent external audit is an essential safeguard of the stewardship of public money. This is carried out through specific reviews that are designed to test the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption.

Responsibility for the detection and investigation of alleged cases of Housing Benefit fraud (which includes other state benefits) now sits with the Single Fraud Investigation Service (SFIS). For this Council this change took place in March 2016.

The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's key role is to promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standard policies.

The Executive Director (Section 151 Officer) has been designated as the statutory officer responsible for financial matters as defined by section 151 of the Local Government Act 1972. The legislation required that every local authority in England and Wales 'should make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility for the administration of those affairs.'

This policy although primarily aimed at those within or associated with the Council, enables concerns raised by the public to be investigated, as appropriate, by the relevant person in a proper manner.

Both elected members and employees must ensure that they can avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based on impartial advice and avoid questions about improper disclosure of confidential information.

## **Section 7 – Working with others and sharing information.**

The Council is committed to working and co-operating with other organisations to prevent fraud and corruption and protect public funds. The Council may use personal information and data-matching techniques to detect and prevent fraud, and ensure public money is targeted and spent in the most appropriate and cost-effective way. In order to achieve this, information may be shared with other bodies for auditing or administering public funds including the Cabinet Office, the Department of Work and Pensions, other local authorities, National Anti-Fraud Network, HM Revenues and Customs, Department for Levelling Up and the Police.

## **Section 8 – National Fraud Initiative (NFI)**

The Council participates in the National Fraud Initiative (NFI). This requires public bodies to submit a number of data sets, for example payroll, council tax, and accounts payable (but not limited to these) which is then matched to data held by other public bodies. Any positive matches (e.g. an employee on the payroll in receipt of housing benefit) are investigated.

## **Section 9 – Reporting and Investigation of Suspected Fraud or Corruption**

Members of the public, contractors and suppliers should raise any concerns with the relevant person detailed in **Appendix 1**.

Employees should report instances of suspected fraud or corruption to their line manager or to the Executive Directors as appropriate. Managers are responsible for informing the Executive Directors of all such cases, who will ensure that the matter is appropriately investigated as detailed in **Appendix 2**.

The Council has a Whistleblowing Policy which encourages employees, Members and others who provide services on behalf of the Council, to raise any concerns they might have about wrongdoing within the Council. This policy covers potential acts of fraud and corruption. The existence of the policy is publicised to staff, contractors, and Members.

### **The Council's Response to Fraud and Corruption**

A Fraud Response Plan will be drawn up and looked into for each investigation.

If an initial investigation indicates that an employee of the Council may have committed fraud or corruption, the matter will be referred to the Executive Directors or Executive Director (Section 151 Officer). They will support the investigation and the matter will be dealt with in accordance with the Council's disciplinary procedure.

Where the matter involves a councillor it will be referred to the Monitoring Officer for investigation in relation to the Council's Internal Complaints Procedure for Members, or for referral to the Standards Board for England where appropriate.

Where third parties including members of the public, suppliers and contractors appear to be involved in fraud or corruption against the Council, the Council will investigate and report its findings in the first instance to the Executive Director (Section 151 Officer).

Cases relating to Housing Benefit are passed to the Department for Work and Pensions SFIS Team via the recognised and agreed pathway. Council Tax, Council Tax Support claims and Non-Domestic Rate matters are investigated by the Council Tax and Benefits Manager.

Cases may be reported to the Police where it is considered that a criminal act may have occurred, whether that act is against the Council or another party and regardless of who is involved in the potential fraud or corrupt act.

### **Recovery of Loss**

Fraud is an acquisitive crime and must not pay. The Council will aim to recover from those responsible any losses that it sustains as a result of fraud or corruption cases. Civil litigation and the Proceeds of Crime Act will be used when required to recover losses.

### **Training**

The Council is committed to provide training regarding fraud and corruption, and associated policies, to staff and Members to ensure that everyone is aware of their responsibilities and relevant procedures.

The Executive Director (Section 151 Officer) identifies any lessons learnt from individual cases and will make recommendations for the strengthening of systems and procedures for the future. Training and advice will be provided to appropriate staff to ensure that learning from individual cases is incorporated across the authority.

### **Record Keeping**

The Council will keep a record of all allegations reported by this procedure.

## **Section 10 – Equalities Impact Assessment (mandatory section)**

### **Public Sector Equality Duty (PSED)**

The Public Sector Equality Duty requires public bodies and others carrying out public functions to have due regard to the need to eliminate discrimination, to advance equality of opportunities and foster good relations.

Blaby District Council promotes equal opportunities in the services it provides.

Our aim is to implement and maintain services which ensure that no potential or current customer is treated less favorably on the grounds of gender, marital status, race, nationality, ethnic or national origin, colour, disability, age or sexual orientation nor is disadvantaged by the application of a rule, condition, or requirement, which has a discriminatory effect which cannot be justified by law.

## **Section 11 – Carbon Neutral / Net Zero Benefits (mandatory section)**

Not Applicable

## **Section 12 – Exceptions (if applicable)**

Not Applicable

## **Appendices**

Appendix 1 Who you should report your concerns to

Appendix 2 Fraud Response Plan

## Appendix 1

### Who should you report your concerns to

Suspected financial irregularities or fraud, corruption and Money Laundering:

- Blaby District Council  
Executive Director (Section 151 Officer)  
Council Offices  
Desford Road  
Narborough  
Leicestershire  
LE19 2EP  
Telephone 0116 272 7650  
e-mail: [sarah.pennelli@blaby.gov.uk](mailto:sarah.pennelli@blaby.gov.uk)

Matters relating to Councillors

- Blaby District Council  
Executive Director (Communities)  
Desford Road  
Narborough  
Leicestershire  
LE19 2EP  
Telephone 0116 272 7636  
e-mail: [legal.services@blaby.gov.uk](mailto:legal.services@blaby.gov.uk)

Matters relating to Housing Benefit

- [www.gov.uk/national-benefit-fraud-hotline](http://www.gov.uk/national-benefit-fraud-hotline)

National Fraud Hotline

- Telephone Number: 0800 854 440

## Appendix 2

# Fraud Response Plan

### 1. Introduction

The purpose of this statement is to demonstrate and set out the procedures to be followed by staff where a fraud is suspected or detected. It is part of Blaby District Council's overall anti-fraud and corruption strategy. It therefore applies to all Members and all staff of the Council including temporary agency staff and contractors.

### 2. Reporting a Suspected Fraud

Any suspicion of fraud will be treated seriously and will be reviewed and analysed in accordance with the Public Disclosure Act 1998, the Human Rights Act 1998, the Regularity of Investigatory Powers Act 2000, Criminal Procedure and Investigation Act 1996 and the Council's Fraud Investigation Procedure.

### 3. Action By Employees

If you become aware of a suspected fraud or irregularity, write down your concerns immediately including all the relevant detail, such as what was said in phone or other conversations, the date, the names of anyone involved etc. There is a form available for this purpose on i-blaby. Report the matter immediately to either:

- your Line Manager or
- an Executive Director
- the Executive Director (Section 151 Officer) or
- for confidential reporting alternatives please refer to the Raising Concerns (Whistleblowing) Policy

When you report your concerns, arrange to handover your notes and any evidence you have, to the appropriate investigator.

Confidentiality for all parties will be maintained over any reports made in good faith which cannot be substantiated following investigation.

A member of staff may choose to report their concerns anonymously (in line with the Raising Concerns (Whistleblowing Policy) and such anonymity should be noted, however if the report suggests criminal activity, and the case is to be pursued, the identity of the person reporting the details will be needed at a later date if criminal proceedings are pursued.

### 4. Action By Managers

If you have reason to suspect fraud or corruption in your work area, you should do the following:

- Listen to the concerns of your staff and treat every report you receive seriously and sensitively.
- Make sure that all staff concerns are given a fair hearing. You should also reassure them that they will not suffer because they have told you of their suspicions.
- Get as much information as possible from the member of staff, including any notes and any evidence they have to support the allegation. Do not interfere with any evidence and make sure it's kept in a safe place.
- Do not try to carry out an investigation yourself. This may damage any Internal Audit or criminal enquiry.
- Report the matter to the Executive Director.

### 5. Malicious Allegations

If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

## **6. Investigation Procedure**

The Executive Director (Section 151 Officer) is responsible for initiating and overseeing all fraud investigations and for subsequent follow-up work to be completed. They will comply with the Fraud Investigation Plan to ensure that all investigations conform to the same standard and in accordance with legislation and the Council's prosecution policy.

Investigation results will be treated in the strictest confidence and will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct, and to protect the Council from potential civil liability.

In cases where an individual is suspected of fraud which a subsequent investigation does not substantiate, it is important that the potential damage to the individual's reputation is minimised. Whoever originally reported the suspected fraud or irregularity must treat in the strictest confidence or they themselves could be subject to a misconduct investigation. They will be informed that the investigation has revealed no wrongdoing.

Any necessary investigative activity will be conducted without regard to any person's relationship to the Council or length of service.

Should a criminal act be suspected the case/investigation may be handed over together with any findings to the police to deal with.

In the case of suspected housing or Council Tax benefit / support fraud, the Council Tax and Benefits Manager will follow a specific investigative procedure in-line with the national standards set by the Department of Works and Pensions. The Council Tax and Benefits Manager and team are responsible for initiating and investigating all Housing Benefit, Council Tax Support frauds, fraud against the Council's discretionary or hardship fund.

## **7. Conduct Of Investigation**

Where an investigation is carried out, it will be carried out with discretion and sensitivity. In carrying out the investigation, they will confine themselves to investigating those matters which are the subject of, or are relevant to, the suspected fraud.

The Investigating Officers will conduct investigations in compliance with the dedicated Code of Conduct, designed to meet the requirements of the Department of Works and Pensions for investigating such frauds.

Once the investigation has been completed, a written report will be prepared which states the facts discovered by the investigation. The report will avoid speculation and no statement shall be made that cannot be supported by the facts.

## **8. Learn From Past Experience**

Where a fraud has occurred, management must make any necessary changes to systems and procedures to ensure that similar frauds will not recur. The investigation may highlight where there has been a failure of supervision or a breakdown/absence of control. Internal Audit is available to offer advice and assistance on matters relating to internal control, if considered appropriate.

## **9. Disciplinary Procedure**

As for other cases of misconduct, matters of alleged fraud will be dealt with under the procedure laid down in the Council's Disciplinary Procedure.

## 10. **Recovery of Loss**

Where the Council has suffered loss, restitution will be sought of any benefit or advantage obtained and recovery of costs will be sought from individual(s) responsible for the fraud.

As a first step the individual(s) concerned will be asked to make good the loss.

It may be appropriate to consider recovering the loss from any monies due to the individual(s) on termination if the perpetrator(s) is an employee. The advice of the Democratic Services, Governance and Scrutiny Manager should be sought before attempting to make recovery.

Where an employee is a member of the Council's Pension Scheme, and is guilty of fraud, the Council may be able to recover the loss from the capital value of the individual(s) accrued benefits in the Scheme, which are then reduced as advised by the actuary. If such action may be appropriate, the Council's Pension Trustees should be contacted in the first instance. The Trustees have discretion over whether or not recovery is made.

If the individual(s) will not make good the loss consideration should give to taking civil action to recover the loss, subject to legal advice received.

## Blaby District Council Policy

### Anti-Money Laundering Policy

A guide to the Council's anti-money laundering safeguards and reporting arrangements.

<b>Original Publish Date</b>	June 2018	<b>Review Frequency</b>	Annual	<b>Current Version Publish Date</b>	April 2026
<b>Approved By*</b>	Senior Leadership Team	<b>Approval Date*</b>	15/03/2010	<b>Version Number</b>	002
<b>Author Job Title</b>	Council Tax Income & Debt Manager	<b>Service Area</b>	Income & Collection – Financial Services	<b>Document Register Reference</b>	A 899

\*Approved by and 'approval date' are in relation to the most recent version.

Review History			
Version*	Reviewed By (Job Title)	Review Completion Date	Brief Description of Changes (add 'no changes required' if applicable)
001	Financial Services Group Manager	July 2020	
001	Council Tax Income & Debt Manager	June 2021	No changes required
001	Council Tax Income & Debt Manager	July 2022	No changes required
001	Council Tax Income & Debt Manager	February 2024	No changes required
002	Council Tax Income & Debt Manager	14 April 2026	Details added - Economic Crime and Corporate Transparency Act 2023 (ECCTA)

\*Version number remains the same if no significant changes are made upon review.

## Document Definition / Approval & Review

### Defining the document type and how it is approved and reviewed

Blaby District Council policies **‘outline a set of rules or principles that govern how the council (or services within the council) will operate’**.

Key published documents are approved for publication in line with the approval matrix illustrated in the [Key Published Document Procedure](#).

Unless agreed by exception, key published documents must be reviewed at least **every 3 years** from the date of approval.

Significant updates/changes must also seek reapproval in line with the approval matrix.

## Scope

### To what and to whom this policy applies

This policy applies to all employees, whether permanent or temporary, and Members of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council.

## Terms & Definitions

Definition of any acronyms, jargon, or terms that might have multiple meanings.

Term	Definition

# Policy Sections

## Section 1 Introduction – The purpose and reason for the policy.

Although local authorities are not directly covered by the requirements of the Money Laundering Regulations 2007, guidance from the Chartered Institute for Public Finance and Accountancy (CIPFA) indicates that they should comply with the underlying spirit of the legislation and regulations. The Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

In September 2025 the Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new corporate offence of failure to prevent fraud, under which an organisation may be held criminally liable if an employee, agent, subsidiary, or other associated person commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. This new legislation places the responsibility on the Council to ensure they have designed and adopted appropriate procedures.

## Section 2 – Scope of the Policy

This policy applies to all employees, whether permanent or temporary, and Members of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council.

Individuals who may have a concern relating to a matter outside work should contact the Police.

## Section 3 – Definition of Money Laundering

- 3.1 Money laundering describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Such offences are defined under the Proceeds of Crime Act 2002 as the following ‘prohibited acts’:
  - a) Concealing, disguising, converting, transferring, or removing criminal property from the UK.
  - b) Becoming involved in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property.
  - c) Acquiring, using or possessing criminal property.
  - d) Doing something that might prejudice an investigation e.g. falsifying a document.
  - e) Failure to disclose one of the offences listed in a) – c) above, where there are reasonable grounds for knowledge or suspicion.
  - f) Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.
- 3.2 Provided the Council does not undertake activities regulated under the Financial Services and Markets Act 2000, the offences of failure to disclose and tipping off do not apply. However, the Council and its employees and Members remain subject to the remainder of the offences and the full provisions of the Terrorism Act 2000.
- 3.3 The Terrorism Act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism.
- 3.4 Although the term ‘money laundering’ is generally used to describe the activities of organised crime for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.
- 3.5 Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences above.

## Section 4 – Requirements of the Money Laundering Legislation

The main requirements of the legislation are:

- To appoint a money laundering reporting officer.
- Maintain client identification procedures in certain circumstances.
- Implement a procedure to enable the reporting of suspicions of money laundering.  
and
- Maintain record keeping procedures.

## Section 5 – The Money Laundering Reporting Officer (MLRO)

The Council has designated the Section 151 Officer as the Money Laundering Reporting Officer (MLRO). She can be contacted on 0116 272 7650 or at [sarah.pennelli@blaby.gov.uk](mailto:sarah.pennelli@blaby.gov.uk)

In the absence of the MLRO or instances where it is suspected that the MLRO themselves are involved in suspicious transactions, concerns should be raised with the Deputy Section 151 Officer. She can be contacted on 0116 272 7739 or at [katie.hollis@blaby.gov.uk](mailto:katie.hollis@blaby.gov.uk)

## Section 6 – Client Identification Procedures

Although not a legal requirement, the Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and if appropriate, companies to provide proof of identity and current address.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed and a disclosure report, must be submitted to the Money Laundering Reporting Officer.

All personal data collected must be kept in compliance with the Data Protection Act.

## Section 7 – Reporting procedure for Suspicions of Money Laundering

- 7.1 Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within 'hours' of the information coming to your attention, not weeks or months.
- 7.2 Your disclosure should be made to the MLRO. The report must include as much detail as possible including:
- Full details of the person involved.
  - Full details of the nature of their/your involvement.
  - The types of money laundering activity involved.
  - The dates of such activities.
  - Whether the transactions have happened, are ongoing or are imminent.
  - Where they took place.
  - How they are undertaken.
  - The (likely) amount of money/assets involved; and
  - Why, exactly, you are suspicious.

Along with any other available information, to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable her to prepare her report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

- 7.3 If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327-329 of the Proceeds of Crime Act 2002, then your report must include all relevant details, as you will need consent from the NCA, via the MLRO, to take any further part in the transaction – this is the case even if the client gives instructions for the matter to proceed before such consent is given. You should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date of court deadline.
- 7.4 Once you have reported the matter to the MLRO you must follow any directions she may give you. You must NOT make any further enquiries into the matter yourself; any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 7.5 Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of ‘tipping off’.
- 7.6 Do not, therefore, make any reference on a client file, to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

## Section 8 – Consideration of the disclosure by the Money Laundering Reporting Officer

- 8.1 Upon receipt of a disclosure report, the MLRO must note the date of receipt on her section of the report and acknowledge receipt of it. She should also advise you of the timescale within which she expects to respond to you.
- 8.2 The MLRO will consider the report and any other available internal information she thinks relevant e.g.
- reviewing other transaction patterns and volumes.
  - the length of any business relationship involved.
  - the number of any one-off transactions and linked one-off transactions.
  - any identification evidence held.

and undertake such other reasonable inquiries she thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping of those involved). The MLRO may also need to discuss the report with you.

- 8.3 Once the MLRO has evaluated the disclosure report and any other relevant information, she must make a timely determination as to whether.
- there is an actual or suspected money laundering taking place; or
  - whether there are reasonable grounds to know or suspect that this is the case; and
  - whether she needs to seek consent from the NCA for a particular transaction to proceed.
- 8.4 Where the MLRO does so conclude, then she must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless she has a reasonable excuse of non-disclosure to the NCA (for example, if you a lawyer and you wish to claim legal professional privilege for not disclosing the information).
- 8.5 Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then she must note the report accordingly, she can then immediately give her consent for any ongoing or imminent transactions to proceed. In cases where legal professional privilege may apply, the MLRO must liaise with the Council’s Monitoring Officer to decide whether there is a reasonable excuse for not reporting the matter to the NCA.

- 8.6 Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question, must not be undertaken or completed until the NCA has given specific consent, or there is deemed consent through the expiration of the relevant time limits in which the NCA must respond, and no response has been received.
- 8.7 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then she shall mark the report accordingly and give her consent for any ongoing or imminent transaction(s) to proceed.
- 8.8 All disclosure reports referred to the MLRO and reports made by her to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 8.9 The MLRO commits a criminal offence if she knows or suspects, or has reasonable grounds to do so, through a disclosure being made to her, that another person is engaged in money laundering, and she does not disclose this as soon as practicable to the NCA.

## **Section 9 – Training**

- 9.1 Officers considered likely to be exposed to suspicious situations, will be made aware of these by their Senior Officer and provided with appropriate training.
- 9.2 Additionally, all employees and Members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and them.
- 9.3 Notwithstanding the paragraphs above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

## **Section 10 – Equalities Impact Assessment (mandatory section)**

### **Public Sector Equality Duty (PSED)**

The Public Sector Equality Duty requires public bodies and others carrying out public functions to have due regard to the need to eliminate discrimination, to advance equality of opportunities and foster good relations.

Blaby District Council promotes equal opportunities in the services it provides.

Our aim is to implement and maintain services which ensure that no potential or current customer is treated less favorably on the grounds of gender, marital status, race, nationality, ethnic or national origin, colour, disability, age or sexual orientation nor is disadvantaged by the application of a rule, condition, or requirement, which has a discriminatory effect which cannot be justified by law.

## **Section 11 – Carbon Neutral / Net Zero Benefits (mandatory section)**

Not Applicable

## **Section 12 – Exceptions (if applicable)**

Not Applicable

## **Appendices**

Not Applicable

# **Audit & Corporate Governance Committee Work Programme**

Issue	Report Author
<b>27 April 2026</b>	
Internal Audit Charter and Mandate	Shared Service Audit Manager
Internal Audit Strategy	Shared Service Audit Manager
Quarterly internal audit update	Shared Service Audit Manager
Audit Plan for 2025/26 (Azets)	Finance Group Manager/Azets Auditors
Annual Audit Plan 2026/27	Shared Service Audit Manager
Audit & Corporate Governance Committee Annual Report 2025/26	Shared Service Audit Manager
Accounting Policies 2025/26	Finance Group Manager
Risk Management Q4 2025/26	Council Tax Income & Debt Manager
Statutory Best Value Duty – Voluntary Self-Assessment	Performance & Information Service Manager
Annual Fraud Report (Including Whistleblowing Policy and Anti-fraud & Corruption Policy, Anti-Money Laundering Policy and the Fraud Prevention Arrangements Self-Assessment)	Council Tax Income & Debt Manager

<b>July 2026 – Date TBC</b>	
Annual Audit Opinion Report	Shared Service Audit Manager
Quarterly Internal Audit Update Report	Shared Service Audit Manager
Unaudited Statement of Accounts 2025/26	Finance Group Manager
Risk Management Q1 2025/26	Council Tax Income & Debt Manager
Risk Management Strategy	Council Tax Income & Debt Manager
<b>November 2026 – Date TBC</b>	
Quarterly Internal Audit Update Report	Shared Service Audit Manager
Risk Management Q2 2025/26	Council Tax Income & Debt Manager
External Auditors Annual Report 2025/26	External Auditors (Azets)
<b>January 2027 – Date TBC</b>	
Risk Management Q2 2025/26	Council Tax Income & Debt Manager
Quarterly Internal Audit Update Report	Shared Service Audit Manager
Approval of 2025/26 Accounts (Azets)	External Auditors (Azets)

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