
Audit and Procurement Committee

Time and Date

2.30 pm on Monday, 22nd September, 2025

Place

Diamond Rooms 1 and 2 - Council House, Coventry

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 5 - 10)
To agree the minutes of the meeting held on 21st July 2025
4. **Exclusion of Press and Public**
To consider whether to exclude the press and public for the private items of business for the reasons shown in the reports.
5. **2024/25 External Audit Plan (Grant Thornton)** (Pages 11 - 98)
Report of the Director of Finance and Resources (Section 151 Officer)
6. **Local Code of Corporate Governance 2025/26** (Pages 99 - 124)
Report of the Director of Law and Governance
7. **2025/26 First Quarter Financial Monitoring Report (to June 2025)** (Pages 125 - 148)
Report of the Director of Finance and Resources (Section 151 Officer)
8. **Annual Fraud & Error Report 2024/2025** (Pages 149 - 156)
Report of the Director of Finance and Resources (Section 151 Officer)
9. **Corporate Risk** (Pages 157 - 194)
Report of the Director of Finance and Resources (Section 151 Officer)

10. **Outstanding Issues** (Pages 195 - 200)
Report of the Director of Law and Governance
11. **Work Programme 2025/2026** (Pages 201 - 202)
Report of the Director of Law and Governance
12. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Private business

13. **Procurement and Commissioning Progress Report** (Pages 203 - 222)
Report of the Director of Law and Governance
(Listing Officer: Rob Amor – Email: rob.amor@coventry.gov.uk)
14. **Consideration of Approval of Severance Packages** (Pages 223 - 238)
Report of the Director of Law and Governance
(Listing Officer: Joanne Pay – Email: joanne.pay@coventry.gov.uk)
15. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Julie Newman, Director of Law and Governance, Council House, Coventry
Friday, 12 September 2025

Note: The person to contact about the agenda and documents for this meeting is Lara Knight, Michelle Salmon, Governance Services, Email: lara.knight@coventry.gov.uk
michelle.salmon@coventry.gov.uk

Membership:

Councillors M Ali, J Blundell, A Hopkins, A Jobbar, R Lakha (Chair), P Male and B Singh (Deputy Chair)

By invitation:

Councillor R Brown – Cabinet Member for Finance and Resources

Public Access

Any member of the public who would like to attend the meeting in person is encouraged to contact the officer below in advance of the meeting regarding arrangements for public attendance. A guide to attending public meeting can be found here: <https://www.coventry.gov.uk/publicAttendanceMeetings>

Lara Knight
Governance Services
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Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 2.30 pm
on Monday, 21 July 2025

Present:

Members: Councillor R Lakha (Chair)
Councillor M Ali
Councillor J Blundell
Councillor A Hopkins
Councillor A Jobbar
Councillor J Lepoidevin (Substitute for Councillor P Male)
Councillor B Singh (Deputy Chair)

Member (by Invitation): Councillor R Brown – Cabinet Member for Strategic Finance and Resources

Employees (by Directorate):

Finance and Resources B Hastie (Director of Finance and Resources), P Helm, T Pinks, K Tyler

Law and Governance O Aremu, M Salmon

Apologies: Councillor P Male

Public Business

9. Declarations of Interest

There were no disclosable pecuniary interests.

10. Minutes of Previous Meeting

The minutes of the meeting held on 23rd June 2025 were agreed and signed as a true record. There were no matters arising.

11. Annual Compliance Report 2024 - Regulatory and Investigatory Powers Act (RIPA) 2000

The Audit and procurement Committee considered a report of the Director of Law and Governance that outlined the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA), which governed the acquisition and disclosure of communications data and the use of covert surveillance by local authorities

The Regulation of Investigatory Powers Act 2000 (RIPA) enabled the Council to use covert surveillance; covert human intelligence sources (CHIS); and the acquisition of service use or subscriber information in relation to communications data in a manner that was compatible with Article 8 of the European Convention on Human Rights governing an individual's right to respect for their private and family life, home and correspondence.

The Council used powers under RIPA to support its core functions for the purpose of prevention and detection of crime where an offence may be punishable by a custodial sentence of 6 months or more or were related to the underage sale of alcohol and tobacco. There were three processes available to local authorities under RIPA: the acquisition and disclosure of communications data; directed surveillance; and covert human intelligence sources (“CHIS”).

The Act set out the procedures that the Council must follow if it wished to use directed surveillance techniques or acquire communications data in order to support core function activities (e.g. typically those undertaken by Business Compliance and Environmental Health). The information obtained as a result of such operations, could later be relied upon in court proceedings providing RIPA was complied with.

2019 saw the implementation of Part 3 of the Investigatory Powers Act 2016 (IPA). The introduction of this legislation had seen the most significant change to the acquisition of communications data in recent years. The IPA consolidated all existing powers available to law enforcement and other agencies. It radically overhauled the way these powers were authorised and overseen. The legislation also ensured that the powers conveyed were fit for the fast-moving digital age that we live in. The IPA had introduced the Office for Communications Data Authorisation (OCDA) which was now responsible for independently authorising all applications for communications data. This had removed the requirement for local authorities to seek judicial approval for communications data. In addition, the legislation had broadened the range of communications data available including access to location data.

The Home Office Code for Covert Surveillance and Property Interference recommended that Elected Members, whilst not involved in making decisions or specific authorisations for the local authority to use its powers under Part II of the Act, should review the Council’s use of the legislation and provide approval to its policies. The Council adopted this approach for oversight of the authority’s use of Parts I and II of the Act.

The Council was required to have a Senior Responsible Officer to maintain oversight of the RIPA arrangements, procedures and operations. The Council’s Monitoring Officer performed this function and was responsible for the integrity of the Council’s process for managing the requirements under RIPA.

The Committee noted that, for the period 1st January 2024 to 31st December 2024, no applications were made for either the Use of Directed Surveillance or Covert Human Intelligence sources or the Use of Acquisitions and Disclosure of Communications Data.

The Committee asked questions and sought assurances at the meeting from officers on matters including: the procedures that the Council must follow if it wished to use directed surveillance techniques or acquire communications data; the strictly regulated use of the powers under the Act for the purpose of prevention and detection of crime, that had resulted in no applications being made for its use in 2024; the impact the use of the powers could have on an individual’s right to respect for their private and family life, home and

correspondence; the Senior Responsible Officer, that being the Council's Monitoring Officer, to maintain oversight of the RIPA arrangements, procedures and operations and ensuring the integrity of the Council's process for managing the requirements under RIPA; the definition of covert and overt surveillance work; the work that took place across the Authority through the use of other powers, particularly for prosecution and enforcement work; and the actions that could be taken through the use of overt surveillance.

The Committee were satisfied with the Council's use and compliance with the Regulation of Investigatory Powers Act 2000 and requested that consideration be given to the inclusion of information on the work that had taken place across the Authority through the use of other powers, to provide a wider picture in future RIPA reports. Officers undertook to review the outcome of prosecution and enforcement work, for example relating to fraudulent trading activity or underage sales of alcohol or tobacco, to determine where this should be reported.

The Committee further requested that information on the use of powers under RIPA for the period January – July 2025, be circulated to Members.

RESOLVED that, having considered the report, the Audit and Procurement Committee:

- 1) Notes the Council's use and compliance with the Regulation of Investigatory Powers Act 2000.**
- 2) Determines that there are no recommendations to be forwarded to the Cabinet Member for Policing and Equalities as officers will take away the comments made at the meeting and feedback to the committee.**

12. Revenue and Capital Outturn 2024/2025

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that had been considered at the meeting of Cabinet on 8th July 2025 (their minute 11/25 referred) and would also be considered at the meeting of Council on 2nd September 2025. The report outlined the final revenue and capital outturn position for 2024/25, and reviewed treasury management activity and 2024/25 Prudential Indicators reported under the Prudential Code for Capital Finance. Appendices to the report provided: a detailed breakdown of Directorate Revenue Variations; Capital Programme Changes and Analysis of Rescheduling; and Prudential Indicators.

The overall financial position included the following headline items:

- An underspend of £1.8m, balanced by a contribution to earmarked reserves.
- Capital Programme expenditure of £128.8m.
- A small increase in the level of available Council revenue reserves from £118m to £119m.

The Council had faced significant pressures within both Adults and Children's Social Care, and City Services. Other overspends were also being reported in Regeneration and Economic Development, Legal and Governance, People, and Organisational Development. These financial pressures were being caused by a combination of continued increases in service demand, complexity of cases and

social care market conditions, legacy inflation impacts, income shortfalls due to reduced activity, and slippage in the delivery of some service savings.

The underlying revenue position had improved by £8.8m since Quarter 3 where an overspend of £7.0m was being forecast. The majority of the improved position related to increased one-off income within Contingency and Central budgets which were set out in section 2.1.4 of the report.

The Committee asked questions and sought assurances at the meeting from officers on matters including: the funding provision and the financial impact on Council services for supporting new communities in the city; the Council's position in relation to the level of its reserve balances, which placed the Authority in a strong financial position; attracting higher income earners to live and work in the city through new developments; the expectation that the Cultural Gateway Project would operate commercially; and the restrictions and prohibited uses of Public Works Loan Board borrowing, the main source of loan finance for funding local authority capital investment, for which there was no maximum borrowing limit.

The Committee requested that details of the prohibited and the permitted uses of Public Works Loan Board borrowing, be circulated to them.

The Committee discussed lobbying the Government regarding the restrictions on access to Public Works Loan Board borrowing, if Councils chose to pursue new regeneration investment opportunities. They agreed that the matter be referred to the Cabinet Member for Strategic Finance and Resources for consideration.

RESOLVED that having considered the contents of the report, Audit and Procurement Committee referred the following matter to the Cabinet Member for Strategic Finance and Resources:

- 1) The Audit and Procurement Committee requests that the Cabinet Member for Strategic Finance and Resources considers lobbying the Government on behalf of the Council regarding the restrictions on access to Public Works Loan Board borrowing, if Councils choose to pursue new regeneration investment opportunities.**

(Note: HM Treasury - Public Works Loan Board Guidance for Applicants – August 2021 was subsequently circulated to Members of the Committee which provided information regarding borrowing for new regeneration investment opportunities)

13. Audit and Procurement Committee Annual Report to Council 2024-2025

The Audit and Procurement Committee considered their Annual Report to Council that provided an overview of its activity during 2024/2025. The report would be submitted to the City Council at their meeting on 2nd September 2025.

The report included an introduction by the Chair, Councillor R Lakha, and indicated that the Audit and Procurement Committee was a key component of the Council's governance framework, supporting good governance and strong public financial management. Over the last year, the Committee had continued to discharge its key responsibility effectively, namely providing independent assurance on the adequacy of the risk management framework, the internal

control environment and the integrity of the Council's financial reporting and governance processes. The report demonstrated the vital role carried out by the Committee and the contribution that it made to the Council's overall governance arrangements.

The Committee received a range of routine reports based on the clearly defined expectations of services / functions that reported to it, e.g. internal / external audit and financial management. It also received ad-hoc reports which focussed on either a specific concern or developments that impacted directly on the Committee.

The report detailed the Committee's activity in 2024/25 in the following areas: Governance; Financial Management and Accounting; External Audit; Internal Audit; Fraud and Error; Procurement and Salaries. Reports considered during this period which were linked to risk management, internal control and governance, included: Whistleblowing Annual Report 2023/24; Regulation of Investigatory Powers Act 2000 Annual Compliance Report; Complaints to the Local Government and Social Care Ombudsman 2023/24; Corporate Risk Register; Information Governance Annual Report 2023/24; and Coventry Municipal Holdings Group Accounts.

The report also detailed priorities for the Committee for 2024/25 which included:

- The Council's risk management, governance, internal control and financial management arrangements continue to operate effectively, especially in light of the ongoing financial pressures caused by inflation, increasing service demands and difficult conditions within social care markets.
- The deadlines relating to the publication of the Council's 2024/25 unaudited and audited Statements of Accounts are achieved and the Council has appropriate arrangements in place to ensure the timetable is met in forthcoming years.

RESOLVED that the Audit and Procurement Committee recommends that Council considers the Audit and Procurement Committee Annual Report 2024/2025 at their meeting on 2nd September 2025.

14. Outstanding Issues

There were no outstanding issues.

15. Work Programme 2025/2026

The Audit and Procurement Committee considered a report of the Director of Law and Governance that detailed the Work Programme of scheduled issues to be considered by the Committee during the Municipal Year 2025/2026.

RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2025/2026 and that the External Auditor, Grant Thornton, would be submitting their 2024/25 External Audit Plan Report to the next meeting of the Committee scheduled for 22nd September 2025.

16. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at 4.00 pm)



Coventry City Council

Public report

Audit and Procurement Committee

22nd September 2025

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected:

City Wide

Title:

2024/25 External Audit Plan

Is this a key decision?

No

Executive Summary:

The purpose of this report is to request that the Audit & Procurement Committee note the 2024/25 External Audit Plan (Appendix 1 to the report) provided by the Council's external auditor, Grant Thornton, together with the related 'Informing the risk assessment' report.

The Audit Plan provides details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, Grant Thornton have been liaising with the Council's management to update their understanding of the nature of risks that could impact on the audit plan. The findings from this work are detailed in the 'Informing the risk assessment' report (Appendix 2 to the report). The auditors designed an audit programme tailored to address the risks and circumstances at Coventry City Council.

In support of the audit of the accounts, Grant Thornton have reviewed the controls in place for the Council's key financial systems. The outcome from this work is detailed in the '2024/25 IT audit findings' report (Appendix 3 to the report). Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements.

Recommendations:

Audit and Procurement Committee is recommended:

- 1) To note the details presented in the 2024/25 Audit Plan.
- 2) To note the findings detailed in the 'Informing the audit risk assessment – 2024/25' report.
- 3) To note the findings detailed in the '2024/25 IT audit findings' report.

List of Appendices included:

Appendix 1 – 2024/25 External Audit Plan
Appendix 2 – Informing the audit risk assessment – 2024/25
Appendix 3 – 2024/25 IT Audit

Background Papers

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?:

The Audit and Procurement Committee will consider the Statement.

Has it been or will it be considered by any other Council Committee, Advisory Panel, or other body?:

No

Will this report go to Council?:

No

Report title: 2024/25 External Audit Plan and supporting risk assessment report.

1. Context (or background)

- 1.1. The purpose of this report is to request that the Audit & Procurement Committee note the 2024/25 External Audit Plan (Appendix 1 to the report) provided by the Council's external auditor, Grant Thornton, together with the related 'Informing the risk assessment' report and the IT audit 2024/25 report.
- 1.2. The Audit Plan provides details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, Grant Thornton have been liaising with the Council's management to update their understanding of the nature of risks that could impact on the audit plan. The findings from this work are detailed in the 'Informing the risk assessment' report (Appendix 2 to the report).
- 1.3. The auditors will design an audit programme that is tailored to address and assess the risks. Key risks identified in the Audit Plan are:
 - Management override of controls
 - The revenue cycle includes fraudulent transactions
 - The expenditure cycle includes fraudulent transactions
 - Valuation of land and buildings, and investment properties.
 - Valuation of the pension net asset/liability.
 - Accounting for the Group and related disclosures
 - Valuation of long-term investments
 - Equal pay claims
 - IRFS16 Implementation
- 1.4. In support of the audit of the accounts, Grant Thornton have reviewed the controls in place for the Council's key financial systems. The outcome from this work is detailed in the '2023/24 IT audit findings' report (Appendix 3 to the report). Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements.
- 1.5. In September 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. This legislation specified deadlines for the completion of audit work for particular financial years. In the event of uncompleted audits by the specific deadlines, auditors would be required to issue either qualified opinions or disclaimers, as appropriate.
- 1.6. Primarily due to delays in the publishing of the audited 2019/20 accounts, the publication and audit of the Council's 2020/21, 2021/22, 2022/23 and 2023/24 accounts were delayed. As the deadline for publishing of the audited accounts in relation to these years was 28th February 2025, there was not sufficient time to carry out the full audit for these years, and the external auditor issued disclaimed opinions for these years.
- 1.7. As a result, the audit of the 2024/25 accounts will also need to be adapted to reflect the fact that the Council's prior four years accounts have not been audited, so reliance cannot be placed on brought forward balances. The deadline for the

publishing of the audited 2024/25 accounts has been set as the 27th February 2026.

2. Options considered and recommended proposal

- 2.1. A decision not to agree to these recommendations would result delaying the audit of the Council's 2024/25 statutory accounts.

3. Results of Consultation Undertaken

- 3.1. None

4. Timetable for implementing this decision

- 4.1. The external auditor, Grant Thornton, began the main work on the Council's 2024/25 Statement of Accounts in early July 2025, following the publication of the draft accounts on the Council's website on 30th June 2025.

5. Comments from the Director of Finance and Resources (section 151 Officer) and the Director of Law and Governance

5.1. Financial Implications

Were the recommendations proposed in this report not accepted this would delay the completion of the audit and result in additional work for the Council's officers and the external auditor. It is likely that this would increase audit costs.

5.2. Legal Implications

The Accounts and Audit Regulations 2015 (as amended) require the council to produce and publish an annual Statement of Accounts in accordance with these regulations and "proper practice".

Section 21 of the Local Government Act 2003 defines "proper practice" for this purpose to be the Chartered Institute of Public Finance and Accountability (CIPFA) Code of Practice on Local Authority Accounting (the Code) for the relevant year. The Code specified the principles, practices, format and content required in the preparation of the Statement of Accounts.

On 5 September 2024 parliament approved the Accounts and Audit (Amendment) Regulations 2024. These regulations set a publication date for financial statements up to and including 2024/25 by 27 February 2026.

6. Other implications

- 6.1 **How will this contribute to achievement of the One Coventry Plan?**
(<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

N/a

- 6.2 **How is risk being managed?**

N/a

6.3 What is the impact on the organisation?

It remains important for the Council to ensure timely and accurate reporting of the Councils financial position .

6.4 Equalities / EIA

No impact

6.5 Implications for (or impact on) Climate Change and the environment

No impact

6.6 Implications for partner organisations?

No impact

Report author:**Name and job title:**

Tina Pinks

Finance Manager (Corporate Finance)

Service Area:

Finance and Resources

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Enquiries should be directed to the above person.

Contributor/ approver name	Title	Service area	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Officer	Law and Governance	10/09/25	
Karen Tyler	Chief Internal Auditor	Finance and Resources	10/09/25	11/09/25
Names of approvers for submission: (Officers and Members)				
Barry Hastie	Director of Finance and Resources (Section 151 Officer)	-	10/09/25	11/09/25
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	10/09/25	12/09/25
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	10/09/25	

This report is published on the council's website: www.coventry.gov.uk/council-meetings

The Audit Plan for Coventry City Council

Year ending 31 March 2025

9 September 2025



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01 Key developments impacting our audit approach

Local Government Reorganisation

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External factors

English Devolution White Paper

On 16 December 2024, the Secretary of State for Housing, Communities and Local Government, Angela Rayner, Presented to Parliament the English Devolution White Paper.

The White Paper sets out the direction of travel for the devolution of power across England. Devolution is seen by the government as being fundamental in achieving the change the public expect and deserve. The government's aim is for devolution to promote growth, a joined-up delivery of public services, and politics being done with communities, not to them. England is one of the most centralised countries in the developed world. The goal is universal coverage of strategic authorities in England.

Strategic authorities will be a combination of pre-existing Combined Authorities and Mayoral Strategic Authorities (MSAs). They will be funded through an integrated settlement which can be used by the Authority across housing, regeneration, local growth, local transport, retrofit, skills and employment support. This removes the complexity of numerous grants, conditions and reporting requirements, simplifying it into a single mutually agreed outcomes framework monitored over a supply review period. In combination with this Mayors will be given more control over the devolution of transport, skills & employment support, housing and planning, environment and climate change, supporting business and research, reforming and joining up public services.

The government plans to facilitate a programme of local government reorganisation for 2-tier areas across England. It will also facilitate the reorganisation of unitary councils where there is evidence of failure, or where their size and/or boundaries are a hinderance to local decision making. This will be done in a phased approach and for most will mean creating councils serving a population of 500 000 or more. Along with devolution government wants to reset its relationship with local government, end micro-management and enable local governments through multi-year settlements.

The next steps are:

- A widening and deepening of devolution, expanding on the 2 new Mayors and 6 non-mayoral devolutions already noted in the white paper, with a priority programme for those with plans ready for action;
- An invitation from all remaining 2-tier areas and unitary councils where appropriate, to submit proposals for local reorganisation;
- And re-committing to the English Devolution Bill by putting the devolution framework into statute and moving to a systematic approach that ensures local leaders have the powers they need.

Update

Jim McMahon, Minister for Local Government and English Devolution, wrote to two-tier authorities in February 2025 to set out a timetable for reorganisation proposals to be submitted. We are expecting a full proposal by 28 November 2025.

Impact on Coventry City Council and our response

Until the full proposal is released, there remains uncertainty on the full impact the plans may have on Coventry City Council. The White Paper suggests an expansion of strategic authorities and mayoral powers, which could mean the Council will have less direct control over some policy areas and that funding is likely to shift away from the Council and into the control of the strategic authorities. The Council may need to further its efforts to work collaboratively with the West Midlands Combined Authority and other system bodies to influence regional strategy and secure resources for Coventry. In addition, the potential restructuring of neighbouring 2-tier local government bodies may change the landscape of who the Council's key partners will be, requiring the forging of new relationships. We will continue to monitor the progress made on the White Paper during the course of the audit and consider the Council's preparedness for any confirmed changes as part of our Value for Money work.

Local Audit Reform

External factors

Proposals for an overhaul of the local audit system

On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon OBE, wrote to local authority leaders and local audit firms to announce the launch of a strategy to overhaul the local audit system in England. The proposals were also laid in Parliament via a Written Ministerial Statement.

The government's strategy paper sets out its intention to streamline and simplify the local audit system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. A new Local Audit Office will be established, with responsibilities for:

- Coordinating the system – including leading the local audit system and championing auditors' statutory reporting powers;
- Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- Setting the Code of Audit Practice;
- Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies;
- Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

The Minister also advised that, building on the recommendations of Redmond, Kingman and others, the government will ensure the core underpinnings of the local audit system are fit for purpose. The strategy therefore includes a range of other measures, including:

- setting out the vision and key principles for the local audit system;
- committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- enhancing capacity and capability in the sector;
- strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

Our Response

Grant Thornton welcomes the proposals, which we believe are much needed, and are essential to restore trust and credibility to the sector. For our part, we are proud to have signed 83% of our 2022/23 local government audit opinions without having to apply the local authority backstop. This compares with an average of less than 30% sign off for other firms in the market. We will be keen to work with the MHCLG, with existing sector leaders and with the Local Audit Office as it is established to support a smooth transition to the new arrangements.

Key developments impacting our audit approach

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National Position

Local governments face many challenges, the pandemic along with the cost of living crisis has left local governments with economic, social, and health challenges to address:

Staffing: A key challenge facing councils in maintaining service sustainability is the growing difficulties in relation to workforce recruitment and retention. Councils struggle to attract and retain qualified staff, especially younger talent. Many councils have outdated recruitment processes and are heavily reliant on agency staff.

Housing crisis: The shortage of affordable housing continues to be an issue. There aren't enough social rented homes to meet demand and it's difficult to find land for new housing developments. New requirements around net zero and other environmental considerations make it more complex to get planning permission. Local authorities therefore face the challenge of providing adequate housing while balancing environmental sustainability and statutory planning requirements.

Funding : Local governments face many challenges in securing funding, including declining grant income, slow tax revenue growth, and rising demand for services. These challenges can make it difficult for local government to balance their budgets, assess their revenue base, enforce taxes, and prevent tax evasion. Social care costs, maintaining aging infrastructure, SEND and homelessness are driving up council spending and cuts to discretionary services impact local communities. Strained budgets are making it challenging to fund essential services, infrastructure projects and the ongoing stream of section 114 notices will not come as a surprise this year.

Digital Transformation : The fast pace of technological advancement poses both opportunities and challenges for local government. The adoption of digital tools and platforms is crucial for improving service delivery, enhancing communication and streamlining administrative processes. However, many communities still lack access or ability to navigate essential technology which creates a digital divide. Local government needs to ensure inclusivity in its digital strategies, addressing disparities and ensuring all residents can benefit from the opportunities technology offers.

Cybersecurity: Local government needs to protect against malware and ransomware attacks. They also need to navigate central government policy shifts and constraints. With increased reliance on digital platforms, they become more vulnerable to cyber threats. Safeguarding sensitive data and ensuring the integrity of critical systems are paramount and local authorities must invest in robust cybersecurity measures, employee training and contingency plans to protect themselves.

Climate change: As the impacts of climate change become increasingly evident, local government plays a pivotal role in mitigating and adapting to these changes. The UK's targets for achieving net zero carbon emissions and local authority pledges must align into cohesive policies with common goals. This includes ongoing local economy investment in renewable energy, promoting sustainable transportation and implementing measures to enhance resilience against extreme weather events.

Our Response

Building and maintaining public trust is arguably the cornerstone of effective governance. Local government must prioritise transparency, open communication and meaningful public engagement to foster positivity within communities.

Despite councils' best efforts, financial pressures are affecting the scale, range and quality of council services provided to local residents. The clearest evidence of this is that councils' service spending is increasingly focused on adult and children's social care, SEND and homelessness. Ultimately spending is increasingly concentrated on fewer people, so councils are less able to support local and national agendas on key issues such as housing, economic growth, and climate change

Sound strategic financial management, collaboration with other levels of government and exploring alternative funding sources are vital for local authorities to overcome financial constraints and deliver quality services.

Our value for money audit work continues to identify significant weaknesses in all criteria of the Code of Audit Practice. This shows that local authorities are facing increasing pressure to provide services while managing change and reducing costs. We understand that the environment in which our audited bodies operate is dynamic and challenging and this understanding allows us to have insightful conversations and adapt our approach to delivering our audit work accordingly.

We know the difficulties and challenges faced within our Local Authority bodies and know there is a focus on improving quality and reducing costs. We will work with you as you strive to deliver these aims.

Key developments impacting our audit approach (continued)

New accounting standards and reporting developments	Our Response
<ul style="list-style-type: none">Local authorities will need to implement IFRS 16 Leases from 1 April 2024. The main difference from IAS 17 will be that leases previously assessed as operating leases by lessees will need to be accounted for on balance sheet as a liability and associated right of use asset. More information can be found on the next page.The FRC issued revisions to ISA (UK) 600 ‘Audits of group financial statements (including the work of component auditors)’. The revised standard includes new and revised requirements that better aligns the standard with recently revised standards such as ISQM 1, ISA 220 (Revised) and ISA 315 (Revised 2019). The new and revised requirements strengthen the auditor’s responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditor, and documentation. The changes are to keep the standard fit for purpose in a wide range of circumstances and the developing environment.	<ul style="list-style-type: none">Detailed review of the authority's implementation of IFRS 16. More information can be found on the next page.Enhanced procedures in respect of audits of group financial statements

Key developments impacting our audit approach (continued)

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Our commitments

- As a firm, we are absolutely committed to audit quality and financial reporting in local government. Our proposed work and fee, as set out further in this Audit Plan, has been agreed with the Director of Finance.
- To ensure close work with audited bodies and an efficient audit process, our preference as a firm is either for our UK based staff to work on site with you and your staff or to develop a hybrid approach of on-site and remote working. Please confirm in writing if this is acceptable to you, and that your staff will make themselves available to our audit team.
- We continue to offer a formal meeting with the Chief Executive twice a year, and with the Director of Finance quarterly as part of our commitment to keep you fully informed on the progress of the audit.
- At an appropriate point within the audit, we would also like to meet informally with the Chair of your Audit and Procurement Committee, to brief them on the status and progress of the audit work to date.
- Our Value for Money work will continue to consider the arrangements in place for you to secure economy, efficiency and effectiveness in the use of your resources.
- We will continue to provide you and your Audit and Procurement Committee with sector updates providing our insight on issues from a range of sources via our Audit and Procurement Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation , discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector.



IFRS 16 Leases



Summary

IFRS 16 Leases is now mandatory for all Local Government (LG) bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major change from the requirements of IAS 17 in respect of operating leases.

There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating). However, if an LG body is an intermediary lessor, there is a change in that the judgement, as to whether the lease out is an operating or finance lease, is made with reference to the right of use asset rather than the underlying asset. The principles of IFRS 16 will also apply to the accounting for PFI assets and liabilities.

Systems and processes

We believe that most LG Bodies will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Planning enquiries

We attended a meeting with officers responsible for IFRS 16 implementation in April 2025. The implementation was well-progressed and we discussed the audit evidence that should be retained to support judgements made. The initial recognition of right of use assets at 1st April 2025 is reported as £23.348m in the draft accounts, along with £1.6m additional lease liabilities. We will test these figures and disclosures as part of our final accounts work.

The Backstop

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Local Government National Context – The Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- for years ended 31 March 2023 and earlier by 13 December 2024; and
- for years ended 31 March 2024 by 28 February 2025; and
- for years ended 31 March 2025 by 27 February 2026.

The Statutory Instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. 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.

Local Government National Context – Local Audit Recovery

In the audit report for the year ended 31 March 2024, a disclaimer of opinion was issued due to the backstop.

As a result, we anticipate that for 2024/25:

- we will have limited assurance over the opening balances for 2024/25

- limited assurance over the closing reserves balance also due to the uncertainty over their opening amount.

We are in discussion with the NAO and the Financial Reporting Council (FRC) as how we regain assurance. We will work with the Council to rebuild assurance over time – refer to pages 11 – 13 for more information.

Our Work

Our initial focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances for 2024/25. Our objective is to begin a pathway to recovery, by providing assurance over the in year 2024/25 transactions and movements, where possible, and those closing balances which can be purely determined in isolation without regard to the opening balance, such as payables and receivables. As guidance is received from the NAO and the FRC, we will formulate a more detailed strategy as to how assurance can be gained on prior years – refer to pages 11 – 13 for more information.



Regaining assurance

Previous years' audits

Previous audits of the Council's financial statements have been protracted and challenging. Significant issues were identified during our 2019/20 audit, primarily relating to the accounting for property, plant and equipment and to the accounting for group entities. Tackling these issues meant that the 2019/20 audit was not concluded until October 2023 and the Council did not publish its draft 2020/21 accounts until 28 March 2024. Since that point, the Council has made efforts to bring financial reporting up to date. The subsequent draft account publication dates were as follows: 2021/22 in August 2024; 2022/23 in September 2024; and 2023/24 in November 2024.

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits, requiring audited financial statements to be published by certain dates. As a result of these backstop dates, a disclaimer of opinion was issued for each of the 2020/21, 2021/22 and 2022/23 financial years in December 2024, and a disclaimer of opinion was issued for the 2023/24 financial year on 27 February 2025.

2024/25 and future years

The Authority published its draft 2024/25 unaudited accounts on 30 June 2025. The Authority is required to publish audited financial statements for the 2024/25 financial year by 27 February 2026. As a result of the disclaimer of opinion issued for the previous four financial years, we do not expect to be able to undertake sufficient work to support an unmodified audit opinion on the 2024/25 financial statements in advance of the backstop date.

A major challenge for auditors in regaining assurance, and returning to an unqualified audit opinion, is that without undertaking audit work in respect of old year transactions, where these were not subject to audit procedures, there will be uncertainty as whether reserves have been properly accounted for.

The National Audit Office (NAO) has published a new set of guidance for auditors, as part of its Local Audit Reset and Recovery Guidance (LARRIG) series. This sets out key considerations that may assist auditors in regaining assurance at previously backstopped audits.

Regaining assurance (continued)

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2024/25 and future years (continued)

The LARRIG provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to regain assurance in respect of opening balances. These include a framework for auditors to:

- Assess risk at an entity wide level
- Assess risk at a line-item level including in respect of specific balances and reserves
- Determine a response to risk, including appropriate testing of prior year transactions.

For many authorities a reasonable pathway exists through the application of the auditing standards to where the auditor may issue an opinion that is based upon sufficient appropriate audit evidence. The guidance is clear that the timeframe in which this may be achieved may vary depending on the circumstances of individual engagements. It is also clear that there may be authorities where it may not be possible to recover assurance solely through the application of the auditing standards.

The first priority at all audited bodies which have previously been backstopped is to gain assurance regarding in-year transactions and closing balances for the current audit year. This is the approach which we will adopt over the coming months for your audit for 2024/25. If we were to continue to complete planned work on in-year transactions and closing balances, with no issues arising, over the coming years we could regain assurance over many balances and transactions in the financial statements. The exception being the Authority's reserves balances. We set out on the next page a simplified illustration of how this assurance might build.

The Council has received grant funding of £145,948 under a Section 31 Grant Determination to support the build-back of assurance. The government has set out its expectation that local authorities and audit firms work closely together to enable this build back to happen. We are currently piloting an approach at other local authorities which is intended to remove the disclaimer from future audit reports.

Timely preparation of draft accounts and high quality supporting working papers is fundamental to the success of audit closedown. We look for all local authorities to prioritise this in enabling the sector to return to balance. In addition, agreeing timescales for build-back work will also be key.

Regaining assurance (continued)

R

No assurance

A

Partial assurance

G

Adequate assurance

The below is a simplified illustration of how assurance might build over the coming years' audits:

2024/25 audit process				2025/26 audit process				2026/27 audit process			
	23/24	24/25			24/25	25/26			25/26	26/27	
CIES	A	A	Testing of 23/24 CIES started in 23/24 audit.	CIES	A	G	No assurance over the opening 24/25 position	CIES	G	G	Assurance over transactions in both years
PPE	R	A	Assurance gained over valuations at 31/03/25	PPE	A	A	Assurance gained over valuations at 31/03/26	PPE	A	G	Assume rolling valuation programme complete
Pensions	R	A	Assurance gained over 2025 actuarial process	Pensions	A	G	Triennial valuation of WMPF completed and reported	Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	R	A	Elements may require >1 year to gain assurance	Other assets & liabilities	A	G	Assurance over all material balances at 31/03/26	Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	R	R	No assurance over reserve balances at 31/03/24	Reserves	R	R	No assurance over reserve balances at 31/03/24	Reserves	R	R	No assurance over reserve balances at 31/03/24

Reserves balances

The Authority is required to present its reserves balances in a prescribed manner, with distinct balances arising from statutory requirements and ringfences. These reserves are complex, and have no audit assurance for four years. These factors significantly increase the risk of material misstatement within the Council's reserve balances.

We will discuss with the Director of Finance how re-assurance can be best achieved at your authority, including the appropriate timing of further audit work.

02 Introduction and Headlines

Introduction and headlines



Purpose

- This document provides an overview of the planned scope and timing of the statutory audit of Coventry City Council ('the Council') for those charged with governance.

Respective responsibilities

- The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Coventry City Council. We draw your attention to these documents.

Scope of our Audit

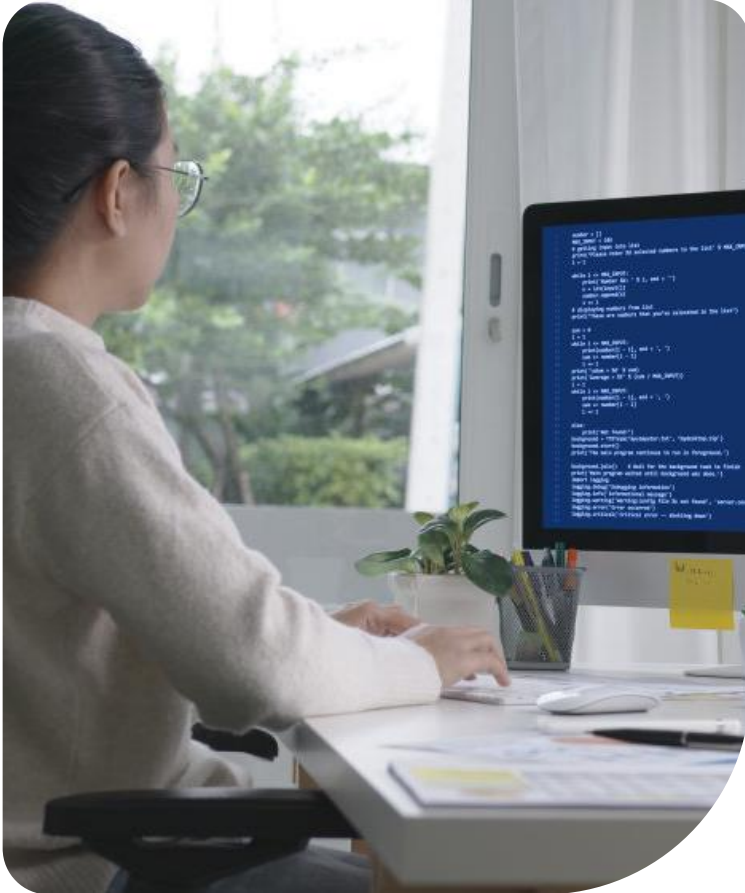
The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's and Group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Procurement committee); and we consider whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit and Procurement Committee of your 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 have considered 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.

Introduction and headlines (continued)

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Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- The revenue cycle includes fraudulent transactions – presumed risk per ISA (UK) 240 – rebutted, see page 17
- The expenditure cycle includes fraudulent transactions – presumed risk per ISA (UK) 240 – rebutted, see page 17
- Valuation of land and buildings and investment properties
- Valuation of pensions net asset/liability
- Accounting for the Group and related disclosures
- Valuation of long-term investments

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £17.9m (PY £11.7m) for the Group and £16.9m (PY £11.0m) for the Council, which equates to 1.75% of your draft gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. As part of our risk assessment, we have considered the impact of the prior period accounts 2023/24 being partially audited, as well as the subsequent three periods of disclaimed accounts 2020/21 – 2022/23.

We have determined performance materiality of £11.6m (PY £7.6m) for the Group and £10.9m (PY £7.15m) for the Council.

Clearly trivial has been set at £0.890m (PY £0.585m) for the Group and £0.840m (PY £0.550m) for the Council..

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness:

- Delays in publication of accounts- timescales for unaudited and audited accounts going forward will need to be complied with.

Audit logistics

Our financial statements planning visit took place in April and our final visit commenced in July. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor’s Report and Auditor’s Annual Report.

Our proposed fee for the audit is £520,656 for the Council, subject to the Council delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council’s Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements

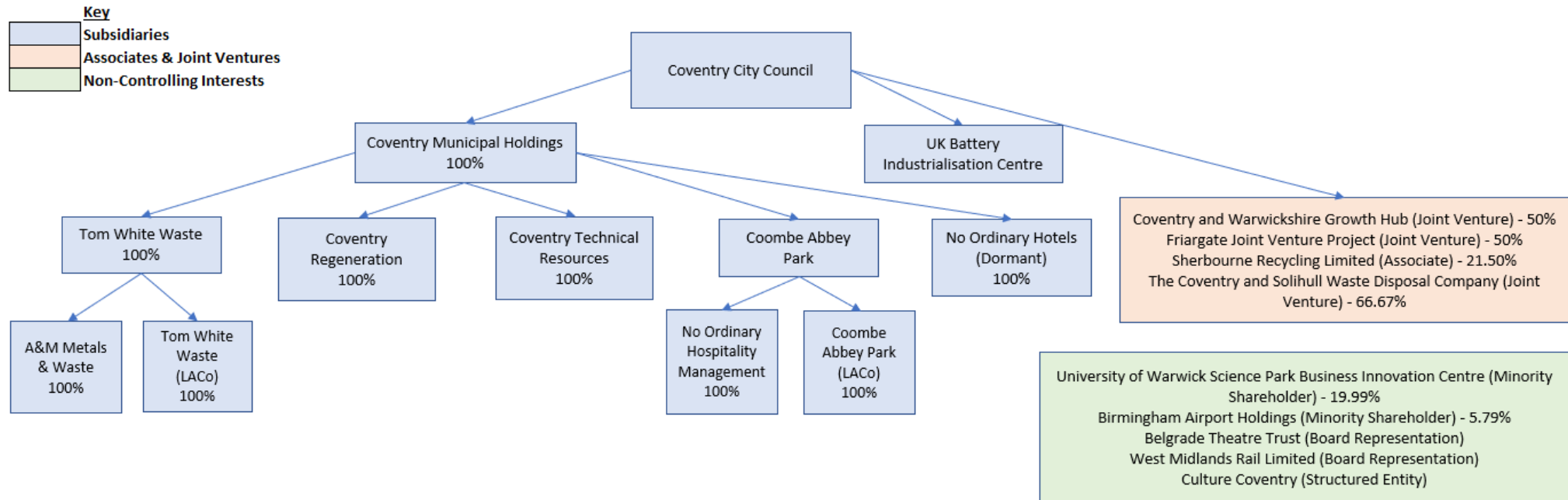
Introduction and headlines (continued)

Group Audit

The Council is required to prepare group financial statements that consolidate the financial information of its material subsidiaries, associates and joint ventures.

Non-controlling interests are excluded from consolidation, on the basis that the Council does not exert control or significant influence over these entities, as defined by accounting standards.

The Council has the following group structure:



03 Identified risks

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Management override of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	<ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals and group consolidation adjustments • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • test significant consolidation adjustments made to arrive at group account balances • gain an understanding of the accounting estimates applied and critical judgements made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).



Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

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Significant risk	Risk relates to	Audit team's assessment
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council and the group, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate revenue recognition• opportunities to manipulate revenue recognition are very limited• the culture and ethical frameworks of local authorities, including Coventry Council, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for Coventry City Council and group.</p>
The expenditure cycle includes fraudulent transactions	Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.	<p>We have identified and completed a risk assessment of all expenditure streams for the Council, as a public body within the group. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk. This is primarily due to the low fraud risk in the underlying nature of the transaction; and for residual expenditure amounts, the immaterial nature of the expenditure streams both individually and collectively.</p>

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Valuation of land and buildings and Investment Properties	Risk of error in the revaluation of property, plant and equipment due to the sensitivity of the balance to changes in key assumptions.	<p>The Council revalues its land and buildings as a minimum on a rolling five-yearly basis. Interim reviews are carried out: If the value of an asset class is projected to materially change during the period since the last Code and then further valuations are instructed.</p> <p>The Council also hold a range of investment properties which comprise of commercial units, office units, agricultural assets, residential and other assets. These assets are included in the balance sheet at fair value, and the Council revalues its investment properties each year.</p> <p>These valuations represent a significant estimate by management in the financial statements due to the size of the balances involved (£715m land & buildings; £317m investment properties as at 31 March 2025), and the sensitivity of this estimate to changes in key assumptions.</p> <p>Within the other group entities listed on pages 24-25, further material land and buildings are held. Under FRS 102, (the accounting basis on which some of the other group entities prepare their financial statements) these assets are held at depreciated historical cost. In preparation of the group accounts, the Council is therefore required to obtain a valuation compliant with the IFRS-based CIPFA Code and make appropriate consolidation adjustments for the asset balance and revaluation movements.</p> <p>We therefore identified valuation of land, buildings, and investment properties, particularly revaluations and impairments, as a significant risk of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Evaluate management's processes and assumptions for the calculation of the estimates, the instruction issued to valuation experts and the scope of their work; • Evaluate the competence, capabilities and objectivity of the valuation expert; • Write to the valuer to confirm the basis on which the valuations were carried out to ensure that the requirements of the CIPFA code are met; • Challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • Engage our own valuer to assess the instructions issued by the Council to their valuer, the scope of the Council's valuer's reports and the assumptions that underpin the valuations • Test, on a sample basis, revaluations made during the year to see if they had been input correctly into the Council's asset register and accounted for correctly and where appropriate consult with our valuation expert (Auditors expert) ; and • Evaluate the assumptions made by management for those assets not revalued during the year and assess how management have satisfied themselves that these are not materially different to current value at year end.

Significant risks identified (continued)

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Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Valuation of the pension fund net asset/liability	Complexity of valuation of the pension fund net liability including IFRIC 14 considerations.	<p>The pension fund net liability, as reflected in the balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.</p> <p>The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.</p> <p>The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Update our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • Evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • Assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • Assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; • Test 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; and • Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Accounting for the Group and related disclosures	The complexity of the Group Structure	<p>For the group accounts, the Council is required to assess the level of control or significant influence it has over its company interests and apply the appropriate accounting treatment. For companies where the Council has control, these are consolidated into the group accounts line-by-line; for entities where there is joint control or significant influence, the interest is accounted for using the equity method. The Council has both types of interest.</p> <p>Group accounting has further complexities where the accounting policies and accounting frameworks are different to those of the group. This has been the case for the majority of the Council's interests. The Council must apply adjustments to the financial information reported by the group entities prior to inclusion in the group accounts.</p> <p>We therefore identified group accounting and related disclosures as a significant risk for 2024/25.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that group accounting is not materially misstated and evaluate the design of the associated controls • review the Council's assessment of its group boundary, that is the entities included within the Council's group accounts • test the consolidation adjustments made in producing the group accounts for completeness and accuracy
Valuation of long-term investments	Uncertainty relating to the revaluation of long-term investments	<p>In its single-entity accounts, the Council has elected to report the value of these long-term investments at the balance sheet date at Fair Value. This is allowable under the CIPFA Code, which permits either Fair Value accounting or historical cost accounting. The Fair Value method requires a valuation of each company at the balance sheet date. The Council instruct external experts to, in some cases, determine appropriate valuations, or in other cases, to issue an opinion on the Council's in-house determination.</p> <p>The valuation of long-term investments is considered a significant estimate due to the size of the balance involved (£106.6m at 31 March 2025) and the sensitivity of the estimate to changes in key assumptions.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the long-term investments are not materially misstated and evaluate the design of the associated controls • evaluate the instructions issued by management to their management experts for this estimate and the scope of the experts' work • assess the competence, capabilities and objectivity of the experts who carried out the valuations • assess the accuracy and completeness of the information provided by the Authority to the experts to estimate the fair values • engage our own valuer to assess the instructions issued by the Council to their valuers, the scope of the Council's valuers' reports and the assumptions that underpin the valuations • test the consistency of the values and disclosures in the notes to the core financial statements with the valuation report from the experts

Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for another risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
Equal Pay Claims	<p>Equal pay claims can have a highly material impact on a Council’s expenditure and balance sheet.</p> <p>If it becomes probable that the claims will be settled in the claimant’s favour a charge to revenue is made and a liability in the form of a provision is recognised on the balance sheet.</p> <p>Where there is a possibility greater than remote, but it is judged to be improbable that claims may be settled in the claimant’s favour, a contingent liability disclosure is required instead.</p> <p>The Council has received claims in respect of Equal Pay. Due to the process being currently at an early stage, it’s management’s view that there is no reliable assessment of the validity, potential success or value of any claims at this stage.</p>	<p>We will:</p> <ul style="list-style-type: none">• continue to discuss developments in relation to equal pay claims with management and the Audit and Procurement Committee• review management’s assessment of the probability of the claims being successful and the estimation of any associated liabilities• test the basis for related accounting treatment and disclosures• consider all relevant events up to the point of signing our audit opinion and, if significant events are identified, consider management’s judgement as to whether these are adjusting events or non adjusting events.
IFRS16 Implementation	<p>IFRS 16 is now mandatory for all Local Government (LG) bodies from 1 April 2024. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p>	<p>We will:</p> <ul style="list-style-type: none">• Review the Council's implementation plan and assess the process followed to transition to IFRS 16, ensuring compliance with the standard's requirements.• Assess the design effectiveness of internal controls related to the identification, measurement, and disclosure of leases under IFRS 16.• Verify the accuracy and completeness of lease data by performing substantive testing of lease agreements, lease payments, and related documentation.• Review the application of judgement and estimation carried out by management• Review the Council's disclosures related to leases under IFRS 16 to ensure completeness, accuracy, and compliance with the standard's disclosure requirements.



“The auditor determines whether there are any risks of material misstatement at the assertion level for which it is not possible to obtain sufficient appropriate audit evidence through substantive procedures alone. The auditor is required, in accordance with ISA (UK) 330 (Revised July 2017), to design and perform tests of controls that address such risks of material misstatement when substantive procedures alone do not provide sufficient appropriate audit evidence at the assertion level. As a result, when such controls exist that address these risks, they are required to be identified and evaluated.” (ISA (UK) 315)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.





04 Group Audit

Scope of group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Company name		Risk of material misstatement to the group	Location	Audit work completed by	Audit scope	Specific account balances in scope	Statutory audit
Coventry City Council		Yes	Coventry	Grant Thornton UK			Yes
Subsidiary 1	UK Battery Industrialisation Centre Ltd	Yes	Coventry	Grant Thornton UK		Cash and cash equivalents; Capital Grants Received in Advance; and Debtors	No
Subsidiary 2	Coventry Municipal Holdings Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2a	Tom White Waste Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2a.1	Tom White Waste (LACo) Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2a.2	A&M Metals & Waste Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2b	Coombe Abbey Park Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2b.1	Coombe Abbey Park (LACo) Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2b.2	No Ordinary Hospitality Management Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2c	Coventry Regeneration Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2d	Coventry Technical Resources Limited	No	Coventry	Grant Thornton UK			No
Subsidiary 2e	No Ordinary Hotels Limited	No	Coventry	Grant Thornton UK			No

Audit scope

-  Audit of the entire financial information of the component
-  Specific audit procedures designed by the group auditor
-  Specific audit procedures designed by a component auditor
-  Analytical procedures at group level

Fraud and litigation

We have not been made aware of any actual or attempted frauds in the year that would have a material impact on the accounts. Should any factors arise in relation to fraud risk or actual or attempted fraud we ask that you inform us of this at the earliest possible opportunity.

Involvement in the work of component auditors

The component auditors of Coventry's Subsidiaries, Associates, and Joint Ventures also provide non-audit services to the group entities. The FRC Ethical Standard includes specific requirements and prohibitions applicable to public interest entities (PIEs). Since Coventry City Council is a PIE and the nature of the non-audit services requires adherence to the Ethical Standard, we must conduct our own audit procedures on areas within the group audit scope while these prohibited services are being provided and Coventry City Council remains a PIE.

Scope of group audit

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accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

	Company name	Risk of material misstatement to the group	Location	Audit work completed by	Audit scope	Specific account balances in scope	Statutory audit
Joint Venture 1	The Coventry and Solihull Waste Disposal Company	No	Coventry	Grant Thornton UK		Cash and cash equivalents and Income	No
Joint Venture 2	Friargate JV Project Limited	No	Coventry	Grant Thornton UK			No
Joint Venture 3	Coventry and Warwickshire Growth Hub Limited	No	Coventry	Grant Thornton UK			No
Associate 1	Sherbourne Recycling Limited	No	Coventry	Grant Thornton UK			No

Audit scope

- Audit of the entire financial information of the component
- Specific audit procedures designed by the group auditor
- Specific audit procedures designed by a component auditor
- Analytical procedures at group level

05 Our approach to materiality

Our approach to materiality

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The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
01	Determination We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Council and Group, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements	<ul style="list-style-type: none">We determine planning materiality in order to:<ul style="list-style-type: none">establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statementsassist in establishing the scope of our audit engagement and audit testsdetermine sample sizes andassist in evaluating the effect of known and likely misstatements in the financial statements
02	Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	<ul style="list-style-type: none">An item may be considered to be material by nature when it relates to:<ul style="list-style-type: none">instances where greater precision is required
03	Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	<ul style="list-style-type: none">We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality
04	Matters we will report to the Audit and Procurement Committee Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Procurement Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	<ul style="list-style-type: none">We report to the Audit and Procurement Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.In the context of the Council and Group, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.890m (PY £0.585m) for the group and £0.840m (PY £0.550m) for the Council.If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Procurement Committee to assist it in fulfilling its governance responsibilities.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Materiality for the group financial statements	17,900,000	<p>This equates to 1.75% of the gross expenditure of the group. We consider gross expenditure to be the most appropriate benchmark given the level of user interest in spend incurred. We have applied a low percentage (1.75%) to the benchmark to reflect increased interest in the accounts due to the previous four years' accounts being disclaimed and to reflect that the Council is a Public Interest Entity (UK PIE), due to its listed debt.</p> <p>In addition to determining headline financial statements materiality, we also determine a lower 'performance materiality' to be used in assessing the risks of material misstatement and designing audit procedures. After evaluating the group's control environment, previous findings and the years since our last full audit, we have established performance materiality at 65% of the financial statements materiality, which equates to £11,600,000.</p>
Materiality for the single entity financial statements	16,900,000	<p>This equates to 1.75% of the gross expenditure of the Council. We consider gross expenditure to be the most appropriate benchmark given the level of user interest in spend incurred. We have applied a low percentage (1.75%) to the benchmark to reflect increased interest in the accounts due to the previous four years' accounts being disclaimed and to reflect that the Council is a Public Interest Entity (UK PIE), due to its listed debt.</p> <p>In addition to determining headline financial statements materiality, we also determine a lower 'performance materiality' to be used in assessing the risks of material misstatement and designing audit procedures. After evaluating the Council's control environment, previous findings and the years since our last full audit, we have established performance materiality at 65% of the financial statements materiality, which equates to £10,900,000.</p>
Materiality for specific transactions, balances or disclosures – Senior officers' remuneration	28,670	<p>Senior officer disclosure are deemed a specific sensitive area for the users of the accounts. We have therefore applied a lower materiality to Senior officer disclosure notes, using the 1.75% determination above, and applying this to total senior officer remuneration reported in the prior year.</p>

06 IT audit strategy

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant 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, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Business World – Unit 4	Financial reporting	<ul style="list-style-type: none">ITGC assessment (design & implementation effectiveness)



07 Value for Money Arrangements

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.



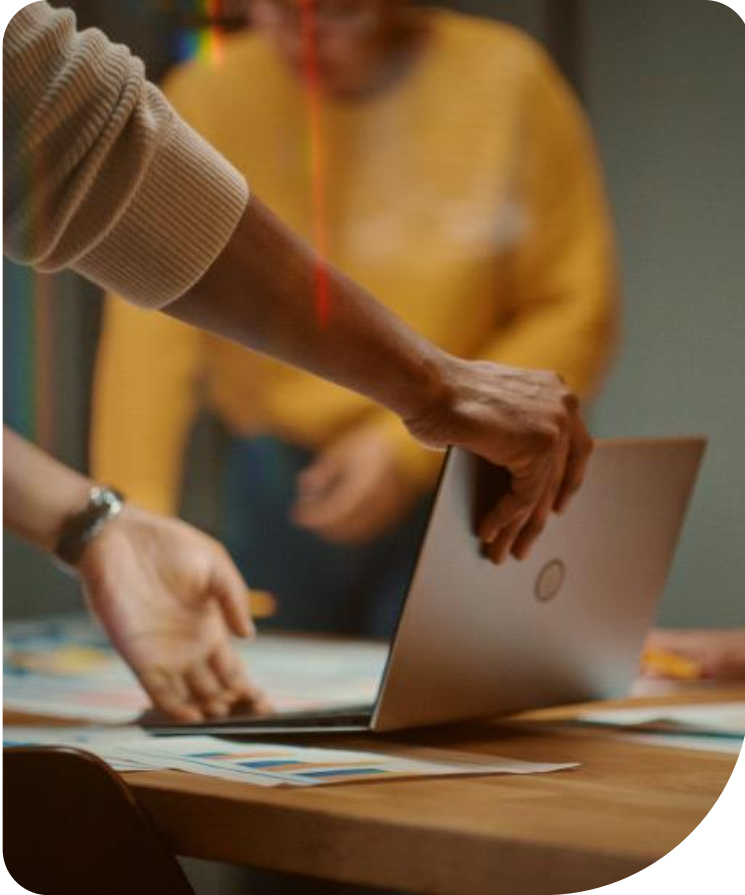
Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Risks of significant VFM weaknesses

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As part of our initial planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we have identified are detailed on the table overleaf along with the further procedures we will perform. We will continue to review the body's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

Risks of significant weakness in VFM arrangements (continued)

Initial risk assessment of the Council’s VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor’s work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2024/25. We will continue to evaluate risks of significant weakness and if further risks are identified , we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 risk-based procedures
Financial sustainability	A No significant weaknesses in arrangements identified for 2023/24, but we note again the situation is becoming more challenging and that there may be significant weakness in future years. Three improvement recommendations were made to support the Council in improving arrangements for financial sustainability.	No risks of significant weakness identified	As no risk of significant weakness have been identified at the time of writing this report, no risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.
Governance	R Significant weakness in arrangements identified and key recommendation made in respect of delays in the publication of accounts.	Risk of significant weakness identified due to delays in publication of accounts.	Timescales for unaudited and audited accounts going forward will need to be complied with. We will monitor progress on this point.
Improving economy, efficiency and effectiveness	A No significant weaknesses in arrangements identified for 2023/24 ,but one new improvement recommendation was made to support the Council in improving arrangements.	No risks of significant weakness identified	As no risk of significant weakness have been identified at the time of writing this report, no risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor's annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor's Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor's Report and included within our audit opinion.

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

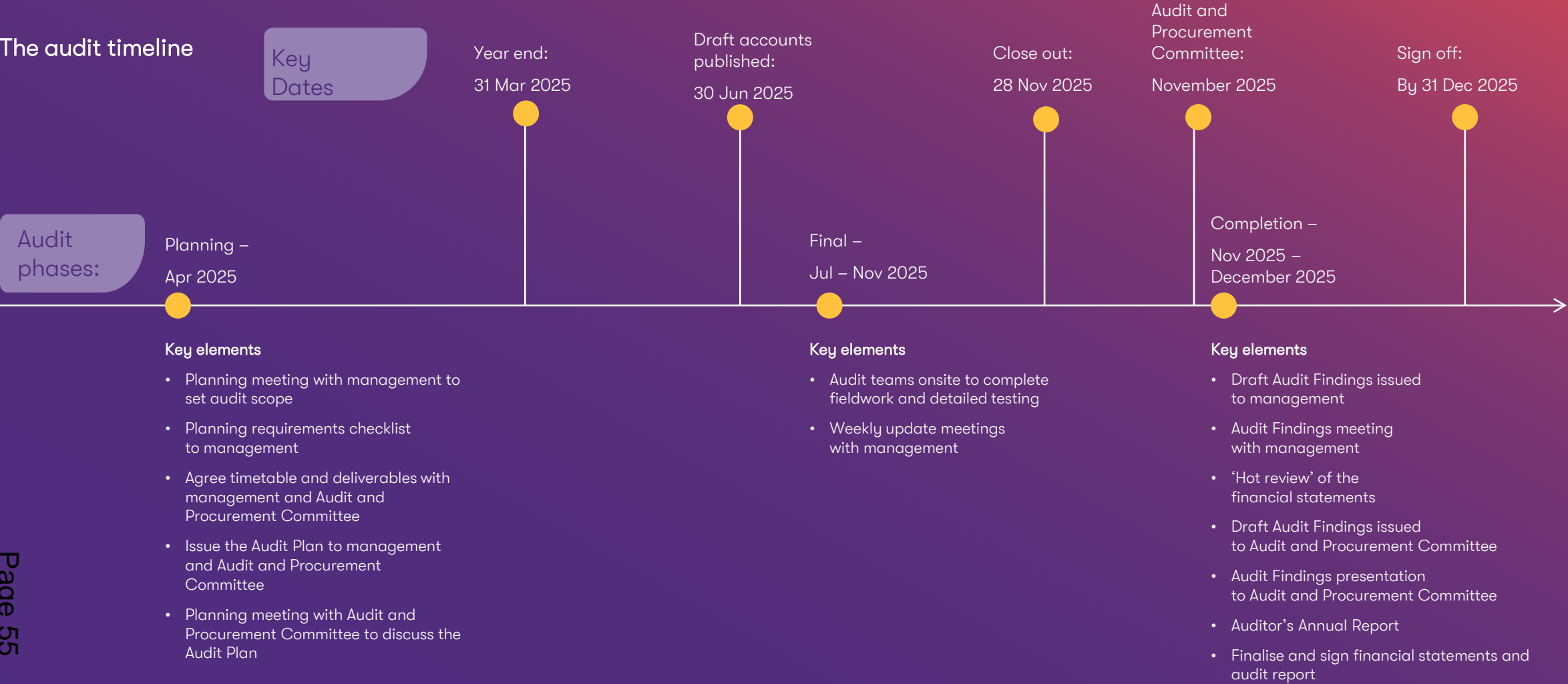
No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

8 Logistics

Logistics

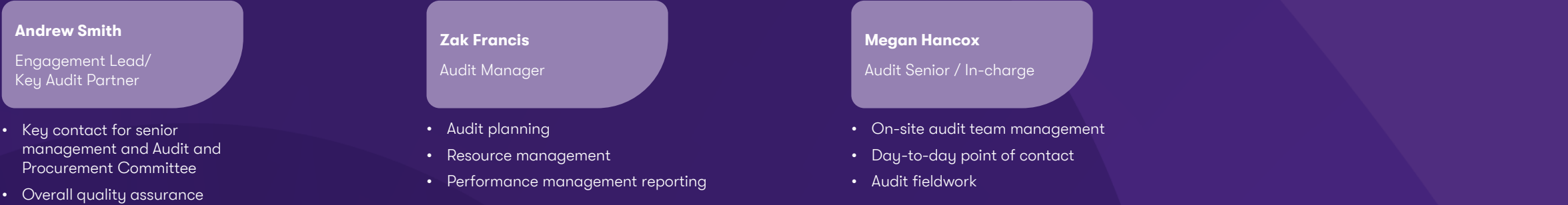
The audit timeline



Our team and communications

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Grant Thornton core team



Pool of specialists and other technical specialists (eg IT audit)

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none">• Annual client service review	<ul style="list-style-type: none">• The Audit Plan• The Audit Findings• Auditor’s Annual Report]	<ul style="list-style-type: none">• Audit planning meetings• Audit clearance meetings• Communication of issues log	<ul style="list-style-type: none">• Technical updates
Informal communications	<ul style="list-style-type: none">• Open channel for discussion		<ul style="list-style-type: none">• Communication of audit issues as they arise	<ul style="list-style-type: none">• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

9 Fees and related matters

Our fee estimate

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Our estimate of the audit fees is set out in the table across, along with the fees billed in the prior year

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC’s [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audit for Coventry City Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2024/25 audit is £510,656.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor’s annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

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

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Company	Audit Fee for 2023/24 (£)	Proposed fee for 2024/25 (£)
Coventry City Council Audit	290,000	510,656
IFRS 16 implementation – fee variation	N/A	10,000 (TBC)

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Previous year

In 2023/24 the scale fee set by PSAA was £472,199. The actual fee charged for the audit was £290,000. As the opinion on the 2023/24 audit is disclaimed due to the imposition of a backstop date, we will need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you through-out the audit process.

10 Independence considerations

Independence considerations

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As we are Statutory Auditors of the Company in the United Kingdom (“UK”), we are required to follow International Standard on Auditing (UK) 260 and the Ethical Standard (December 2024) issued by the UK Financial Reporting Council (the “FRC Ethical Standard” or “The Standard”).

We have determined that Coventry City Council is a public interest entity and therefore the relevant requirements of the FRC Ethical Standard have been applied and have been included in this letter.

All the above referenced Standards require that we communicate at least annually with you regarding all relationships between Grant Thornton UK LLP in the UK (“Grant Thornton UK”) and other Grant Thornton firms and associated entities (“Grant Thornton”) and covered persons (as defined in the FRC Ethical Standard) and the Company, its directors and senior management and its affiliates (“the Group”) that, in our professional judgement, may reasonably be thought to bear on our integrity, independence and objectivity. There are no matters that we are required to report.

We are also required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. We report the following matters to you:

Matter	Threats	Safeguards	Conclusion
<p>Under the FRC’s ES 2019, PIE clients non-audit services are subject to a cap of 70% of the audit fee (taking the average over the previous three years). The audit fees for the Council have been significantly reduced during the previous three periods as full audit procedures were not complete ahead of the government imposed back-stop dates.</p> <p>The non audit fees for 2024/25 (£172,500) therefore exceed the 70% threshold applicable to PIE audits, compared to the average audit fees of the three previous periods 2021/22 – 2023/24 (£119,000).</p>	Self Interest	We have contacted the FRC and have been granted an exception to this rule, due to the unusual circumstances of the backstop date reducing the audit fees chargeable in prior years.	We have concluded that our independence is not impaired due to unusual circumstances owing to the backstop. We have obtained the required exemptions from the FRC and do not consider there to be a threat to independence.

Non-audit fees

- A schedule of our fees and non-audit services is set out further in this report, including an assessment of any perceived or actual threats to our independence and, where relevant, safeguards applied.

Independence considerations (continued)

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council/Group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council/Group or investments in the Council/Group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Council/Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council/Group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Fees and non-audit services

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The following tables below set out non-audit services charged from the beginning of the financial year to 30th June 2025, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the group and council’s policy on the allotment of non-audit work to your auditor and have been approved by the Audit and Procurement Committee.

None of the below services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Coventry City Council. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees.

Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
Certification of Housing Benefit Subsidy Claim	2024/25: 160,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is low in comparison to the total fee for the audit of £510,656 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
	2023/24: 140,987		
	2022/23: 106,150		
		Self review (because GT provides audit services)	To mitigate against the self review threat, grants work is carried out by a Grant Thornton team who are different to the audit team. The timing of certification work is carried out after the audit has completed where possible. Housing Benefit subsidy is a material figure in the accounts, however the level of errors identified have not been, and are not expected to be material.
		Management (because GT report to DWP)	The Council has informed management who decide whether to amend returns for our findings and agree the accuracy of our reporting. Any changes to subsidy payable will be determined by DWP and we have no involvement in the decision. These factors mitigate the perceived threats to an acceptable level.

Fees and non-audit services

Assurance Service Fees			
Service	Fees £	Threats Identified	Safeguards applied
Certification of Teachers Pensions Return	2024/25: 12,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is low in comparison to the total fee for the audit of £510,656 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
	2023/24: 12,500	Self review (because GT provides audit services)	To mitigate against the self review threat, grants work is carried out by a Grant Thornton team who are different to the audit team. The timing of certification work is carried out after the audit has completed where possible. Teachers Pension is a material figure in the accounts, however the level of errors identified have not been, and are not expected to be material.
		Management (because GT report to DWP)	The Council has informed management who decide whether to amend returns for our findings and agree the accuracy of our reporting These factors mitigate the perceived threats to an acceptable level.
Total audit and non-audit fee			
Audit fee: £520,656		Non-Audit fees: £172,500	

This covers all services provided by us and our network to the group and council, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

Fees and non-audit services (continued)

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Other non-audit services

Service	£	Threats Identified	Safeguards applied
Associated company work: Independent review of the West Midlands Rail Executive (WMRE) Blueprint for rail devolution	40,000	Self-Interest (Grant Thornton are also the auditors of Coventry City Council, who jointly own WMRE with other local authorities in the region. It may be perceived that there is an incentive for Grant Thornton to provide a clean audit report to ensure the non audit service is awarded to them)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is estimated to be £40,000 in comparison to the total fee for the audit of £510,656 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self-Review (Coventry City Council's interest in WMRE may form part of the VfM conclusion so there is the perceived threat that the auditors will be reviewing work performed by Grant Thornton)	Grant Thornton are not producing any reports etc that would lead to figures in the financial statements. The work these services will cover is purely at the preliminary stage before any decision making that would be subject to review as part of the VfM conclusion would take place. Additionally, there is a separate team that does this work and that team would not work on the audit and the audit team would not work on the advisory piece of work.
Total	40,000		

This covers all services provided by us and our network to the group/council, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

11 Communication of audit matters with those charged with governance

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Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity of the firm and senior engagement team members	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern including support measures when making the going concern assessment	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Key audit partners involved in the audit		●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Methodology used to perform the current year's audit and details of any substantial variation between system and compliance testing from the previous year		●
Quantitative level of materiality determined and qualitative factors considers in its determination		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit and whether that deficiency has been resolved by management		●
Significant matters arising in connection with related parties		●

Our communication plan	Audit Plan	Audit Findings
Other matters that are significant to the oversight of the financial reporting process		●
Confirmation of independence of external experts or other auditors used as part of the audit		●
Valuation methods employed and impact of changes to methods		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●
Confirm all requested explanation and documents have been provided		●
Distribution of tasks amongst auditors where more than one auditor has been appointed		●
Identify work performed by component auditors outside of the GTIL network in relation to consolidated financial statements		●
Scope of consolidation and compliance with financial reporting framework		●
Expected modifications to the auditor's report, or emphasis of matter		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

12 Delivering audit quality

Delivering audit quality

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Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:

Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.

Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.

Working with premium clients

We work with great public sector clients that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of journals

The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service. By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting. The audit partner always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

Digital differentiation

We're a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

Oversight and control

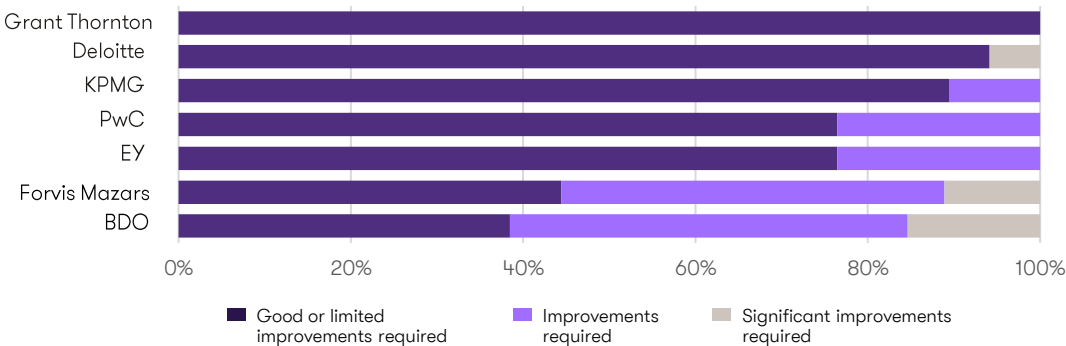
Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become "issues", we give our clients the time and space to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We're growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It's why we will only commit to auditing clients where we're certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You're in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell
Partner, UK Head of Audit



FRC's Audit Quality Inspection and Supervision Inspection
(% of files awarded in each grading, in the most recent report for each firm)



13 Appendices

Escalation Policy

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The Backstop

The Department for Levelling Up, Housing and Communities have introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation Process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit and Procurement Committee (at next available Audit and Procurement Committee meeting or in writing to Audit and Procurement Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the Audit and Procurement Committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

IFRS reporters New or revised accounting standards that are in effect

First time adoption of IFRS 16

Lease liability in a sale and leaseback

- IFRS 16 was implemented by LG bodies from 1 April 2024, with early adoption possible from 1 April 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.
- This year will be the first year IFRS 16 is adopted fully within Local Government.

IAS 1 amendments

Non-current liabilities with covenants

- These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IAS 7 and IFRS 7

Supplier finance arrangements

- These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS reporters Future financial reporting changes

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IFRS reporters future financial reporting changes

These changes will apply to local government once adopted by the Code of practice on local authority accounting (the Code).

Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are expected to be adopted by the Code from **1 April 2025**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the Code **in future years**.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 provides reduced disclosure requirements for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary standard for eligible subsidiaries and is expected to be adopted by the Code **in future years**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 is expected to be adopted by the CIPFA Code **in future years**.

The Grant Thornton Digital Audit – Inflo

A suite of tools utilised throughout the audit process

01 Collaborate

Information requests are uploaded by the engagement team and directed to the right member of your team, giving a clear place for files and comments to be uploaded and viewed by all parties.

What you'll see

- Individual requests for all information required during the audit
- Details regarding who is responsible, what the deadline is, and a description of what is required
- Graphs and charts to give a clear overview of the status of requests on the engagement

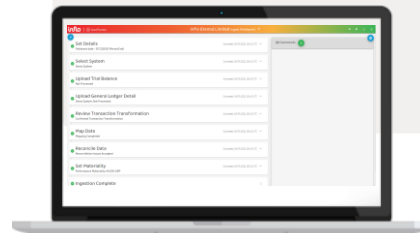


02 Ingest

The general ledger and trial balance are uploaded from the finance system directly into Inflo. This enables samples, analytical procedures, and advance data analytics techniques to be performed on the information directly from your accounting records.

What you'll see

- A step by step guide regarding what information to upload
- Tailored instructions to ensure the steps follow your finance system

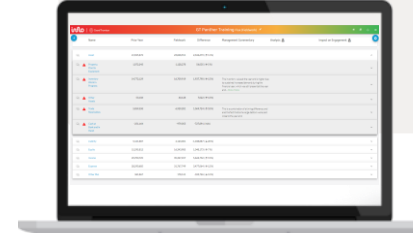


03 Detect

Journals interrogation software which puts every transaction in the general ledger through a series of automated tests. From this, transactions are selected which display several potential unusual or higher risk characteristics.

What you'll see

- Journals samples selected based on the specific characteristics of your business
- A focussed approach to journals testing, seeking to only test and analyse transactions where there is the potential for risk or misstatement





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Appendix 2: Informing The Audit Risk (Self-Assessment) 2024-25

24/25 Question		24/25 Management Response
i)	General Enquiries of Management	
	1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2024/25?	Valuation of the Council's asset portfolio will continue to be the area most subject to potential volatility. Also, the Council expects to incur Capital spend in excess of £100m in 24/25 which will impact key financial statements. There remains a need to continue to review the impact on the group accounts of the Council's activity in relation to the UKBIC, Sherbourne Recycling Ltd, and other subsidiaries.
	2. Have you considered the appropriateness of the accounting policies adopted by Coventry City Council? Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?	IFRS 16 has been implemented in 2024/25, and the accounting policy has been drawn up to reflect the required treatment.
	3. Is there any use of financial instruments, including derivatives? If so, please explain	The Council's financial instruments (both assets and liabilities) are reported annually in the notes to the main financial statements (latest year available at the time of writing is 2023-24 section 3.33) There is no use of financial derivative instruments.
	4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	The Council is increasing the extent of the activity that it undertakes through companies which it owns in part or on a 100% basis. However, this in most cases this is likely to be a delivery mechanism for business as usual operations
	5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	We are not aware at this stage of any changes of circumstances that would lead to an impairment of non-current assets. An annual impairment review of the Council's property assets is undertaken as a matter of course.
	6. Are you aware of any guarantee contracts? If so, please provide further details	The Council provides pension guarantees to a number of organisations. It does not have guarantor status for any other contractual purpose.
	7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	A contingent liability exists in respect of Equal Pay Claims. Claims have been received which if successful, would result in a one-off revenue cost to the Council. However, the Council is robustly defending, so there is, as yet, no reliable assessment of the validity, potential success, or value of any claims.
Page 75	8. Other than in house solicitors, can you provide details of those solicitors utilised by Coventry City Council during the year. Please indicate where they are working on open litigation or contingencies from prior years?	No solicitors used on litigation which would have a significant impact on the Council's financial position other than the following: <u>Equal Pay Claims (on-going):</u> Counsel: Betsan Criddle KC of Old Square Chambers
	9. Have any of the Coventry City Council's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	Not aware of any.

Page 76	10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	No advisors used on issues which would have a significant impact on the Council's financial position
	11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	Yes, this exercise is completed annually using payment information, communications received from borrowers and company performance information.
ii)	Fraud risk assessment	
	1. Has Coventry City Council assessed the risk of material misstatement in the financial statements due to fraud? How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process? How do the Council's risk management processes link to financial reporting?	The authority's assessment is that the risk of material misstatement is low. The quarterly monitoring of service revenue and capital budgets, financial outturn results and the subsequent financial statements should identify any material misstatements, including where this could be due to fraud. These processes are key components of the annual financial cycle and as such are carried out as part of business as usual. In addition, the financial statements are subject to internal quality assurance control checks including analytical reviews with the objective of identifying any significant year on year variances. Further risk assessment processes related to the preparation of accounts will be completed based upon any audit issues raised by both Internal and External Audit.
	2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?	See above, the risk of fraud within the financial statements is considered to be low.
	3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Coventry City Council as a whole, or within specific departments since 1 April 2024? If so, please provide details	All concerns regarding fraud should be reported to the Chief Internal Auditor and defined processes are in place deal with any concerns raised. Since 1st April 2024 no concerns have been raised which would impact on the financial statements. In cases where fraud / error is identified through the work of Internal Audit as a result of third party actions (i.e the wider public) action is taken amend customer accounts / raise overpayments and recover monies wherever possible. In cases involving employees, these are dealt with through the Council's disciplinary procedures (including police investigation where appropriate.) In 2024/25 there have been the following cases of actual, suspected or alleged fraud: 14 cases relating to external fraud against the Council. 14 cases involving employees of the Council. Of these, 9 were not substantiated. Of the other 5: - in one case relating to an agency member of staff, their engagement was terminated. - In one case, standards were reset (related to a code of conduct issue) - In one case, the employee was dismissed (related to theft of service users monies) - Two cases are ongoing There are 2 cases from previous years which are still under investigation: 1 relates to a grant fraud (external) 1 relates to an employee theft (the employee has been dismissed but there is an associated criminal investigation which is ongoing)

	<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>The Council's corporate risk register is subject to regular review and is reported to the Audit and Procurement Committee twice a year. The Committee also receives a half yearly report on anti-fraud and corruption activity.</p>
	<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Coventry City Council where fraud is more likely to occur?</p>	<p>A fraud risk register is maintained by Internal Audit and specific fraud risk assessments are undertaken where appropriate.</p> <p>Most risks around fraud relate to actions undertaken by third parties (i.e the wider public) to commit fraud against the Council. The risk of fraud in relation to financial reporting is assessed as low.</p>
	<p>6. What processes do Coventry City Council have in place to identify and respond to risks of fraud?</p>	<p>The work of Internal Audit which specifically relates to fraud focuses on three areas: the National Fraud Initiative, referrals and investigations considered through the Council's Fraud and Corruption Strategy and proactive work (e.g fraud awareness). Separate arrangements are in place in relation to the risk of council tax fraud which is managed by the Revenues and Benefits Service.</p> <p>In addition to this, a fraud risk register is maintained by Internal Audit and specific fraud risk assessments are undertaken where appropriate.</p> <p>The risk of fraud is considered in individual audits, including an assessment of the controls in place to mitigate this.</p>
	<p>7. How do you assess the overall control environment for Coventry City Council, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>The Internal Audit Annual Report details the process for reviewing the effectiveness of the system of internal control and the results of this review. The last formal assessment of the Council's control environment was for the financial year 2023-24. The Chief Internal Auditor's opinion was that reasonable assurance could be provided that there is generally a sound system of internal control in place. This means that there is generally an appropriate level of control for managing the majority of the significant inherent risks to the Council's objectives to a reasonable level. Nothing has come to light in 2024-25 to materially impact on this opinion.</p> <p>No risk areas have been identified in relation to the financial statements.</p> <p>Roles and responsibilities in relation to systems of control are defined in various places such as the Constitution and Contract Procedure Rules and are enforced as far as practicable through ICT system controls and monitoring. This includes controls enforced through the BusinessWorld system, which limits the potential for override of controls over the financial reporting process. Service area controls, e.g segregation of duties of officers to mitigate fraud are in place to support the Councils Fraud and Corruption Strategy and Whistleblowing Policy.</p>
	<p>8. Are there any areas where there is potential for misreporting?</p> <p>If so, please provide details</p>	<p>None known</p>
Page 77	<p>9. How does Coventry City Council communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>The Council has a Code of Conduct which sets out the expected behaviours of its staff. In addition, all staff and agency workers are required to undergo an induction process. Contracts include terms and conditions around the behaviours etc of contractors. Policies linked to ethical behaviour and business processes are available on the Council's Intranet site. This includes an "I have a concern" page which provides details of how employees can raise concerns, including those linked to fraud.</p> <p>The Council has a Fraud and corruption Strategy, a Whistleblowing Policy and an e-learning fraud awareness tool in place. Other mechanisms are also used to encourage staff to report concerns, including the Finance and Audit school newsletter and face to face fraud awareness sessions.</p>

		<p>In 2024-25, a refresher on the Nolan Principles was delivered to the Senior Leadership Network.</p> <p>Staff are expected to raise all concerns about fraud with the Chief Internal Auditor. In 2024-25, no issues have been reported which have led to significant fraud being identified. One significant fraud which was reported in a previous year was concluded in 2024-25. This was linked to external fraud against the Council in respect of a direct payment in Adult Social Care. (There are 2 cases from previous years which are ongoing. One of these relates to external fraud and one relates to employee theft.)</p>
	<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Any postholder with responsibilities for handling income, particularly cash, or who have budget holder responsibilities could be considered to be high-risk. However, levels of cash income are not significant and appropriate checks and balances are in place, including budget monitoring, scheme of delegation and segregation of duties, which are also enforced through the BusinessWorld system.</p> <p>In 2024-25, an internal audit was undertaken in relation to the payment kiosks in Broadgate House to provide assurance that cash income is appropriately safeguarded.</p>
	<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>Most of the related party transactions that could give rise to potential fraud are those in which Councillors have a direct interest. Risks are mitigated by Councillor's declaration of interests and non-participation in debates.</p> <p>All postholders grade 9 and above are required to complete an annual declaration of interests and provide details of how any potential conflicts of interests are managed.</p> <p>In addition, the Council receives and reviews data matches via the National Fraud Initiative linked to this area of risk.</p> <p>Officers who have a role in Coventry Municipal Holdings complete an additional declaration of interest in relation to that role and a separate register of interests is maintained.</p>
	<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>The Audit and Procurement Committee receive half yearly reports on anti fraud and corruption activity. The Committee also receive quarterly Internal Audit progress reports which provides details of key audits undertaken. Where appropriate this would include issues relating to management processes for mitigating the risk of fraud and internal control issues.</p> <p>The Chief Internal Auditor's annual audit opinion on the adequacy and effectiveness of the internal control environment also highlights any significant control issues to the Committee. Where appropriate, significant issues would be included in the Annual Governance Statement.</p>
	<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers?</p> <p>If so, what has been your response?</p>	<p>The Council has a Whistleblowing Policy and a defined process in place to deal with concerns raised by whistleblowers. In 2024-25 three whistleblowing complaints linked to potential fraud were raised. Of these:</p> <ul style="list-style-type: none"> - in 2 cases the matter was not substantiated - in 1 case, the matter is still under investigation. <p>None of the concerns relate to misstatement within the financial statements / financial reporting due to fraud.</p>
	<p>14. Have any reports been made under the Bribery Act?</p>	<p>One of the Whistleblowing concerns referred to above relates to potential bribery. The matter is still under investigation.</p>

	If so, please provide details	
iii)	Law and regulations	
	<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Coventry City Council have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<p>Through effective governance processes and review mechanisms such as internal audit.</p> <p>The Monitoring Officer and the Council's legal team advise the Council's leadership, councillors and departments on changes to the legal and regulatory environment that impact on the Council. For example, in light of new procurement regulations the Council's contract procedure rules have been updated and the new requirements disseminated to the organisation</p>
	2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?	The Annual Governance Statement presented to the Committee provides assurance that arrangements are in place for facilitating effective exercise of the Council's functions. This includes ensuring that its business is conducted in accordance with the law and proper standards. The review which underpins development of the Annual Governance Statement includes assurance from Directors that there have been no significant breaches of laws and regulations.
	<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2023 with an on-going impact on the 2024/25 financial statements?</p> <p>If so, please provide details</p>	No
	<p>4. Are there any actual or potential litigation or claims that would affect the financial statements?</p> <p>If so, please provide details</p>	As stated above, Equal Pay claims have been received which if successful, would result in a one-off revenue cost to the Council. However, the Council is robustly defending, so there is, as yet, no reliable assessment of the validity, potential success, or value of any claims.
	5. What arrangements does Coventry City Council have in place to identify, evaluate and account for litigation or claims?	Legal Services maintain a risk register containing a list of high-risk matters (financial and reputational) which are constantly kept under review by the Legal and Procurement Management Team for potential litigation. Any of these matters which have a significant financial implication to the Council would be included and identified in the Corporate Risk Register.
	<p>6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance?</p> <p>If so, please provide details</p>	There have been no reports of non-compliance from regulatory bodies.
iv)	Related Parties	
Page 79	<p>1. Have there been any changes in the related parties including those disclosed in Coventry City Council's 2024/25 financial statements?</p> <p>If so, please summarise:</p> <ul style="list-style-type: none"> the nature of the relationship between these related parties and Coventry City Council whether Coventry City Council has entered into or plans to enter into any transactions with these related parties 	<p>There have been no changes to the Council's group structure in 2024/25.</p> <p>There was a significant transaction between the Council and Tom White Waste in January 2025. The Council acquired the company's site for £7.5m and leased it back to the company over 25 years at £0.6m per annum. The purpose of this transaction was to clear the existing mortgage as the lender had enquired about changing the terms.</p>

Page 80	<ul style="list-style-type: none"> the type and purpose of these transactions 	
	2. What controls does Coventry City Council have in place to identify, account for and disclose related party transactions and relationships?	Related party transactions and relationships are reported within the statutory accounting process through analysis of existing disclosure records and a process to collect information on these relationships.
	3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?	No specific controls relating to related parties' transactions. Relevant controls for approval and delegation form part of our business-as-usual practices.
	4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?	Per above. No transactions expected outside of normal business.
v)	Going Concern	
	1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Coventry City Council will no longer continue?	The Council has several controls in place to establish and manage any threat to statutory service delivery. A Corporate Risk register is in place, which is reviewed regularly at senior officer level, as well as being presented to members periodically. Service risk registers are also maintained which are managed by service Directors and their management teams. Performance boards also exist, together with budgetary control arrangements/reporting to identify any financial threat to service delivery. Officer/member relations are also very strong in terms of financial strategy and budget planning. Suitable governance arrangements are also in place for non-financial performance, and major project specific delivery.
	2. Are management aware of any factors which may mean for Coventry City Council that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	The Council has a robust MTFS and budget setting strategy with a healthy officer/member relationship. Whilst the operating environment is currently very volatile for key services, and national funding is anticipating change within the Fair Funding Review, these arrangements place the Council in a good position to respond to challenges such that statutory service delivery will not be placed at risk.
	3. With regard to the statutory services currently provided by Coventry City Council, does Coventry City Council expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Coventry City Council to cease to exist?	It is expected that Coventry City Council will continue to deliver statutory services for the foreseeable future.
	4. Are management satisfied that the financial reporting framework permits Coventry City Council to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	Management is satisfied that financial statements can be prepared on a going concern basis, and that they will provide a faithful representation of the financial position of the Council in so doing.
vi)	Accounting Estimates	
	1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	See Appendix A
	2. How does the Council's risk management process identify and address risks relating to accounting estimates?	The relevant budget holders, supported by financial management officers, review the latest information feeding into, and outputs generated from, the estimation processes. This includes comparing the latest position with the estimates made at previous balance sheet dates.

3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	See 2 above
4. How do management review the outcomes of previous accounting estimates?	See 2 above
5. Were any changes made to the estimation processes in 2024/25 and, if so, what was the reason for these?	No changes are anticipated, however there may be a need to make changes on review, per item 2 above.
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	By considering the complexity and uncertainty of different aspects of the accounts.
7. How does the Council determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	The relevant budget holders, supported by financial management officers, consider what controls are required for particular aspects of the accounts where accounting estimates are required.
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	The impact of, and particularly any significant changes in, the accounting estimates are reviewed by Corporate Finance officers as part of the process for producing the statement of accounts.
9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> • Management's process for making significant accounting estimates • The methods and models used The resultant accounting estimates included in the financial statements.	The Corporate Finance officers involved in 8 above, would review both the output and methodology adopted.
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	We are not aware of any transactions, events or conditions other than those identified.
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	Yes. Where estimation is necessary, appropriate estimating methodology is utilised. Estimates will be prepared by those best qualified, e.g. pension fund actuary, professionally qualified asset valuer.
12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?	Accounting estimates are an integral part of the statutory accounting and reporting process.

Appendix A - Accounting Estimates 2024/25

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Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Land and buildings valuations	Assets where there is no market and/or the asset is specialised are valued at depreciated replacement cost (DRC). Otherwise, properties are valued at existing use value.	<p>Property valuations have been performed by RICS (Royal Institute of Chartered Surveyors) qualified valuers in accordance with RICS valuation standards.</p> <p>Valuations are undertaken every five years as a minimum however a proportion of assets are revalued more frequently based on consideration of material factors.</p> <p>A review is also undertaken to ensure that the current value of an assets that haven't been revalued do not differ materially from their carrying amounts.</p> <p>The in-house property team review valuations and discuss and resolve queries prior to the final signed valuation report being submitted.</p>	Yes, external valuers used: Wilkes Head and Eve	Degree of uncertainty inherent with any revaluation. We commission professional valuers and rely on expert opinion.	No
Council dwelling valuations	Not applicable				

Investment property valuations	<p>These assets are measured at fair value. Fair value is defined as the amount for which an asset could be exchanged, between knowledgeable, willing parties, in an arms' length transaction (with reference to observable prices in an active market or recent market transactions on arms' length terms).</p> <p>Investment property assets are measured at fair value at the end of the reporting period, assessing their value at highest and best use. This value is derived from the capitalisation of an income stream at a yield derived from market evidence.</p> <p>All fair value measurements are classified at level 2 in the Fair Value Hierarchy.</p>	<p>Property valuations have been performed by RICS (Royal Institute of Chartered Surveyors) qualified valuers in accordance with RICS valuation standards.</p> <p>Valuations are performed annually to ensure that the current value/ fair value of a revalued asset does not differ materially from its carrying amount.</p>	Yes, external valuers used: Wilkes Head and Eve	Degree of uncertainty inherent with any revaluation. We commission professional valuers and rely on expert opinion.	No
Depreciation	Assets with a determinable finite life are depreciated using the straight-line method, dividing net book value (NBV) by remaining useful economic life (UEL).	<p>Consistent application of depreciation method across asset groups.</p> <p>Annual review with internal management.</p>	Internal managers responsible for asset management are consulted on UELs including any changes to assets that may have affected the UEL.	Depreciation is calculated on a straight-line basis as this reflects consumption of assets and is a reasonable assumption.	No
Valuation of defined benefit net pension fund liabilities	Methods compliant with IAS19	Review by external actuaries	Yes, Hymans Roberston	Degree of uncertainty inherent with any valuation. We commission professional actuaries and rely on expert opinion.	No

Level 2 investments	Following acquisition date, the Council uses a combination of Level 2 and Level 3 to value its investments in companies.	The advice of an external valuer is taken to identify comparable transactions for company sales.	Yes, external valuers for company investments.	There is a degree of uncertainty with using market multiples and performance / budget information from companies.	No.
Level 3 investments	Following acquisition date, the Council uses a combination of Level 2 and Level 3 to value its investments in companies.	Conversations with management to investigate any assumptions made in financial information provided by companies.	Yes, external valuers for company investments.	There is a degree of uncertainty with using market multiples and performance / budget information from companies.	No.
Fair value estimates	Methods compliant with IFRS 13 (market, income, cost and adjusted net assets) are used to value company investments.	Review by external valuation experts.	Yes, external valuers for company investments, including RICS surveyors where required.	There is a degree of uncertainty with using market multiples and performance / budget information from companies.	No.
Provisions	Provisions are identified through detailed monthly management accounts which flags any potential issues to management.	Each provision is separately reviewed by financial accounts and a working is put together to support the calculation.	As necessary on an individual basis	Each provision is assessed on an individual basis to ensure that it meets the criteria of a provision per IAS 37. The degree of uncertainty is assessed when determining whether a provision is the correct treatment for an item.	No.
Accruals of income and expenditures	Accruals are estimated by reviewing goods and services received prior to the end of the financial year for which an invoice has not been received.	Monthly management accounts provides rigorous analysis so that any accruals are highlighted and actioned throughout the year.	No.	The use of actual dates of receipt of goods and services gives a low degree of uncertainty	No.
Credit loss and impairment allowances	Expected Credit Loss model (IFRS9). Long term debtors are assessed for impairment using payment information, company performance data, knowledge of the external	Knowledge by the Accounts Receivables team in likelihood of recoverability and the aging of the debts. Finance Manager (Corporate Finance) signs off the write off.	No.	N/A	No.

	environment and communications from companies.	Use of market data on loan default rates, review of communications with counterparties to determine if they indicate risk and company accounts to inform financial performance of counterparties.			
Finance lease liabilities	<p>Under the requirements of IFRS16 we are reviewing all our potential lease liabilities.</p> <p>In recent years the council's policy has been to purchase assets e.g vehicles/waste containers and resource these from borrowing rather than leasing the assets.</p>	Review of leasing agreements and associated information against accounting requirements.	No However, as part of the introduction of IFRS16 the use of experts may be considered on a case-by-case basis.	The assumptions would be based on the legal agreements in place and the relevant market information e.g interest, asset values, etc.	No Impending changes due to IFRS16 are being considered and will impact at the relevant stage.
PFI Liabilities	Estimates are made at the outset of PFI schemes based on established models. The models are agreed with our external auditors who have reviewed this extensively in recent years. These are being updated to comply with IFRS16		Yes, at the outset of the schemes or where re-financing of PFI debt is considered experts are used in line with standard practice.	Alternative estimates are not generally considered once the model has been established, unless there are major changes in the scheme (e.g. re-financing)..	No

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IT Audit Findings

Coventry City Council

Year ended 31 March 2025

Issued 27 May 2025

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Section 1: Executive summary

01. Executive summary

02. Scope and summary of work completed

03. Summary of IT audit findings

04. Detail of IT audit findings

To support the financial statement audit of Coventry City Council for year ended 31 March 2025, Grant Thornton has completed a design and implementation review of the IT General Controls (ITGC) for applications identified as relevant to the audit.

This report sets out the summary of findings, scope of the work, the detailed findings and recommendations for control improvements.

We would like to take this opportunity to thank all the staff at Coventry City Council for their assistance in completing this IT Audit.

Section 2: Scope and summary of work completed

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01. Executive summary

02. Scope and summary of work completed

03. Summary of IT audit findings

04. Detail of IT audit findings

The objective of this IT audit was to complete a design, implementation and operating effectiveness controls review over Coventry City Council's IT environment to support the financial statement audit. The following applications were in scope for this audit:

- Business World

We completed the following tasks as part of this IT Audit:

- Evaluated the design and Implementation effectiveness for security management and change management controls
- Performed high level walkthroughs, inspected supporting documentation and analysis of configurable controls in the above areas
- Documented the test results and provided evidence of the findings to the IT team for remediation actions where necessary.









Section 3: Summary of IT audit findings

- 01. Executive summary
- 02. Scope and summary of work completed
- 03. Summary of IT audit findings**
- 04. Detail of IT audit findings

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Other findings – IT audit

This section provides an overview of results from our assessment of the relevant Information Technology (IT) systems and controls operating over them which was performed as part of obtaining an understanding of the information systems relevant to financial reporting. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT system	Level of assessment performed	Overall ITGC rating	ITGC control area rating		
			Security management	Technology acquisition, development and maintenance	Technology infrastructure
Business World	Detailed ITGC assessment (design and operating effectiveness)				
Active Directory	Detailed ITGC assessment (design and operating effectiveness)				

Assessment


- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements / significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing

Section 4: Detail of IT audit findings




- 01. Executive summary
- 02. Scope and summary of work completed
- 03. Summary of IT audit findings
- 04. Detail of IT audit findings**

IT general controls assessment findings


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Assessment	Issue and risk	Recommendations
1. 	<p>Inadequate Specification and Approval of User Access Requests</p> <p>During our audit, we noted that user access requests for Business World were required to be raised and approved via the Motion Ticketing Tool or emails. However, for a selected sample, the specific details of the required user access were not provided.</p> <p>Furthermore, permissions were granted before approval was given by the designated approver, based on the Finance Systems Team's experience and the user's position.</p> <p>Additionally, for another selected sample, the user access request was approved by the system user himself, who was also the budget holder and designated approver. No independent approval was obtained for this case.</p> <p>In response, we have verified with the Lead Finance Systems Accountant and confirmed the permissions provided to these users were appropriate and aligned to their job responsibilities.</p> <p>Risk These observations present several risks:</p> <ul style="list-style-type: none"> Without specifying the required user access details and approval, there is a risk that users may be granted permissions beyond their job requirements, leading to unauthorised access to sensitive financial data. Allowing a system user to approve their own access request compromises the principle of segregation of duties. This increases the risk of fraudulent activities and unauthorized transactions, as there is no independent review or approval. 	<p>It is recommended that Management should consider the following:</p> <ul style="list-style-type: none"> Establish a formal document that outlines the levels of access and roles to be assigned to users based on their specific levels and grades. This document should include detailed information on data and menu permissions required by budget holders. Establish a policy that prohibits users from approving their own access requests. Ensure that all access requests are reviewed and approved by an appropriate independent individual who is not the requester or the associated user. Ensure that all user access requests are fully documented and approved by the designated approver before any permissions are granted. <p>Management response</p> <ul style="list-style-type: none"> Document Access Levels: Create a detailed document showing the levels of access and roles for different type of Business World users Independent Approval Policy: Set a policy that stops users from approving their own access requests. All requests will be reviewed and approved by their line manager or equivalent Approval Process: Make sure all user access requests are fully documented and approved before any permissions are given. This includes a detailed specification of the required access. We've already improved the new user request form on our IT support ticketing system, which now documents the access requirement and needs approval from the line manager.

Assessment

-  Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
-  Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
-  Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

IT general controls assessment findings

Assessment	Issue and risk	Recommendations
2. 	<p>Password requirements on Active Directory and Business World are not aligned with the Council's password policy</p> <p>During our audit, we noted that password requirements on Business World and Active Directory were not aligned to Council's password policy.</p> <p>Please refer to Appendix A for details.</p> <p>Risk</p> <p>The misalignment between the password requirements set in the network and the system, compared to the Council's password policy, poses several risks:</p> <ul style="list-style-type: none"> • Shorter passwords are easier to guess or crack using brute force attacks. • Weak password history policies allow users to reuse old passwords, making it easier for attackers to gain access 	<p>It is recommended that Management consider the following:</p> <ul style="list-style-type: none"> • Review and update the password policies in Active Directory and the system to ensure they comply with the entity's established password standards. This includes setting minimum password length and enforcing password history requirements • Conduct regular audits of password policies to ensure ongoing compliance with the entity's standards and to identify any discrepancies promptly. • Review the Council's password standards to ensure they are up-to-date and align with industry best practices <p>Management response</p> <ul style="list-style-type: none"> • We agree that there are some minor differences between the Council's password policy and the password requirements for users. We don't believe this creates a significant risk but will be reviewing updated password guidance from the NCSC and aligning the password policy and password requirements in the near future.

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

Appendix A: Password Policies

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Parameter	Policy	Active Directory	Business World (Note 1)
Minimum Length	12 characters (general users) 16 characters (high privilege)	12 characters (default domain policy) 15 characters (administrator accounts)	0 character
Complexity	No complexity enforced	Password must meet complexity requirements	User advanced combinations of numbers and characters
Password Expiry	365 days	365 days (default domain policy) 90 days (administrator accounts)	30 days
Password History	Previous 25 passwords are blacklisted	24 password remembered	5 passwords

Note 1: Although Business World uses single sign-on with reliance on Active Directory for user authentication, some users were not configured to authenticate through domain accounts. These users had to set up their passwords according to the password policy configured in the system.

Assessment

- ✓ Action completed
- X Not yet addressed

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Public report Committee Report

Audit and Procurement Committee
Ethics Committee

22 September 2025
25 September 2025

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Law and Governance

Ward(s) affected:

N/A

Title:

Local Code of Corporate Governance 2025/26

Is this a key decision?

No

Executive summary:

The Local Code of Corporate Governance sets out Coventry City Council's arrangements for meeting the seven principles of good governance as defined in the CIPFA/Solace Framework 'Delivering Good Governance in Local Government'. The Framework recommends that Local Authorities develop and maintain a Local Code of governance as it provides a structure to help individual authorities with their approach to governance.

The Council adopted a Local Code of Corporate Governance in 2017. The Code has been reviewed in the light of best practice and updated to reflect the current governance arrangements in place within the Council. An up to date and robust Local Code provides clarity over an authority's governance and supports the legal requirement to undertake an annual review of effectiveness of the Council's governance arrangements and produce an Annual Governance Statement.

Recommendations:

Audit and Procurement Committee is recommended to:

- 1) Consider the Local Code of Corporate Governance 2025/26 and confirm its satisfaction that the Code accurately represents the Council's governance arrangements.

Ethics Committee is recommended to:

- 1) Consider the Local Code of Corporate Governance 2025/26.

List of Appendices included:

The following appendix is attached to the report:

Appendix - Local Code of Corporate Governance

Background papers:

None

Other useful documents:

Code of Corporate Governance Report – Audit and Procurement Committee - 3rd April 2017

Delivering Good Governance in Local Government: Framework (2016 edition)

Delivering Good Governance in Local Government: Guidance for English Local Authorities (2016 edition)

Has it or will it be considered by Scrutiny?

No

Has it or will it be considered by any other Council Committee, Advisory Panel, or other body?

No

Will this report go to Council?

No

1. Context (or background)

- 1.1. The CIPFA / Solace Framework defines governance as “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.” Coventry City Council has a range of measures in place to ensure that governance in the organisation is managed effectively and works hard to ensure that these arrangements are robust and meet best practice. This is achieved through a range of policies, plans, procedures such as the Constitution (including codes of conduct for Members and employees), the One Coventry Plan, the Medium-Term Financial Strategy and policies on whistle blowing, tackling fraud and corruption, and managing risk.
- 1.2 The attached Local Code of Corporate Governance (Appendix 1 to the report) is a refresh of the previous code with work undertaken with internal stakeholders to ensure it reflects the current position of the organisation and our One Coventry approach. The Local Code sets out the Council’s specific arrangements for putting the principles of good governance into practice. It draws on examples provided in the Framework but also reflects systems and processes which are specific to the Council.

2. Options considered and recommended proposal

- 2.1 The “Delivering Good Governance in Local Government Framework” published by CIPFA / Solace sets the standard for local authority governance. The Framework is designed to help local authorities develop an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework recommends that Council’s adopt a Local Code of governance. By setting out specifically how the Council puts the principles of good governance into practice, there is a greater degree of clarity and transparency over the arrangements in place, which in turns supports the annual review of effectiveness and development of the Annual Governance Statement.
- 2.2 The principles of good governance as detailed in the Framework are as follows:
 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the entities capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting and audit, to deliver effective accountability
- 2.3 The Council adopted a Local Code of Corporate Governance in 2017. In 2023 the Code was reviewed in the light of best practice and has this year been updated again to reflect the current governance arrangements in place within the Council and has been reviewed by the Council’s Corporate Governance Group. Consideration of the Code by the Audit and Procurement Committee supports comprehensive understanding of governance across the organisation and will assist the Committee in discharging its role in relation to the Annual Governance Statement.

3. Results of consultation undertaken

- 3.1. No consultation has been undertaken.

4. Timetable for implementing this decision

- 4.1 The Local Code of Governance reflects the Council's governance arrangements which are in place for the financial year 2025/26. The Council is required to undertake an annual review of the effectiveness of these arrangements and publish an Annual Governance Statement.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1. Financial Implications

There are no specific financial implications associated with this report. Internal control / governance has clear and direct effects on finance within the Council. Since these vary widely, it is not useful to attempt to summarise them here, beyond noting that all systems and controls are designed to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

5.2. Legal Implications

There is no legal requirement to adopt a Local Code. However, having an up to date and robust Local Code reflects best practice and helps to demonstrate the Council's commitment to good governance. It also supports the legal requirement to undertake an annual review of the effectiveness of the Council's governance arrangements and produce an Annual Governance Statement.

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The governance framework comprises the systems and processes (i.e. the internal control environment) and culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

6.2. How is risk being managed?

The key risk is that the governance arrangements set out in the Local Code are not effective and / or are not complied with. This risk is managed through the requirement to undertake an annual review and produce an Annual Governance Statement. Where areas for improvement are identified, these are included in the Annual Governance Statement action plan.

6.3. What is the impact on the organisation?

None

6.4. Equalities / EIA?

None

6.5. Implications for (or impact on) climate change and the environment?

None

6.6. Implications for partner organisations?

None

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Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Officer	Law and Governance		28/08/2025
Michelle Salmon	Governance Services Officer	Law and Governance		29/08/2025
Karen Tyler	Chief Internal Auditor	Finance and Resources		01/09/2025
Names of approvers for submission: (officers and members)				
Finance: Richard Shirley	Lead Accountant – Financial Management	Finance and Resources		03/09/2025
Director: Julie Newman	Director of Law and Governance	Law and Governance		28/08/2025
Councillor G Duggins	Cabinet Member for Policy and Leadership	-		05/09/2025

This report is published on the council's website: www.coventry.gov.uk/council-meetings

Local Code of Corporate Governance

2025/26

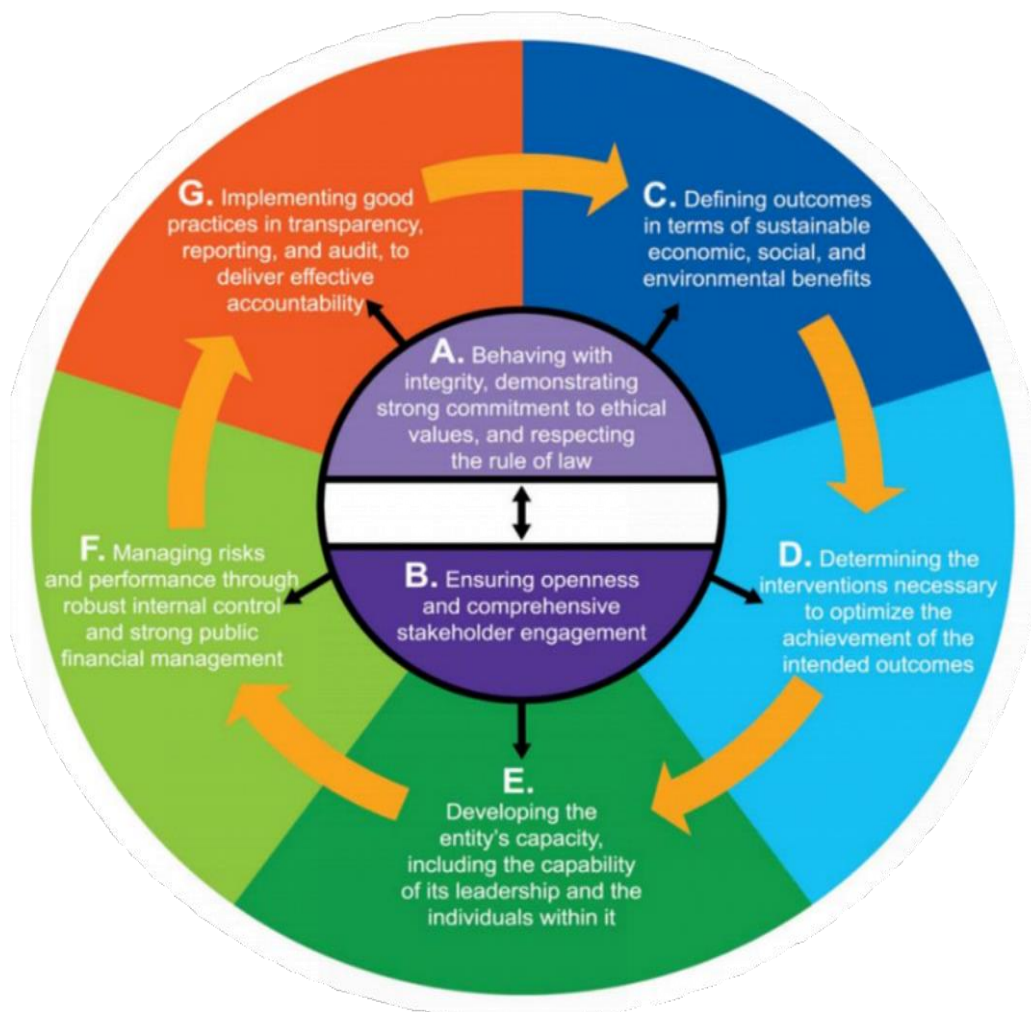


Introduction

Governance in the public sector can be described as the arrangements put in place to ensure that the intended outcomes for stakeholders are achieved while acting in the public interest at all times. In simple terms it is about:

How the Council operates to ensure it is doing the right things in the right way

Our governance arrangements are based on a series of principles*, as shown in the diagram below:



Source: CIPFA / SOLACE framework – Delivering Good Governance in Local Government (2016)

To explain this further:

Achieving the intended outcomes (doing the right thing) requires arrangements for:

- Being clear about what the Council wants to achieve for people, the environment and the economy

- Being clear about the actions needed to achieve the Council's aims
- Making sure the Council has the skills, ability and money to achieve its aims
- Making sure the Council manages risks, budgets and performance
- Making sure that the Council operates in an open, accountable and transparent way

All of the above means the Council needs to have in place ways to ensure the Council is acting in the public interest (doing it the right way). This means the Council needs to:

- Behave with integrity and demonstrate a strong commitment to ethical values and respect the rule of law
- Ensure the Council is open and engaged with our communities and stakeholders

As an example:

The Council's One Coventry Plan is how we define the outcomes we are planning to achieve (Principle C).



Our Local Code of Corporate Governance sets out our arrangements for meeting the principles, helping us to ensure that we deliver our intended outcomes and are accountable to those who live, work and visit Coventry. The law requires us to undertake an annual review to reflect on how well our governance arrangements have been operating in practice during the year and provide an opinion on this.

This is published in our Annual Governance Statement. The Statement also includes a plan of any actions we are taking to improve governance. The Council is committed to continuous improvement and we recognise that good governance is dynamic - as things change, the way in which we work needs to change as well to ensure that we can continue to do the right things in the right way.

The full Local Code of Governance for Coventry City Council is outlined in this document. The Code is reviewed every year and approved by the Audit and Procurement Committee to ensure it is up-to-date and accurately reflects how the Council operates.

Principle A:

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

1. Behaving with integrity

The Council has a Code of Conduct for Elected Members. The aim of the Code of Conduct is to create and maintain public confidence in the role of Elected Members, Co-opted Members and local government. It sets out general principles of behaviour expected of all Elected Members and Co-opted Members. It provides a guide to modelling the behaviour that is expected and covers standards including respect, bullying, harassment and discrimination; confidentiality and use of position as well as arrangements for declaring interests. Members receive training on the Code of Conduct.

There is a Code of Conduct in place for Employees which forms part of their terms and conditions of employment and is based on the Seven Principles of Public Life.

Our 'One Coventry Values' have been co-created with the support and input of all employees across the Council, so they are reflective of how we want to be represented both as colleagues and to our wider

communities. The One Coventry Values are "Open and Fair", "Nurture and Develop", "Engage and Empower", "Create and Innovate", "Own and Be Accountable" and "Value and Respect". Our People Plan sets out our HR ambitions for our workforce over the next three years and has our One Coventry Values at its centre.

2. Demonstrating strong commitment to ethical values

The Council has an Ethics Committee who promote and maintain high standards of conduct by Members and co-opted members. The Ethics Committee monitor the operation of the Code of Conduct for Elected and Co-opted Members, consider complaints made against Elected and Co-opted Members, and monitor the operation of the Code of Conduct for employees.

There is a register of Interests for Members which can be viewed on the website. Officers are expected to declare financial and non-financial interests to their line manager and the Council undertakes an annual declarations of interest exercise in relation to all officers Grade 9 and above.

Gifts and hospitality are declared. The Ethics Committee review Members' and Officers' declarations of gifts and hospitality every 6 months. These are published as part of the Ethics Committee papers.

A Member Officer Protocol offers guidance on some of the issues which are commonly experienced between Members and Officers when working together. Officers and Members both serve the public, but they have different roles. Officers are employees of the Council and are politically neutral.

Their role is to advise Members and implement the policies of the Council to the best of their abilities. Members are office holders and will often belong to a political party. They are obliged to exercise their own judgement in respect of matters before them, but may also legitimately pursue party political objectives. Employees are answerable to the Chief Executive, not to individual Members (whatever office they hold), but there should be good communication between senior officers and Members with special responsibility for their area of work.

3. Respecting the Rule of Law

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The Council has three statutory posts who are responsible for ensuring the rule of law, as set out in the Constitution is applied – The Chief Executive, Section 151 Officer and the Monitoring Officer. There is a Monitoring Officer Protocol in place.

The Council has a Whistleblowing Policy. This enables employees to report concerns about wrongdoing which are in the public interest. This policy is important as it protects the individual who raised the concerns from suffering any detriment. There is also information on the staff intranet which advises employees how they can raise concerns about work (including Whistleblowing), entitled "I have a concern".

A Group Governance Agreement is in place, which sets out the legal framework for the operation and management of Coventry Municipal Holdings Ltd and its subsidiaries. Coventry Municipal Holdings Ltd and the Council's Joint Venture companies are accountable to the Coventry Shareholder Committee, which represents the interests of the Council as shareholder.

Principle B:

Ensuring openness and comprehensive stakeholder engagement

1. Openness

Formal meetings are open to the public and information is displayed on our website. A weekly public notice is published and displayed at the Council House. Papers are published on the website five working days before a meeting and wherever possible, items are discussed in public. If items are discussed in private, a reason is given for this.

Key Decisions (those which involve financial implications of over £1m or impact substantially on two or more Wards) are published.

Decisions taken by Cabinet and Member Committees are available on the website.

2. Engaging with citizens and stakeholders

The Council is aware that better outcomes and solutions are achieved through strong engagement between organisations, residents and communities. We aim to use different ways of connecting and working with residents to collectively identify priorities and co-produce actions so that better decisions are made.

The Council recognises the importance of partnership working, creating opportunities to solve problems and the importance of inclusive community engagement.

The Council engages with residents and stakeholders in a variety of ways both digitally and non-digitally. We publish a magazine, *Your Coventry*, which is delivered to every house in the city and includes news, views and features about the work of the Council and life in Coventry. The magazine includes information about how you can get in touch with your local councillors and reports on the many events taking place in the city.

The Let's Talk Coventry website is an online engagement platform designed for residents to engage with the Council. You can use it to take part in consultations, share ideas and join in with discussions. We also use the site to keep residents and stakeholders up to date with how your feedback has led to action from the council. All consultations and engagement opportunities are available in hard copies at our libraries. Posters are also displayed giving people a phone number to call to request information in different languages or different formats. Opportunities are also promoted through the many newsletters that are sent out from the Council as well as partner newsletters.

In the case of large-scale projects, leaflets/ “Street News” are produced and delivered to business and residential properties within a geographical location of proposed new developments/transport schemes. One-off public meetings/drop-in sessions are also held.

Peer engagement is recommended working alongside Community Leaders in geographical or special interest groups to encourage involvement. The Council has a network of Community Messengers who share information with community and resident groups, as well as a Faith Compact. This is a joint commitment between faith communities and Coventry City Council to a set of principles that guide engagement, aiming to improve collaborative partnerships, and to promote open, practical working at all levels.

In addition, the Council engages with businesses within the City of Coventry to understand the barriers to entry in tendering for contract opportunities and how these barriers can be addressed through the Council’s Contract Procedure Rules.

Principle C:

Defining outcomes in terms of sustainable economic, social and environmental benefits

1. Defining outcomes

The Council defines its outcomes in the One Coventry Plan – this is our strategic, corporate plan. The One Coventry Plan is focused on the needs and aspirations of our communities. It also contains the One Coventry Performance Framework, which contains the targets we will be working to deliver. Members and senior officers regularly monitor how well the Council is delivering work towards meeting the targets. The Cabinet receives a report reviewing progress biannually toward targets, and an annual performance report reporting progress against performance indicators is published and discussed publicly.

2. Sustainable economic, social and environmental benefits

The One Coventry Plan focuses on economic, social and environmental benefits. The Plan is underpinned by a number of strategies which help us to deliver the plan. This includes the Medium Term Financial Strategy, which helps us to plan our spending over a three-year period, the Climate Change and Sustainability Strategy and the Health and Wellbeing Strategy.

Every decision-making report contains information on how the decision will impact people and the environment. For significant policy changes, full Equality Impact Assessments are undertaken.

The Council has a Social Value and Sustainability Policy. This means that we look at maximising the wider benefit for our city through meeting our needs when we purchase goods, services or works in a way that achieves value for money for the life of the contract. This means that whilst the cost of the contract is important, we also look at what else can be gained, for example, apprenticeship opportunities or environmentally friendly working practices.

The Council has a Supplier Code of Conduct which aims to build trusting and open relationships between the Council and Suppliers to drive improved performance throughout the Council's supply chains. The Code sets out the behaviours that the Council and its Suppliers would expect of each other.

Principle D:

Determining the interventions necessary to optimize the achievement of the intended outcomes

1. Identifying the right course of action

Decision-making reports contain information on the options considered, which includes outlining the impact of doing nothing. Financial and legal implications are explained, and the reports contain information on how the work contributes to the One Coventry Plan as well as how risks are managed. The report also includes information on the impact on equalities, including the identification of any groups that the decision may have an impact on (including a positive impact) and how any potential adverse impacts on groups will be mitigated. The implications of decisions on climate change, the environment and partners are also outlined in decision-making reports.

The Joint Strategic Needs Assessment (JSNA) brings together evidence about the health and well-being of Coventry residents to help inform the right course of action. This information is used by the Council and health partners to enable us to work together to improve the health and well-being of Coventry residents.

There are Procurement Boards and Panels that use the information provided to make informed decisions when we purchase goods and services. This includes considering the Social Value and Sustainability Policy when procuring goods, services or works.

2. Planning action

The Council has a One Coventry Plan Performance Management Framework, which helps us ensure we achieve what we aim to do. It does so by setting out how we plan and organise our resources to achieve the things we want to do – our vision and priorities, as set out in the One Coventry Plan. By aligning our resources, actions and activities to the Council's vision, priorities and desired outcomes, it helps us measure how public money is turned into results. The One Coventry performance monitoring tool identifies areas of focus to ensure resource is appropriately targeted against need.

3. Maximising outcomes

The Medium-Term Financial Strategy (MTFS) sets out how we plan to manage our finances for the next three years and how we can closely align resources to the priorities set in the One

Coventry Plan. This Strategy is refreshed annually and considered by Scrutiny, Cabinet and Council.

Principle E:

Developing the Council's capacity including the capability of its leadership and the individuals within it

1. Developing capacity

Our People Plan outlines what we as a Council and a responsible employer are going to do to deliver the workforce vision and objectives, particularly around organisational design, development and leadership. The People Plan details how we intend to improve capacity, capability and processes to deliver the Council's priorities.

The Council recognises the importance of partnerships in developing capacity in our city. The One Coventry Partnership aims to facilitate and grow cross-organisational working with partner organisations such as the Universities, West Midlands Police and voluntary and community sector partners. The Partnership is chaired by the Director of Care, Health and Housing to improve outcomes through more joined-up and relevant local services.

We are also part of the Coventry and Warwickshire Anchor Alliance, working collaboratively with other organisations to make the biggest positive impact on the lives of local people. Anchor institutions are large organisations based in the city that have a significant stake in the area – this includes NHS Organisations, universities and large employers.

2. Developing strong leaders

The Council has a Members Training and Development Strategy which is designed to ensure our Members are properly supported to help them meet the demands of the role. Members need the skills and knowledge to be able to deliver Coventry's ambitions. A well-trained and informed cohort of Members is key to the success of the One Coventry Plan.

The strategy provides the framework for Members to access a programme of training that meets their needs, as well as the needs of the organisation to deliver the ambition set out in the One Coventry Plan. The strategy will help to continue to support the development of a training culture for Members. Delivery of the strategy is overseen by a Cabinet Member Advisory Panel, which has cross-party representation and makes recommendations to the Cabinet Member responsible for Member training.

The Council has a Corporate Learning and Development offer in place which is centered around embedding diversity, equity and

inclusion and also includes a strand on leadership and management development. Strengthening the leadership and management capability of our workforce will enable us to address some of the challenges we face as an organisation and will put us in a better position to deliver our 'One Coventry' priorities through our One Coventry Plan.

Principle F:

Managing risks and performance through robust internal control and strong public financial management

1. Managing risk

The Risk Management Policy sets out the mechanisms for the identification and management of risks in the Council. This includes requirements for both service and directorate registers to be maintained and when a risk should be reported to the Leadership Team, so that they can consider if it should be included in the Corporate Risk Register. The Corporate Risk Register contains those risks which threaten the achievement of One Coventry priorities, and it is kept under review by the Leadership Team and the Audit and Procurement Committee. In addition, risk registers are maintained for significant projects the Council is working on, and all decision-making reports must explain how risks will be managed.

2. Managing performance

Performance against the One Coventry Performance Management Framework is reported to Scrutiny, Cabinet and Council.

The Council has six scrutiny boards which are responsible for keeping a check on decisions and how they are made. They help to provide transparency and enable decisions and policy to be challenged. Scrutiny plays a part in developing Council policy, reviewing Council Services, and making sure the Council is acting effectively and efficiently. Scrutiny meetings are open to the public and welcome suggestions and comments from the public on items to scrutinise.

Performance management takes place across the organisation. There are a number of Officer groups at which performance is discussed in different levels of details. This includes the Leadership Board.

There is an effective appraisal framework in place for our employees who have an appraisal which considers their performance, targets and development needs every year. As part of the appraisal process, all senior leaders are set a diversity and inclusion objective which is monitored and reviewed on an annual basis.

Performance management of the Council's subsidiaries is undertaken by Coventry Municipal Holdings Ltd who are accountable to a Shareholder Committee.

3. Robust internal control

Officers are responsible for implementing appropriate systems of internal control to manage risks within their services. The Council's Internal Audit Service is responsible for providing independent assurance that internal control processes are operating effectively and advising on actions to improve systems and processes where necessary.

The Internal Audit Charter defines the purpose, authority, responsibility and position of Internal Audit within the Council.

The Council has a Fraud and Corruption Strategy which sets out the Council's arrangements for responding to the risk of fraud and corruption.

The Council has an Audit and Procurement Committee who ensure there is sufficient assurance over governance, risk and internal control and oversees the work of Internal Audit.

4. Managing data

The Council's information governance framework ensures that personal information is held and processed confidentially and securely while ensuring compliance with the relevant statutory and regulatory requirements. Key roles have been identified to ensure appropriate oversight and accountability.

A corporate information risk register has been developed for regular review by the Information Management Strategy Group, which is chaired by the Senior Information Risk Officer.

Guidelines and training are in place to support the safe collection, storage and use of data and a reporting system is in place to identify data incidents, which are investigated and used to identify lessons learned. Information about incidents and near misses are reported annually to the Audit and Procurement Committee.

5. Strong financial management

The Council's Medium Term Financial Strategy sets out the financial planning foundations that support the setting of the Council's revenue and capital budgets and the Constitution sets out the budget and policy framework procedure rules, financial procedure rules, and rules for contracts.

Budgetary control arrangements are in place including defined responsibilities of budget holders and budget managers.

Quarterly financial monitoring reports are presented to Cabinet and Audit and Procurement Committee, along with out-turn reports.

An annual assessment is undertaken of both the Council's compliance with the CIPFA Financial Management Code, which provides guidance for effective and sustainable financial management in local authorities and the role of the S151 Officer (Director of Finance and Resources) against the CIPFA Statement of the Role of the Chief Financial Officer in Local Government.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

1. Implementing good practice in transparency

The Council is working towards compliance with the Local Government Transparency Code, which sets out which information we should be publishing and the timeframe for doing so.

Our report templates are standardised and designed to make sure that it is clear why a decision has been taken and that the appropriate information is provided to explain the decision. The reports and minutes of meetings are published and meetings are open to the public.

2.

2. Implementing good practices in reporting

We report on our performance annually through the One Coventry Performance Report and review every six months with stakeholders to provide assurance of collective progress against targets and identify areas requiring focus. This is available on our website.

We compile our Statement of Accounts on an annual basis. The Statement of Accounts gives residents and other interested parties clear information about the Council's finances and operational and financial performance.

The statement summarises the cost of services provided by us in the year, how services were paid for and our assets and liabilities at the year end. The Statement of Accounts is available on our website. The Council's External Auditors assess the Council's arrangements for providing value for money as part of their audit on the Statement of Accounts.

The Coventry Municipal Holdings Ltd Board provides the Shareholder Committee and Scrutiny Co-ordination Committee with a summary of the activities and financial performance of Coventry Municipal Holdings Ltd Group over the preceding year.

3. Assurance and effective accountability

The Council is subject to a number of external reviews and inspections including OFSTED and CQC, as well as external audit. The outcomes of these inspections and reviews are published. Governance and oversight of these reviews and inspections are undertaken through the local authority.

Services participate in peer reviews which are designed to support the council's performance by identifying its areas of strength and areas for development. Learning from a Local Government Association (LGA) Peer Challenge carried out in January 2024 has been used to develop an action plan for the organisation in response to recommendations for continued improvement. The LGA peer challenge team also revisited the Council in November 2024 to look at progress made against these action plans and to seek assurance that improvements continue to be made.

Improvement plans are developed and monitored to implement recommendations from reviews and inspections, and this is overseen by Cabinet Members in their regular briefings with Directors and by the Leadership Board.

The Council has an Audit and Procurement Committee that ensures that there is sufficient assurance over governance, risk and control within the Council. They also monitor the implementation of internal audit and external audit recommendations.

The Council produces an Annual Governance Statement, which provides accountability to stakeholders on how well it has delivered on governance over the course of the previous year.

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Public report Cabinet

Cabinet
Audit and Procurement Committee

26th August 2025
22nd September 2025

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected: All

Title:

2025/26 First Quarter Financial Monitoring Report (to June 2025)

Is this a key decision?

No

Executive Summary:

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2025. The net revenue forecast position after management action is for spend in 2025/26 of **£1.6m over budget**. Whilst not a wholly comparable position, at the same point in 2024/25, there was also a projected overspend of £7.1m.

The Council continues to face budget pressures within Adults' Social Care, with overspends also being reported in Property Services and Development, Regeneration and Economic Development and City Services. These financial pressures are being caused by a combination of continued service demand, complexity & market conditions in social care, legacy inflation impacts, and income shortfalls due largely to the economic climate.

The Council's capital spending is projected to be £187.6m and includes major schemes progressing across the city. The size of the programme and the nature of the projects within it continue to be fundamental to the Council's role within the city. Although prevailing inflation rates look to be stabilising, legacy inflationary pressures continue to affect capital projects. We will continue to monitor this position and ensure projects are delivered within available resources.

Recommendations:

The Cabinet is requested to:

- 1) Approve the Council's first quarter revenue monitoring position.
- 2) Approve the revised forecast capital outturn position for the year of £187.6m incorporating: £16m rescheduling from 2024/25 outturn, £1.9m net increase in spending relating to approved/technical changes and £1.9m of net programme rescheduling of expenditure to future years.

Audit and Procurement Committee is requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Cabinet.

List of Appendices included:

Appendix 1 - Revenue Position: Detailed Service breakdown of forecast outturn position
Appendix 2 - Capital Programme: Analysis of Budget/Technical Changes
Appendix 3 - Capital Programme: Analysis of Programme Acceleration/(Rescheduling)
Appendix 4 - Prudential Indicators

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee, 22nd September 2025

Will this report go to Council?

No

Report title:
2025/26 First Quarter Financial Monitoring Report (to June 2025)

1. Context (or background)

- 1.1 Cabinet approved the City Council's revenue budget of £296.7m on the 25th February 2025 and a Capital Programme of £171.6m. This is the first quarterly monitoring report for 2025/26. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure, recommending any action required, and to also report on the Council's treasury management activity.
- 1.2 The current 2025/26 revenue forecast is for net expenditure to be **£1.6m over budget** (after management action). The reported forecast at the same point in 2024/25 was an overspend of £7.1m which reflected pressures relating primarily to social care activity and price. 2025/26 capital spend is projected to be £187.6m.
- 1.3 Whilst it is not unusual to experience a forecast overspend at this point, it is essential that the Council maintains strict financial discipline to operate within approved budgets.

2. Options considered and recommended proposal.

- 2.1 This is a budget monitoring report and as such there are no options.

Table1 Revenue Position - The revenue budgets and forecast positions are shown below analysed by service area.

Service Area	Revised Net Budget	Forecast Spend	Total Over/ (Under) Spend
	£m	£m	£m
Adult Services and Housing	143.2	145.3	2.1
Childrens and Education	121.6	121.3	(0.3)
Finance and Resources	13.1	13.1	0.0
Digital Services	(0.1)	0.3	0.4
Legal and Governance Services	10.8	11.4	0.5
People and Organisation Development	2.6	2.8	0.2
Property Services and Development	(10.8)	(9.4)	1.5
City Services	38.4	39.2	0.8
Public Health	(1.3)	(1.3)	0.0
Planning and Performance	7.3	6.8	(0.5)
Policy and Communication	0.2	0.2	0.0
Regeneration and Economic Development	10.0	10.9	1.0
Contingency & Central Budgets	(38.3)	(42.4)	(4.1)
Total	296.7	298.3	1.6

- 2.2 An explanation of the major forecast variances is provided below. Further details are provided in Appendix 1 to the report.

Directorate

Adult Services & Housing (£2.1m overspend)

This overspend relates to Adult Social Care (£3.1m) which is mainly due to the costs of purchasing packages of care for adults and older people, this is partially offset by increased client fee income (-£0.5m). Growth in costs for packages of care reflects sustained and emerging pressures across several areas. Primary drivers are the higher costs of new packages of care, the complexity and associated costs of cases in Mental Health, and pressure in Learning Disabilities with a greater number of cases requiring intensive 1:1 support to manage complex needs safely within community settings. The service continues to scrutinise all areas of authorisation to ensure value for money while maintaining safe and effective care for those with the most complex needs.

These pressures are being offset at a directorate level by an underspend in Housing and Homelessness (-£0.5m) which is mainly due to an increase in grant funding for 25/26 although this has been partly eroded by a pressure against the target for delivering additional temporary accommodation provision due to delays in opening some projects.

Property Services and Development (£1.5m overspend)

The overspend being reported at Quarter 1 arises from our commercial property portfolio, which includes the residual holding costs for the City Centre South project, predominantly void NNDR costs. As demolition is well underway, it is anticipated that these costs will not continue into subsequent quarters. In addition, we are forecasting additional costs/loss of revenue because of higher property void levels than normal and higher than budgeted staff agency costs. Property voids are being constantly managed and reviewed within the team, and the service is actively seeking to recruit to vacant posts to reduce agency costs. Management actions are being formulated which, it is hoped, will reduce the level of overspend by the year end.

Regeneration and Economic Development (£1.0m overspend)

This overspend comprises of pressures within Planning Services where we experience a shortfall in planning activities resulting in reduction in fee income, as well as underperformance in our cultural commercial activities.

City Services (£0.8m overspend)

This is made up of Highways which is reporting a £0.1m overspend and Environmental Services reporting a £0.7m pressure.

Within Highways, Parking Services has an overall pressure c£0.7m which relates to a reduction in Bus Lane and Parking Enforcement income; including lower than forecast residents parking permits income. These are being offset by the increase in income we have realised from the usage of our Car Parks. Recruitment challenges held within our Operational Division which also generates funding to cover our back-office overheads are reporting a pressure circa £0.3m. In addition, as energy prices have reduced, we are forecasting a c£0.8m energy saving.

Within Environmental Services, pressures relate to income targets within Coventry Funeral Service and delivery of Traveller Incursion savings targets. In addition, Waste

and Fleet Services are reporting pressures against targets to deliver a separate food waste service partially offset by grant.

Corporate

Underspends supporting the overspend position are primarily within Contingency and Central Budgets:

Contingency and Central (£4.1m Underspend)

There is a £3.6m surplus forecast on Asset Management Revenue Account, relating to increased expected income from both Coventry & Solihull Waste Disposal Company (CWSDC) and Birmingham Airport dividend income, above that assumed in the base budget.

Other favourable variances (£2.1m), include contingencies held in lieu of inflation and recent pay award announcements. This is being offset by an adverse variance (£1.6m) which is due to a forecast underachievement of 2025/26 savings targets relating to the One Coventry Programme.

2.3 Capital

The quarter 1 2025/26 capital outturn forecast is £187.6m compared with the original programme reported to Cabinet in February 2025 of £171.6m. Table 3 below updates the budget at quarter 1 to take account of a £16m increase in the base programme (net rescheduling from 2024/25), £1.9m of new approved/technical changes and £1.9m of programme rescheduling into future years.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2025/26. It shows 62.6% of the programme is funded by external grant monies, whilst 27.5% is funded from borrowing. The programme also includes funding from capital receipts of £16.3m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2025/26 MOVEMENT	Qtr 1 Reporting £m
February 2025 Approved Programme	171.6
Net rescheduling of expenditure from 2024/25	<u>16.0</u>
Revised Programme	187.6
Approved / Technical Changes (see Appendix 2)	1.9
“Net” (Rescheduling) into future years (See Appendix 3)	(1.9)
Revised Estimated Outturn 2025-26	187.6

RESOURCES AVAILABLE:	Qtr 1 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	51.7
Grants and Contributions	117.5
Capital Receipts	16.3
Revenue Contributions and Capital Reserve	2.1
Total Resources Available	187.6

The inflationary pressures affecting the Council's revenue budget are also present within capital schemes although the pattern with which this takes affect can be different due to the way in which expenditure is incurred. All existing and future schemes are required to be delivered within existing agreed contractual sums and will continue to be monitored and managed within the available resources.

2.4 Treasury Management

External Context

The first quarter of the year started with significant market volatility as the US announced a wide range of reciprocal trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty.

UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.6% in June, well above the Bank of England's 2% target.

Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June MPC meeting, the Committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt by the Committee is expected to continue and

financial market expectations are that the next cut will be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR).

Long Term (Capital) Borrowing

The net long-term borrowing requirement for the 2025/26 Capital Programme is £34.5m, considering borrowing set out in Section 2.3 above (total £51.7m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£17.2). In the current interest rate climate, the Council has no immediate plans to take any further new long-term borrowing although this will continue to be kept under review.

The Public Works Loan Board (PWLB) remains the main source of loan finance for funding local authority capital investment. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more details and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Under the Treasury Management Strategy 2025/26 approved by Cabinet on 25 February 2025 it was agreed the Council will not purchase investment assets primarily for yield.

Interest rates for local authority borrowing from the Public Works Loans Board (PWLB) between 1st April and 30 June 2025 have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2025/26 to Q1	Maximum 2025/26 to Q1	As at the End of Q1
5 year	4.88%	5.24%	4.96%
20 year	5.92%	6.38%	6.09%
50 year	5.65%	6.15%	5.89%

The PWLB allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This “certainty rate” initiative provides a small reduction in the cost of future borrowing.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings.

During the first quarter, the Council repaid £10m of LOBO loans (Lender Option, Borrower Option) as call options were exercised by the lender. The new interest rates offered were high and no longer offered value for money in borrowing terms. The borrowing has not yet been replaced. In addition, £20m of short-term borrowing was also repaid. The original purpose of this borrowing was to cover any potential cash flow shortages at the year end.

Short Term (Temporary) Borrowing and Investments

The Council's Treasury Management Team acts daily to manage the City Council's day-to-day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds.

Returns provided by the Council's short-term investments yielded an average interest rate of 4.58% in the first quarter. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers, and companies in the form of corporate bonds.

Although the level of investments varies from day to day with movements in the Council's cash-flow, investments held by the City Council identified as a snapshot at the reporting stages were: -

	As at 31st March 2025 £m	As at 30th June 2025 £m
Banks and Building Societies	0.0	0.0
Local Authorities	22.5	41.5
Money Market Funds	18.7	24.6
Corporate Bonds	0.0	0.0
HM Treasury	2.5	0.0
Total	43.7	66.1

External Investments

In addition to the above in-house investments, a mix of Collective Investment Schemes or "pooled funds" is used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. The pooled funds are generally AAA rated; are highly liquid, as cash can be withdrawn within two to four days; and have a short average duration. These investments include Certificates of Deposit, Commercial Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits, Property and Equities. However, they are designed to be held for longer durations allowing any short-term fluctuations in return due to volatility to be smoothed out. To manage risk these investments are spread across several funds (CCLA, Schroders, Ninety-One Investec, Columbia Threadneedle and M&G Investments).

Returns provided by the Council's pooled funds yielded an average interest rate of 5.32% over the last 12 months. At 30th June 2025 the pooled funds had a capital value of £28.1m (£27.63m at 31 March 2025), against an original investment of £30m (a deficit of £1.9m). All seven pooled funds show a deficit value but returns remain strong. Although the world economy has shown volatility over the last 9 months, the value of the funds is recovering. The property market still hasn't bottomed out, but the CCLA fund is being actively managed to provide good returns. There remains an expectation that the full value for each pooled fund will be recovered over the medium

term - the period over which this type of investment should always be managed. Current accounting rules allow any 'losses' to be held on the Council's balance sheet and not counted as a revenue loss. These investments will continue to be monitored closely.

Prudential Indicators and the Prudential Code

Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against Prudential Indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing for capital purposes is affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

The indicators, together with the relevant figures as at 30 June 2025 are included in **Appendix 4** to the report. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2025/26. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 30 June 2025 the value is -£57.9m (minus) compared to £102.7m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30 June 2025 the value is £227.0m compared to £513.6m within the Treasury Management Strategy, reflecting both the level of actual borrowing and that a significant proportion of the Council's investment balance is at a fixed interest rate.

2.5 Commercial Investment Strategy – Loans and Shares

The Council's Commercial Investment Strategy is designed to ensure there are strong risk management arrangements and that the level of commercial investments held in the form of shares, commercial property and loans to external organisations, are proportionate to the size of the Council. In doing this the Strategy includes specific limits for the total cumulative investment through loans and shares. The total combined limit for 2025/26 is £115m, against which there are £87.5m of existing commitments: -

	Limit	Actual 30 th June 2025	Committed and Planned 2025/26	Total	Headroom
	£m	£m	£m	£m	£m
Shares	55.0	52.1	0.0	52.1	2.9
Loans	60.0	35.2	0.2	35.4	24.6
	115.0	87.3	0.2	87.5	27.5

The committed or planned total of £0.2m is predominantly for the balance of loan facility to Coombe Abbey Park Ltd which may not necessarily be taken up, although the Council is committed to provide the loan funds if requested.

The increase in headroom since budget setting is mainly due to the change in accounting treatment relating to the £18m to UKBIC which was previously treated as a loan (and was included in the limit) but is now accounted for as a lease and no longer shown within this table. We would expect the loans limit to be reduced to reflect this change in the next budget setting cycle.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision.

4.1 There is no implementation timetable as this is a financial monitoring report.

5. Comments from the Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

Revenue

The net quarter 1 forecast is a **£1.6m revenue overspend**. Although not wholly comparable, this is a significant improvement of the position this time last year which was a £7.1m overspend (quarter 1, 2024/25) and is in part a reflection of the decisions made during budget setting to support areas with intractable ongoing issues.

Continuing difficulties in the external markets for adult's social care are well documented around issues including the cost of highly complex cases and higher than planned levels of inflationary increases in placement costs, which have persisted to apply pressure to the budgetary provision included within the Council's budget.

Although the Council had budgeted for significant levels of inflation based on current information, the 2025/26 pay offer which has just been accepted by the trade unions, is above the budgeted figure and will need to be managed out of contingency budgets.

Management Action

The difficult position seen in recent years has required the Council to balance its financial outturn position using reserves. This was avoided in 2024/25 and although such a solution would be the Council's backstop position for 2025/26, it is one that the Council should be anxious to avoid. The Council holds limited reserve balances and recognises that such an approach is not sustainable in the medium term. It is therefore imperative to identify and adopt approaches that help the Council to manage its short-term pressures, whilst at the same time supporting the outlook for 2026/27 and medium-term financial pressures.

The Council's Leadership Team will proactively work together to mitigate the underlying pressures that have been recognised within this forecast by:

- Robust challenge and review of forecasts
- Continuation of Recruitment controls
- Alternative funding opportunities from grants

The above gives sufficient assurance that the Director of Finance and Resources does not currently need to take any extra-ordinary action to respond to the financial position either in respect of 2025/26 or future years.

Capital

The Council's Capital Programme includes a range of strategically important schemes across the city. This continues to be a large and mostly grant funded programme continuing the trend of recent years. The Programme includes major scheme expenditure on secondary schools' expansion, Very Light Rail, disabled facilities grant (DfG), construction of Woodlands School, City Centre South and delivery of the City Centre Cultural Gateway development.

Legal implications

There are no legal implications arising at this stage.

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables Cabinet to remain aware of issues and understand the actions being taken to maintain a balanced budget.

6. Other implications

6.1 How will this contribute to the One Coventry Plan

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the One Coventry Plan. As far as possible it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage with fewer resources.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. Good financial discipline through budgetary monitoring continues to be paramount in managing this risk and this report is a key part of the process.

6.3 What is the impact on the organisation?

It remains important for the Council to ensure that strict budget management continues to the year-end. Any resources available at year-end will be managed to ensure the Council's financial resilience or used to fund future spending priorities.

6.4 Equalities / EIA

No current policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services through the year. If this is the case, the Council's equality impact process will be used to evaluate the potential equalities impact of any proposed changes.

6.5 Implications for (or impact on) Climate Change and the environment

No impact at this stage although climate change and the environmental impact of the Council's decisions are likely to feature more strongly in the future.

6.6 Implications for partner organisations?

No impact.

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Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	04/08/25	15/08/25

This report is published on the council's website: www.coventry.gov.uk/council-meetings

Appendix 1

Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Table 1 below shows budget variations analysed between those that are subject to a centralised forecast variance and those that are managed at service level (termed “Budget Holder Variance” for the purposes of this report). The Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend of £6.1m shown below is principally the effect of unfilled vacancies, often offset by agency staff costs shown within the budget holder variance.

Table 1

Service Area	Revised Net Budget	Forecast Spend	Centralised Variance	Budget Holder Variance	Total Variance Over / (under)
	£m	£m	£m	£m	£m
Adult Services and Housing	143.2	145.3	(1.2)	3.3	2.1
Childrens and Education	121.6	121.3	(1.2)	0.9	(0.3)
Finance and Resources	13.1	13.1	(0.3)	0.4	0.0
Digital Services	(0.1)	0.3	(0.1)	0.5	0.4
Legal and Governance Services	10.8	11.4	(0.3)	0.8	0.5
People and Organisation Development	2.6	2.8	(0.2)	0.4	0.2
Property Services and Development	(10.8)	(9.4)	(0.3)	1.7	1.5
City Services	38.4	39.2	(1.6)	2.4	0.8
Public Health	(1.3)	(1.3)	(0.0)	0.0	0.0
Planning and Performance	7.3	6.8	(0.1)	(0.4)	(0.5)
Policy and Communication	0.2	0.2	(0.0)	0.0	0.0
Regeneration and Economy Dev	10.0	10.9	(0.7)	1.7	1.0
Contingency & Central Budgets	(38.3)	(42.4)	0.0	(4.1)	(4.1)
Total	296.7	298.3	(6.1)	7.7	1.6

Table 2:

Service Area	Reporting Area	Explanation	£m
Adult Social Care	Strategic Commissioning (Adults)	The underspend relates to New Homes for Old Private Finance Initiative additional client fee income above budget £0.5m and other smaller under-spends across the service.	(0.6)
Adult Social Care	Partnerships and Social Care Operational	The overspend relates to additional agency costs, this is partly offset by underspends due to those staff vacancies. Recruitment processes are in place.	0.1

Adult Social Care	Community Purchasing – Mental Health	<p>The quarter one overspend reflects sustained and emerging pressures across several areas of care provision. The primary drivers of this overspend are:</p> <ol style="list-style-type: none"> 1. higher cost of new packages - new care packages commissioned during this period have on average, been more expensive than those that have ended, contributing to increased expenditure. 2. complexity and cost in mental health - there has been a notable rise in both the complexity of cases and associated costs. These pressures are not necessarily linked to increased volume (activity), but rather to the higher needs of individuals supported in the community. 3. learning disabilities supported living and 1:1 hours - we have seen particular pressure in supported living arrangements for people with learning disabilities, with a greater number of cases requiring intensive 1:1 support to manage complex needs safely within community settings. This has resulted in higher costs to ensure the appropriate level of care and safeguarding. The service continues to scrutinise all areas of authorisation to ensure value for money while maintaining safe and effective care for those with the most complex needs. 	3.1
Housing	Housing and Homelessness	<p>The underspend is mainly due to a £1.6m increase in Homeless Prevention Grant from the Ministry of Housing, Communities and Local Government to reflect the increased demand on homeless services nationally that is reflected in Coventry. This has been partially offset by a £0.6m under-delivery against target due to delays in projects opening including Ribbon Court and the SHAP project which are both being progressed by external housing providers and the £0.3m continuing increase in temporary Accommodation cost. Other small overspends total £0.2m.</p>	(0.5)
TOTAL Adult Services & Housing			2.1
Children's Services	Corporate Parenting and Sufficiency	<p>There is a £0.5m forecast overspend on placements for children in care. The number of children in residential care and the overall number of children in care are currently lower than our financial planning assumptions. The level of external financial contributions towards care packages for children with disabilities and</p>	0.6

		complex needs is currently forecast to be lower than budgeted, which is offsetting the benefit of reduced activity.	
Children's Services	Help & Protection	Social work case holding teams are forecast to underspend by £0.5m due to reduced levels of agency staff and overall case numbers. Section 17 budgets are forecasting to underspend by £0.4m due to reduced expenditure on assessments and temporary accommodation. Family Hubs and Early Help are forecasting to underspend by £0.4m due to staffing vacancies and utilisation of grant funding where appropriate. These are being offset in part by a £0.5m overspend against the no recourse to public funds (NRPF) budget due to there being an increased number of families who require support. The remainder is a combination of smaller underspends across other parts of the service.	(1.2)
Children's Services	Children in Care, Children with Disabilities & Care Leavers	The Care Leavers budget is forecast to underspend by £0.3m this in line with last year and is an area of budget which is being reviewed moving forwards. This is offset in part by some small forecast overspends across other areas of the service which total £0.1m.	(0.2)
Children's Services	Safeguarding Practice and Workforce	There is an overall pressure of £0.1m mainly linked to safeguarding training income which is forecast to be £0.1m below the budgeted target	0.1
Education Services	SEND & Specialist Services	SEND Transport is forecasting an overspend of £0.6m due to increased demand alongside an increased reliance on external special school placements. This overspend is offset in part by a £0.2m forecast underspend in Educational Psychology, primarily due to staffing vacancies.	0.4
Ringfenced Funding – Dedicated Schools Grant (DSG)	SEND	As is being seen nationally the number of children in Coventry with an Education, Health and Care Plan (EHCP) continues to increase. When setting the 2025/26 High Needs budget the Council was forecasting an in-year deficit (or overspend) of £2m. At Q1 budgetary control this has reduced to a forecast in-year deficit of £1.1m. The Q1 forecast across SEND provision and central services is £0.5m lower than planned, primarily due to staffing vacancies. The position has also improved due to supplementary grant funding being announced	1.1

		by the government to support with the cost of pay awards and national insurance contributions for centrally employed teachers. The 2025/26 budget was set assuming no supplementary funding would be received.	
Ringfenced Funding – Dedicated Schools Grant (DSG)	Schools	£0.8m of the overspend relates to the Early Years block and is primarily due to clawback of funding received in financial year 2024/25 based on headcount data (the number of children accessing government funded childcare) as of January 2025. £0.1m relates to an overspend against the Growth Fund. This planned spend was agreed by Schools Forum and is funded within the resources below.	0.9
Ringfenced Funding – Dedicated Schools Grant (DSG)	Financial Strategy	Technical adjustment to remove total Dedicated Schools Grant (DSG) variance from the General Fund position. The overspend will be funded from the DSG reserve.	(2.0)
TOTAL Childrens and Education			(0.3)
Highways	Parking	Car parking income has improved due to increased usage of parking facilities. This is offset by income pressures relating to bus lane and parking enforcement, together with resident parking where activity levels are lower than anticipated compared to budgets.	0.6
Highways	Traffic	This is primarily due to reduced energy costs.	(0.8)
Highways	Highways	The ability to recover 80% of overheads in this service is challenging due to the difficulty to recruit staff, and while vacant post offers a saving the non-recovery of all income results in a deficit.	0.3
Environmental Services	Street pride & Parks	This pressure is a combination of non-achievement of savings relating to Coventry Funeral Services circa£150k and Traveller Incursions circa £150k and turnover targets circa £83k which are partly offset by salary savings because of delays in recruitment, circa £136k	0.2

Environmental Services	Waste & Fleet Services	This pressure is predominantly due to the delayed implementation of Separate Food Waste collection. This is being partly offset by use of Grant. There are also further pressures in Waste Disposal due to lower than anticipated rebate income, Fleet Services and the Waste Transfer Station.	0.5
TOTAL City Services			0.8
Finance & Resources	Revenues and Benefits	The forecast overspend in revenues and benefits is primarily attributable to a significant increase in the cost of card payment fees incurred when the Council receives payments, an increase in the cost of providing support to care leavers and an increase in our provision for bad debt.	0.2
Finance & Resources		Other Variances Less than 100K	(0.2)
TOTAL FINANCE & Resources			0.0
Digital and Customer Services	ICT & Digital	The ICT £422k overspend relates to an ongoing pressure arising from under-recovery of schools and academies income from our traded services. We continue to have plans to try to improve the position, but this remains an area of challenge and therefore is the most accurate position we can give at Quarter 1.	0.4
TOTAL Digital Services			0.4
Legal and Governance Services	Legal Services	Legal Services forecasted agency staff costs has reduced from £680k in 24-25 to £390k in 25-26 and is fully funded by vacancy savings. However, the Service has an additional vacancy savings target of £350k and this is driving the overall adverse forecast variance.	0.1
Legal and Governance Services	Coroner & Register Office	25-26 forecasted one off costs of the extraordinary coroner's enquiry are £390k.	0.3
Legal and Governance Services		Other Variances Less than 100K	0.1
TOTAL Legal and Governance Services			0.5
People and Organisation Development	Employment Services	To implement the Payroll restructure, vacancies have been held in posts that were considered to be at risk. The service will be looking to recruit to the agreed new structure throughout the year which will likely see a reduction in this forecasted underspend.	(0.1)

People and Organisation Development	Facilities & Property Services	Facilities Management have had increases in income and savings targets whilst also receiving a reduction in the maintenance budget as a consequence we are currently forecasting an overspend of circa £175k. Management action is taking place to attempt to reduce this further.	0.2
People and Organisation Development	Employment Policy & Practice	The unfunded Council Job Evaluation team continues to drive the overspend in the People Directorate.	0.1
TOTAL People and Organisation Development			0.2
Planning and Performance	Customer and Business Services	Staffing underspends of £0.3m due to the service actively managing vacancies which align to corporate change initiatives while future staffing models are determined. Production of physical mail has decreased across the organisation reducing postage costs as well as ensuring all costs are recouped wherever possible provide an underspend of £0.4m. These underspends have been offset by increases in independent complaint investigation costs; cost associated with the move out of Broadgate House resulting in a £0.1m overspend.	(0.6)
Planning and Performance	Other Variances Less than 100K		0.1
TOTAL Planning and Performance			(0.5)
Property Services and Development	Commercial Property and Development	Variance relates to holding costs being chargeable for example Business Rates and utilities associated with City Centre South properties awaiting demolition (demolition is now underway) and costs and foregone income from vacant commercial properties.	1.5
TOTAL Property Services and Development			1.5
Regeneration and Economy Development	Culture, Sports & Events	£331k overall projected deficit due to projected under-performance in commercial income lines against 2025/26 targets. Other minor favourable variations offset the Q1 position, with further management action required across Q2-Q4 to mitigate commercial deficits projected at Q1.	0.3
Regeneration and Economic Development	Regeneration & Economic Mgt Support	The majority of the variance relates to a shortfall against the income target for sponsorship and commercial activity. £204k is forecasted to be achieved by the end of 25/26 against a target of £375k leaving a shortfall of £171k. Opportunities are being realised through partnership working with external organisations though this means	0.2

		delays, such as external capital investment planning, can occur and are beyond the control of the City Council. Other opportunities are in the pipeline to be fulfilled during the year.	
Development Management Services	Planning Services	The 2025/26 income target for planning application fees was set on the basis of an ambitious growth assumption compared to the previous three years. The level of development interest and therefore application activity is influenced by a range of macroeconomic factors outside the Council's control. The current forecast is based on extrapolating actual income received in Q1 (approximately £600k). Overall, planning application activity in Coventry remains broadly in line with regional and national trends. Despite the challenges, the service remains committed to doing all it can to maximise income and work proactively with applicants to support delivery and help achieve the target.	0.5
TOTAL Regeneration and Economy Development			1.0
Contingency & Central Budgets	Contingency & Central Budgets	Favourable variances (£2.1m), include contingencies held in lieu of inflation and pay award announcements. This is being offset by an adverse variance (£1.6m) which is due to a forecast underachievement of 25/26 savings targets relating to the One Coventry programme.	(0.5)
Contingency & Central Budgets	Treasury Management	This surplus forecast on Asset Management Revenue Account, relates to increased expected income from both Coventry & Solihull Waste Disposal Company (CWSDC) and Birmingham Airport dividend income, above that assumed in the base budget.	(3.6)
TOTAL Contingency & Central Budgets			(4.1)
Total Outturn Variances			1.6

Appendix 2

Capital Programme Approved / Technical Changes

SCHEME	EXPLANATION	£m
Highways Investment	An additional £2m for Highways Maintenance was approved on 9th May 2025 at West Midlands Combined Authority Board	2.0
UK Shared Prosperity Fund	CCC have been awarded £0.9m allocation from the West Midlands Combined Authority's Integrated Settlement covering the financial year 2025-26. The purpose of the grant is to provide CCC with capital grant funding to achieve the outcome of boosting local economic prosperity and living standards through improved business productivity.	0.9
Homes Upgrade Grant (Phase 2)	Spend on the HUG2 scheme has been lower than planned in Coventry. Over the past 2 years we have retrofitted 51 properties and spent around £0.6m of the grant against a programmed budget of £2m, resulting in £1.5m slippage at financial year end 2024-25. At the point of accounting for capital at outturn the position was 'may have to return' which is why it was accounted for as slippage. However, at this point we have additional clarity and understand there is no allowance for further slippage of the grant into 25/26, therefore HM Treasury retains all grant that has not been allocated.	(1.5)
Broadgate House Closure	Leasehold Disposal of Broadgate House taken to Cabinet Member Jobs, Regeneration and Climate Change on 30th July 2025. Currently projections estimate total works to cost c£0.4m to enable the disposal of Broadgate house.	0.4
Miscellaneous	Schemes below £250k reporting threshold	0.1
TOTAL APPROVED / TECHNICAL CHANGES		1.9

Appendix 3

Capital Programme: Analysis of Programme Acceleration/(Rescheduling)

SCHEME	EXPLANATION	£m
Disabled Facilities Grant (DFGs)	Resource switch of capital DFG grant with Housing Support Fund and a prolonged reduction in allocation of DFG works due to current vacancies for Principal Home Improvement Officer and Home Improvement Officer has resulted in the rescheduling of the DFG capital programme.	-1.5
Miscellaneous	Schemes below £250k reporting threshold	-0.4
TOTAL RESCHEDULING		(1.9)

Appendix 4

Prudential Indicators

Indicator	per Treasury Management Strategy 2025/26	As at 30 June 2025
Ratio of Financing Costs to Net Revenue Stream (Indicator 1) , This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.	14.21%	13.98%
Gross Borrowing should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) at 31st March 2023 plus the estimates of any additional CFR in the next 3 years (Indicator 2) , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme and is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.	Estimate / limit of £571.5m	£334.6m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 5) , This statutory limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. Borrowing at this level could be afforded in the short term but is not sustainable. The Authorised limit has been set on the estimated debt with sufficient headroom over and above this to allow for unexpected cash movements.	£591.5m	£334.6m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 6) , This indicator refers to the means by which the Council manages its external debt to ensure it remains within the statutory Authorised Limit. It differs from the authorised limit as it is based on the most likely scenario in terms of capital spend and financing during the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year.	£571.5m	£334.6m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 9) , These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Upper Limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could impact negatively on the overall financial position.	£513.6m	£227.0m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9) , as above highlighting interest rate exposure risk.	£102.7m	-£57.9m
Maturity Structure Limits (Indicator 10) , This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks.		

<p>The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.</p> <p>< 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +</p>	<p>0% to 50% 0% to 20% 0% to 30% 0% to 30% 40% to 100%</p>	<p>13% 0% 0% 22% 65%</p>
<p>Investments Longer than 364 Days (Indicator 11), This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.</p>	<p>£30m</p>	<p>£0.0m</p>



Coventry City Council

Public report

Report to

Audit and Procurement Committee

22nd September 2025

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

City Wide

Title:

Annual Fraud and Error Report 2024-25

Is this a key decision?

No – this is a monitoring report.

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with a summary of the Council's anti-fraud and error activity undertaken by the Internal Audit Service for the financial year 2024-25.

Recommendation:

The Audit and Procurement Committee is recommended to note and consider the anti-fraud and error activity undertaken in the financial year 2024-25.

List of Appendices included:

None

Background papers:

None

Other useful documents:

Half Yearly Fraud and Error report 2024-25

[Agenda for Audit and Procurement Committee on Wednesday, 29th January, 2025, 2.30 pm - Coventry City Council](#)

Has it or will it be considered by scrutiny?

No other scrutiny consideration other than the Audit and Procurement Committee.

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

Report title: Annual Fraud and Error Report 2024-25

1. Context (or background)

- 1.1 Fraud in the public sector has a national focus through the publication of "Fighting Fraud and Corruption Locally - The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy states that the level of fraud in the public sector is significant, the levels of identified / reported fraud against the Council remain at relatively low levels, both in terms of numbers and value.
- 1.2 This report documents the Council's response to fraud and error during 2024-25 and is presented to the Audit and Procurement Committee in order to discharge its responsibility, as reflected in its terms of reference 'to monitor Council policies on whistle blowing and the fraud and corruption strategy'.

2. Options considered and recommended proposal

- 2.1 The Internal Audit Service is responsible for leading on the Council's response to the risk of fraud and error. The work of the team has focused on four main areas during 2024-25, namely:

- Business Support Grants
- National Fraud Initiative
- Referrals and investigations considered through the Council's Fraud and Corruption Strategy
- Fraud awareness

A summary of the key activity that has taken place during 2024-25 is detailed below.

- 2.2 Business Support Grants – Work to assist in the administration of the debt recovery process of grants paid fraudulently or in error has continued during 2024-25. This has included:

- In-conjunction with the Revenues and Benefits Services, ongoing monitoring of the status of debts which are still undergoing recovery action, including monitoring of on-going payment plans to ensure they are still being adhered to. There are currently four cases which are still undergoing recovery, with the total amount currently outstanding amounting to approximately £28k.
- Where a decision is reached that recovery options have been exhausted, administration of the process to refer the debt to the Department for Business and Trade (DBT.) The grants in relation to five businesses, amounting to £23k, have been accepted by DBT during the year, and the debts have formally been re-assigned to the Department.
- Assisting in the process to return recovered grant funding to DBT. In 24-25, £16k was returned to DBT.

- 2.3 National Fraud Initiative (NFI) – The NFI exercise is led by the Cabinet Office. The main exercise takes place every two years and matches electronic data within and between public bodies, with the aim of detecting fraud and error. The follow up of matches can also provide assurance that the Council's own arrangements for preventing and detecting fraud / error are effective. Internal Audit work in 2024-25 has been mainly focused on collating and submitting the datasets for the next exercise. This was completed in early October 2024. The matches were released in January 2025 and form part of the planned programme of work for 2025/26. Matches relating to council tax single person discounts are released annually and now fall under the responsibility of the Revenues and Benefits Service.
- 2.4 Referrals and Investigations – From time to time, the Internal Audit Team receive referrals or are asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. Table two below indicates the number of referrals by source in 2024-25, along with figures for the previous three financial years.

Table Two - Fraud Reports Received between 2021-22 and 2024-25

Source	Reports 2021-22	Reports 2022-23	Reports 2023-24	Reports 2024-25
Whistleblower	1	1	4	1
Manager	20	10	18	24
External	2	2	1	3
Total	23	13	23	28

It is important to note that there is no mechanism for determining the number of reports the Council should receive on an annual basis and it is very difficult to anticipate or identify the reasons behind fluctuations in numbers. It is worth noting that this information only reflects referrals made in respect of concerns relating to fraud and corruption and does not include other matters raised under the Whistleblowing Policy.

- 2.4.1 Of the 28 referrals received in 2024-25, eleven have led to full investigations. The reasons for referrals not resulting in a full investigation include (a) our initial assessment / fact finding does not find any evidence to support the allegations, (b) appropriate action has already been taken, e.g. the fraud has been prevented, and (c) the nature of the event means it is impractical to pursue further.

In addition to the eleven investigations highlighted in 2.4.1 above, three investigations were carried forward from 2023-24. 12 investigations related to fraud / theft or other activities linked to obtaining a financial benefit and two related to a Code of Conduct matter. Two out of the total 14 investigations are still on-going, whilst of the remaining 12:

- Three cases involved direct payments. Of these:
 - In one case, administration of the payments was moved to a managed account and action has been taken to recover monies.
 - In one case, action was taken to recover monies from the care agency.

- In one case, where the fraud amounted to £17k, a criminal prosecution was undertaken. The defendant received a custodial prison sentence and the £17k has been recovered. The case is now the subject of a Proceeds of Crime Act hearing. In this case, the defendant fraudulently obtained direct payment funding after the service user passed away, through falsely representing that the service user was alive. This was complicated through the fact that no death certificate was issued in the UK, as the service user died / was interred abroad.
- In one case involving the provision of false information to support a claim for homelessness assistance, the Council ended its duty to provide temporary accommodation.
- In one case relating to an agency member of staff, their engagement was terminated.
- In one case, a formal re-setting of standards took place.
- In one case, relating to the theft of service users' monies, the employee was dismissed.
- In one case involving potential bribery, the employee resigned during the course of the disciplinary investigation.
- In four cases, the concern was not substantiated.

2.5 Fraud Awareness - In 2024-25, the Internal Audit Service attended a number of training sessions with employees from Adult Social Care to raise awareness of the types of fraud that can occur within the social care environment, and particularly within direct payments. The Service also delivered a fraud awareness session to colleagues from People Services as part of their away day.

2.6 Significant frauds - Within the International Auditing Standards, there are clear expectations around the level of oversight that the Audit and Procurement Committee should have in relation to the risk of fraud within the Council. This includes an expectation that appropriate detail is provided around significant fraud. We have applied the following principles when defining significant fraud:

- A financial impact in excess of £10,000.
- Frauds of under £10,000 can be included if the Chief Internal Auditor considers this justified by the nature of the fraud.
- In terms of establishing when a fraud has occurred, this is normally defined as occurring when the disciplinary process has been concluded, although in cases not involving employees, this will be linked to other management action, such as criminal prosecution.

In the period April 2024 to March 2025, one significant fraud has been concluded (as detailed in 2.4.1 above.)

2.7 The local government transparency code requires local authorities to publish information in relation to fraud on an annual basis. This information is detailed in table three below.

Table Three – Counter Fraud Transparency Data

Requirement	Response
Number of occasions powers under the Prevention of Social Housing Fraud Regulations 2014 (or similar) have been used	0 – the Council does not own its own housing stock.
Total number of employees undertaking investigations and prosecutions of fraud	1 (estimated FTE 0.25)
Total number of professionally accredited counter fraud specialists	1 member of the Internal Audit Service holds the CIPFA Certificate in Investigatory Practice
Total amount spent by the authority on the investigation and prosecution of fraud	£4,823.43 (direct costs only, does not include salary costs)
Total number of fraud cases investigated	12 (note this only includes corporate fraud investigations, not investigations linked to the NFI or business grants)

3. Results of consultation undertaken

None

4. Timetable for implementing this decision

There is no implementation timetable as this is a monitoring report.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial Implications

All fraud has a detrimental financial impact on the Council. In cases where fraud is identified, recovery action is taken to minimise the impact that such instances cause. This also includes action, where appropriate, to make improvements to the financial administration arrangements within the Council as a result of frauds identified.

5.2 Legal implications

The Council has a duty under S151 of the Local Government Act to make arrangements for the proper administration of their financial affairs. To effectively discharge this duty, these arrangements include Council policies and procedures which protect the public purse through managing the risk of fraud and error.

All cases are conducted in line with the Data Protection Act 2018 and if appropriate are referred to the Police for investigation.

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan? <https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

The scope and content of this report is not directly linked to the achievement of key Council objectives, although it is acknowledged that fraud can have a detrimental financial impact on the Council.

6.2 How is risk being managed?

The risk of fraud is being managed in a number of ways including:

- Through the Internal Audit Service's work on fraud, which is monitored by the Audit and Procurement Committee.
- Through agreed management action taken in response to fraud investigations and / or proactive reviews.

6.3 What is the impact on the organisation?

Human Resources Implications

Allegations of fraud made against employees are dealt with through the Council's formal disciplinary procedure. The Internal Audit Service are involved in the collation of evidence and contribute to the disciplinary investigation supported by a Human Resources representative. Matters of fraud can be referred to the police concurrent with, or consecutively to, a Council disciplinary investigation.

6.4 Equalities / EIA

Section 149 of the Equality Act 2010 imposes a legal duty on the Council to have due regard to three specified matters in the exercise of their functions:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The "protected characteristics" covered by section 149 are race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment. The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnership.

The Council acting in its role as Prosecutor must be fair, independent, and objective. Views about the ethnic or national origin, gender, disability, age, religion or belief,

political views, sexual orientation, or gender identity of the suspect, victim or any witness must not influence the Council's decisions.

6.5 Implications for (or impact on) Climate Change and the environment

No impact

6.6 Implications for partner organisations?

None

Report author:

Name and job title:

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Tina Pinks	Finance Manager Corporate Finance	Finance and Resources	1/9/2025	10/9/2025
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance and Resources (S151 Officer)	-	1/9/2025	3/9/2025
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	1/9/2025	11/9/2025
Councillor R Lakha	Chair of Audit and Procurement Committee	-	1/9/2025	1/9/2025

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Audit and Procurement Committee

22nd September 2025

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected:

City Wide

Title:

Corporate Risk

Is this a key decision?

No

Executive Summary:

The purpose of this report is to provide the Audit and Procurement Committee with the outcome of the latest review of the Corporate Risk Register 2025-26 in Appendix 1 to the report. By having arrangements in place to identify and manage our risks, we increase our chances of achieving corporate and operational objectives and reduce the chance of failure. Good risk management also increases our ability to cope with developing and uncertain events.

Recommendations:

The Audit and Procurement Committee are requested to:

- 1) Note the current Corporate Risk Register, indicating that they have satisfied themselves that corporate risks are being identified and managed.
- 2) Identify any areas where they require additional information (if any).
- 3) Approve the bringing of a further risk management report to the Audit and Procurement Committee in March 2026.

List of Appendices included:

Appendix 1 – Corporate Risk Register

Background papers:

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other council committee, advisory panel, or other body?

No

Will this report go to Council?

No

Report title: Corporate Risk

1. Context (or background)

- 1.1 The Audit and Procurement Committee's Terms of Reference requires the Committee to monitor the effective development and operation of risk management within the Council. It was agreed on 18 March 2024 that the Audit and Procurement Committee would receive the Corporate Risk Register twice a year in line with the Grant Thornton value for money report.
- 1.2 The Corporate Risk Register should identify the risks that threaten the successful implementation of the One Coventry Plan.
- 1.3 This report provides the Audit and Procurement Committee with the outcome of the review of the Corporate Risk Register 2025-26, which was received and reviewed by Leadership Board on 8 July 2025 and, subsequently, the removal of seven risks from the register and no new additions.

2. Options considered and recommended proposal.

- 2.1 The Corporate Risk Register at Appendix 1 to the report has been reviewed in consultation with the Leadership Board and the allocated Risk Owner. It identifies the main risks facing the Council, the impact of the risk, the inherent risk score before risk mitigation, the risk mitigations, the risk score after the mitigations are applied and where responsibility lies for the Council's response.
- 2.2 The final column identifies what the risk score was when the Committee last received the report in March 2025.
- 2.2 The Corporate Risks and the control measures in place to address them are more fully described in Appendix 1 to the report. Audit and Procurement Committee are asked to review the register and satisfy themselves that the process is operating effectively within the Council as required under the Risk Management Policy.
- 2.3 There are some changes to the Corporate Risk Register from the previous report to Members.

Risks added in this review:

No new risks were added in the August 2025 register. However, Risk 40 – Mainstream Education Sufficiency, added in February 2025, remains active.

Risks removed:

The following risks have been removed from the Corporate Risk Register and returned to directorate-level oversight following the Leadership Team review on 8th of July 2025. These decisions reflect improved risk management, reduced residual risk, or structural changes in governance.

Risk 5 – Workforce Delivery of Council Priorities

The implementation of the Diversity and Inclusion Strategy has led to improved workforce metrics and greater organisational stability. The risk is now being effectively managed within the People Services Directorate.

Risk 21 – Business Growth & Investment

The residual risk remains low, with strong performance in economic development and investment attraction. The risk is now considered operational and does not require corporate-level oversight.

Risk 22 – Children’s Workforce Stability

Positive outcomes from workforce strategy and retention initiatives have reduced the risk to a level that can be managed within Children’s Services.

Risk 24 – Climate Change & Sustainability

Strategic partnerships and mitigation measures are now embedded, and the risk is being addressed through ongoing directorate-led programmes and the Climate Change Board.

Risk 34 – Investments in Companies

Governance and oversight mechanisms are now well established, including the Shareholder Committee and Coventry Municipal Holdings. The risk no longer requires corporate escalation.

Risk 38 – Illegal Migration Act 2023

The immediate legislative risk has stabilised. Directorates will continue to monitor emerging legislative changes, with a view to consolidating any future risks into a new corporate entry if required.

Risk 41 – Sufficiency of Homes for Children in Care.

Leadership Team agreed that escalation to the corporate register would not improve the current risk score or mitigation. The risk continues to be monitored within Children’s Services.

Risks where the residual risk score has decreased:

There are no risks where the residual score has increased.

Risks where the residual risk score has increased:**Risk 35 – The threat of Cyber-attack to the delivery of One Coventry priorities**

Residual risk increased from 12 (Amber) to 15 (Red). The residual risk score has increased due to the evolving nature of cyber threats, the Council continues to face heightened exposure to cyber-attacks, which could disrupt critical services and compromise data security.

- 2.4 It is proposed that the Corporate Risk Register be reviewed by the Audit and Procurement Committee next in September 2025.

3. Results of consultation undertaken

None.

4. Timetable for implementing this decision.

There is no implementation timetable as this is a monitoring report.

5. Comments from the Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

There are no financial implications directly associated with the Corporate Risk Register although the management of the risks is essential to the operation of the Council, the pursuit of its priorities and its financial integrity.

5.2 Legal implications

The maintenance and review of the Corporate Risk Register ensures that the Council meets its statutory obligation under the Accounts and Audit Regulations 2015 to have appropriate measures in place to ensure that risk is appropriately managed.

6. Other implications

6.1 How will this contribute to achievement of the Council's plan?

Effective risk management arrangements are an integral component of strategic decision making, service planning and delivery and increasing the likelihood of achieving corporate priorities.

6.2 How is risk being managed?

The Council has a policy to support risk management arrangements across the organisation as part of its overarching governance processes. This report forms part of that practice.

6.3 What is the impact on the organisation?

Effective risk management arrangements are part of the good governance arrangements which lead to improved decision making and operational practices across the organisation.

6.4 Equalities / EIA

None.

6.5 Implications for (or impact on) climate change and the environment

The Corporate Risk Register outlines the risk as the Council tackles the causes and consequences of climate change and promotes sustainability.

6.6 Implications for partner organisations?

None.

Report author:**Name and job title:**

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Tina Pinks	Finance Manager Corporate	Finance	15/08/25	18/08/25
Julie Newman	Director of Law and Governance	Law and Governance	15/08/25	18/08/25
Barry Hastie	Director of Finance and Resources (Section 151 Officer)	Finance	15/08/25	10/09/25

Councillor G Duggins	Cabinet Member for Policy and Leadership	-	15/08/25	15/08/25
Councillor R Lakha	Chair of Audit and Procurement Committee	-	15/08/25	17/08/25

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Corporate Risk Register June 2025

APPENDIX 1

Corporate Risk Register – 03 July 2025

Date last reviewed by Audit and Procurement Committee – March 2025

Risk Impact and Likelihood Matrix

	Impact				
Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Risk Scoring and Escalation

Risks are scored by multiplying **Likelihood (1–5)** and **Impact (1–5)**. For definitions, see Section 4 of the Risk Management Policy. Two scores are calculated:

- **Inherent Risk:** Before controls
- **Residual Risk:** After controls

Score	Risk Level	Action
1–5	Low (Green)	Acceptable, either due to low level of risk or cost of control outweighing benefit of risk reduction
6–14	Moderate (Amber)	Unacceptable, significant further mitigation required
15–25	High/Critical (Red)	Escalate, unacceptable, and requires more senior involvement

APPENDIX 1

One Coventry Enabler: Continued financial sustainability of the Council							
Service Area: Finance							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
1	<p>There is a risk that the Council will not be able to achieve its priorities whilst at the same time balancing its budget. This is because of a combination of increased pressure on all sources of funding, increased demand, and complexity in services, including in Adults and Children's Social Care, the legacy impact of inflationary pressures across many areas of the budget.</p> <p>2024/25 financial position resulted in a £1.8m underspend but this was attributed to additional one-off dividends received from our investment in the final quarter which mitigated the underlying pressures.</p>	<p>With stretched resources it becomes harder to meet the complex needs of vulnerable people, address inequalities and work towards climate change commitments.</p> <p>Difficult decisions about resource allocation will be required from Members and senior officers.</p> <p>Continued short-term funding announcements make it difficult to obtain value for money, plan, consult and report within required timeframes.</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>25</p> <p>Risk Level</p> <p>RED</p>	<p>A rigorous structure exists to oversee budgetary processes, culminating in quarterly reports to Cabinet on the Forecast position.</p> <p>Work to monitor the implementation and delivery of the budgetary savings identified in both the 2024/25 and the 2025/26 budget setting reports continues and is monitored by the Leadership Board monthly.</p> <p>Specific programmes are in place to identify commercial opportunities and optimise service delivery models to produce a medium-term programme of transformation and ensure future financial sustainability.</p> <p>This approach improves the Council's ability to find significant savings and mitigate a significant proportion of the pressure in the medium-term.</p> <p>The Government have consulted on Local Authority Funding Reform during this year, with the intention that a new system, intended to reflect need, could be implemented from</p>	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>15</p> <p>Risk Level</p> <p>RED</p>	<p>Director of Finance and Resources</p>	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>15</p> <p>Risk Level</p> <p>RED</p>

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	<p>During the 2025-2026 budget setting process, this resulted in difficult decisions being made by Members about which services to support, with consequences for residents and the city. Further action will be required to deliver an ongoing balanced budget in future years.</p>			<p>2026/27. Although we are optimistic that the reform will recognise levels are need more proportionately and benefit the city going forward, it does provide a significant amount of uncertainty for the medium-term financial forecast and in response the Council has made planning estimates for future years. Initial assumptions recognise the likelihood that gaps will remain for the periods following 2025/26. The view of the Director of Finance and Resources (Section 151 Officer) is that the Council should continue to plan prudently.</p> <p>The Council's aim is to implement medium-term planning, which is not over-reliant on reserve contributions, making budgeting decisions that recognise fundamental pressures in the financial position and maintaining reserve balances at a level that is sufficient to manage budget risks.</p> <p>Similar pressures have been reported across the local government sector, and action was, and will continue to be taken as opportunities arise, to lobby the Government directly and through organisations such as SIGOMA, ALATS and the LGA to highlight the Council's (and the sector's) financial position</p>			
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APPENDIX 1

One Coventry Priorities and Enablers: ICT and Digital impacts the delivery of all priorities and enablers							
Service Area: Digital Services							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
3	<p>ICT & Digital services and their contribution to the delivery of One Coventry Priorities</p> <p>If the programme of ongoing development and the implementation of the ICT and Digital Strategies are not successful, <i>including exploring and developing our approach to Artificial Intelligence</i>, this will mean that the organisation will be less able to implement and support new ways of working in line with the One Coventry Plan. This will result in the inefficient delivery or disruption to the delivery of vital services to residents and businesses meaning that the Council will have failed to deliver its One Coventry priorities. Increasingly ICT & Digital supply chains present a risk. A number of suppliers across systems, infrastructure and services</p>	<p>Reduced Service Efficiency and Strategic Delivery</p> <p>If the ongoing development and implementation of ICT and Digital strategies are not successful, the Council may struggle to deliver service improvements at the scale and pace required. This would lead to inefficiencies in public service delivery and hinder progress against the One Coventry Plan, limiting the organisation's ability to meet its strategic objectives.</p> <p>Financial and Operational Risk from Supply Chain Instability</p> <p>Persistent challenges within the digital supply chain are creating financial pressures, as suppliers increase costs and, in some cases, withdraw products from the market. These disruptions pose a significant business risk, particularly where notice</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>25</p> <p>Risk Level RED</p>	<p>Strategic Planning and Programme Oversight</p> <p>Digital Services continues to develop and monitor an annual service plan that outlines key programmes and activities aligned with the One Coventry Plan. This structured approach ensures that digital infrastructure and systems remain resilient, high-performing, and capable of supporting evolving service needs.</p> <p>Governance, Risk, and Compliance Framework</p> <p>The Council maintains a robust governance and compliance framework that actively identifies, tracks, and addresses digital risks. This includes a focus on resilience and performance monitoring, particularly for core and critical systems, to ensure continuity and alignment with strategic objectives.</p> <p>Supply Chain Engagement and Risk Management</p> <p>In response to ongoing supply chain challenges, the Council has increased engagement with suppliers and introduced performance improvement plans where necessary. This proactive approach helps manage rising costs, mitigate delivery risks, and ensure continuity of service where supplier performance is impacted</p>	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>12</p> <p>Risk Level AMBER</p>	Director of Digital Services	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>12</p> <p>Risk Level AMBER</p>

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	<p>are either struggling in the current economic climate or altering their business models to be able to adapt to the challenging trading conditions. This has meant increasing costs to the Council and in some cases solutions that are used being scheduled to be withdrawn from the market, meaning that the Council needs to find replacements.</p>	<p>periods are short and alternative solutions are not readily available, potentially delaying critical service delivery and increasing operational strain.</p>		<p>by economic pressures or resource constraints.</p> <p>Support for Innovation and Transformation</p> <p>The ICT and Digital strategies continue to support innovation, including the exploration of Artificial Intelligence, to enhance service delivery and efficiency. These efforts are designed to future-proof the Council's digital capabilities and ensure long-term alignment with the One Coventry vision.</p>			
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One Coventry Priority: Improving outcomes and tackling inequalities within our communities							
Service Area: Adult Social Care							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
6	Supporting people who may require services from Adult Social Care to remain safe. There is growing demand for care and support from an aging population and working age adults living with complex long-term conditions, while resources of staff and budget are coming under more pressure. This has led to increases in the number of people requiring support across a range of service areas, including assessment, annual reviews, Deprivation of Liberty Safeguards authorisations and Disabled Facilities Grants with the result that there is greater risk of vulnerable people suffering worsening physical and mental health due to the Council's capacity to respond in a timely manner to this demand	Increased Risk to Vulnerable Adults and Statutory Non-Compliance Growing demand from an ageing population and adults with complex needs, combined with workforce and budget pressures, increases the risk that the Council may not meet its statutory duties under the Care Act, Mental Health Act, and Mental Capacity Act. Delays in assessments and interventions may leave vulnerable adults in unsafe situations, leading to deterioration in health, missed opportunities for prevention, and increased pressure on unpaid carers. This could result in reputational damage, increased safeguarding concerns, and higher long-term care costs.	Likelihood Score 3 Impact Score 5 Total Score 15 Risk Level RED	Prioritisation, Workforce Development, and Risk Management <ul style="list-style-type: none"> • Triage and Prioritisation: Urgent cases are prioritised, with regular monitoring of outstanding cases and direct contact maintained with those awaiting intervention. • Safeguarding Oversight: Safeguarding referrals are risk-assessed and prioritised. Audits ensure thresholds are applied consistently. • Workforce Strategy: Recruitment is improving staffing levels, though many are newly qualified and require enhanced supervision. Support is provided to build resilience and reduce turnover. • Risk Management: A consistent approach to risk prioritisation has been implemented across the service. • Resource Optimisation: Greater focus on personal budgets during care reviews and new support packages to manage demand effectively. 	Likelihood Score 3 Impact Score 4 Total Score 12 Risk Level AMBER	Director of Adult Services and Housing Head of Social Care and Support	Likelihood Score 3 Impact Score 4 Total Score 12 Risk Level AMBER

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One Coventry Priority: Improving outcomes and tackling inequalities within our communities

Service Area: Children and Education Services

No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
7	<p>Children's Services statutory safeguarding responsibilities</p> <p>If the Council and its partners fail to discharge their statutory safeguarding responsibilities and regulatory obligations, including the management and oversight of caseloads, then a child or young person may experience abuse or neglect leading to significant harm or death.</p>	<p>Risk of Significant Harm to Children and Young People</p> <p>There is a serious risk that children and young people may suffer significant harm or even death if safeguarding measures fail. This represents the most severe consequence of system failure and underscores the critical importance of effective intervention and protection.</p> <p>Long-Term Impact on Health and Wellbeing</p> <p>Children who are not adequately safeguarded may experience worsened physical and emotional health, which can have lasting effects on their development. This can leave them less able to lead happy, fulfilling, and independent lives, and may</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>25</p> <p>Risk Level</p> <p>RED</p>	<p>Implementation of Learning from Safeguarding Practice Reviews:</p> <p>All Safeguarding Practice Reviews are followed by clear learning and action plans. Each subgroup of the Safeguarding Boards is supported by a dedicated work plan and progress tracker to ensure that recommendations are implemented with robust oversight and assurance.</p> <p>Strengthening Quality Assurance and Performance Management:</p> <p>A refreshed Quality Assurance Framework has been introduced, with a renewed focus on rigorous performance monitoring across all Children's Social Work teams. This ensures that practice quality is consistently evaluated and improved.</p> <p>Enhancing Early Help Effectiveness:</p> <p>Following an Early Help review services have been strengthened to ensure timely and effective responses to emerging needs. Targeted, purposeful interventions aim to reduce the escalation of need and prevent children from entering statutory services unnecessarily.</p>	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>20</p> <p>Risk Level</p> <p>RED</p>	<p>Director of Children and Education Services</p>	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>20</p> <p>Risk Level</p> <p>RED</p>

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		<p>limit their ability to reach their full potential.</p> <p>Legal and Reputational Consequences</p> <p>Failure to protect children can lead to complaints and potential litigation, exposing the Council and its partners to legal risk. Additionally, the reputation of the Council and its statutory partners may be significantly damaged if they are seen to have failed in their duty to safeguard vulnerable children.</p> <p>Poor Outcomes and Missed Opportunities</p> <p>Without timely and effective support, children's circumstances and outcomes will not improve. They may struggle to achieve in education, develop essential life skills, or transition successfully into adulthood, resulting in reduced independence and life chances.</p>		<p>Delivering High-Quality Children's Services:</p> <p>The ambition remains to deliver consistently 'Good' services across Children's Services. This includes the early identification and assessment of children at risk of harm, timely and proportionate safeguarding responses, and strengthened assessment and planning processes underpinned by risk-informed, child-centred practice.</p> <p>Raising Safeguarding Awareness Across the Council:</p> <p>Comprehensive safeguarding awareness initiatives are in place to ensure all Council employees are equipped to identify signs of harm and know how to respond appropriately.</p> <p>Safeguarding Considerations in Service Redesign:</p> <p>Any proposed changes to service delivery are carefully assessed for potential safeguarding impacts, with appropriate mitigation strategies developed as part of the planning process.</p> <p>Improving Responses to Missing Children:</p> <p>Systems are in place to effectively identify and respond to children who go missing.</p>			
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				<p>This includes statutory return home interviews and targeted interventions to reduce repeat incidents and safeguard children.</p> <p>Managing Increased Demand and Complexity:</p> <p>Strategic workforce planning and demand forecasting are in place to respond to increased case complexity, ensuring service delivery remains safe and sustainable.</p> <p>Embedding Consistent Practice Standards:</p> <p>Clear policies, procedures, and practice standards – including supervision frameworks – are in place to support consistent, high-quality decision-making. Ongoing learning and development opportunities equip practitioners with the skills and knowledge to deliver effective services to children and families.</p>			
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One Coventry Priority: Improving outcomes and tackling inequalities within our communities							
Service Area: Housing and homelessness							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
19	<p>An increase in families in temporary accommodation and street homelessness</p> <p>As people continue to be challenged by the cost of living, residents will struggle to meet housing costs and there is a risk that there will be an increase in homelessness affecting families and single people across all groups, with an increase in the number of people living in temporary accommodation and rough sleepers. A significant increase was realised in 2023 which continued in early-mid 2024. Since September 2024 overall numbers have plateaued however are still very high.</p>	<p>Rising Family Homelessness and Long-Term Housing Pressure</p> <p>While overall temporary accommodation (TA) demand has stabilised, the number of families in TA continues to rise and is expected to remain high into 2025/26. This trend places sustained pressure on housing services, increases financial costs, and risks long-term reliance on TA. Limited availability of affordable housing, particularly for families, and a buoyant private rental market exacerbate the issue. Prolonged stays in TA can negatively impact family well-being, increase inequality, and undermine the Council's ability to meet its statutory housing duties.</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>20</p> <p>Risk Level</p> <p>RED</p>	<p>Targeted Accommodation Expansion and Prevention Initiatives</p> <ul style="list-style-type: none"> • Accommodation Expansion: 55 large family homes have been purchased for TA, with more in the pipeline. A partnership with a Registered Provider will deliver 50 flats for homeless families by summer 2025. • Rough Sleeper Support: Additional funding secured for an 18-bed unit and two refurbished TA sites for single homeless individuals. • Prevention and Partnership: Continued collaboration with partners to support residents in maintaining accommodation and reduce new entries into TA. • Market Engagement: Ongoing efforts to secure private rented properties despite market challenges. • Cost Management: Management actions have helped reduce TA costs and stabilise overall numbers. 	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>15</p> <p>Risk Level</p> <p>RED</p>	Director of Adults and Housing	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>15</p> <p>Risk Level</p> <p>RED</p>

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One Coventry Priority: Improving outcomes and tackling inequalities within our communities							
Service Area: Children and Education Services							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
25	Education and the link to inequalities If the Council does not meet its sufficiency duties, enabling children to take up their education entitlement, then there is a risk that their educational achievement will suffer resulting in young people who are less able to access positive destinations as they move to adulthood and lead fulfilling and healthy lives, leading to increasing inequalities.	Education as a Driver of Equality Access to quality education is fundamental to raising attainment and narrowing the achievement gap for vulnerable pupils. It plays a critical role in reducing inequalities and supporting children and young people to reach their full potential, regardless of their background. Risk of Increased NEET Rates Without sustained educational engagement, there is a growing risk of more young people becoming Not in Education, Employment, or Training (NEET). This disconnect from learning and opportunity can have long-term consequences for their personal development and future prospects. Long-Term	Likelihood Score 4 Impact Score 4 Total Score 16 Risk Level RED	Early Help and Integrated Support A joined-up One Coventry approach, including locality prototypes, is enabling families to access support as early as possible. This collaborative model brings together services across the city to ensure timely and coordinated help for children and families. The launch of the Early Help Strategy 2023–2025 has strengthened partnerships between schools, education, and children's services. These close working relationships are helping to better understand how early family support can positively impact the lives of children and young people. Collaborative Education Leadership The "Doing It Together: Getting a Good Education" workstream includes representation from headteachers across Coventry and feeds directly into the Coventry Safeguarding Partnership, ensuring that education and safeguarding priorities are aligned. The Coventry Education Partnership continues to be a key forum for coordination and collaboration. It supports school improvement through school-to-school	Likelihood Score 2 Impact Score 3 Total Score 6 Risk Level AMBER	Director of Children and Education Services	Likelihood Score 2 Impact Score 3 Total Score 6 Risk Level AMBER

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		<p>Socioeconomic Impact Educational underachievement contributes to greater deprivation, as young people without qualifications or skills may struggle to secure and sustain meaningful employment. This limits their ability to achieve financial independence and increases the likelihood of long-term reliance on public services.</p> <p>Misalignment with Strategic Priorities If educational inequalities persist, the Council will be unable to achieve its One Coventry priorities, which aim to create a fairer, more inclusive city. Addressing disparities in education is essential to ensuring that all children and young people have equal opportunities to thrive.</p>		<p>support and shared learning, helping to raise standards and promote whole-school development across the city.</p> <p>School Place Planning and Admissions The Council is actively managing the supply and demand of school places to meet its statutory duty. This includes a review of the Fair Access Protocol to ensure that unplaced children and young people can be allocated school places quickly and fairly. To respond to significant increases in in-year admissions, the Council has introduced bulge class schemes and associated funding across the city, ensuring that schools can accommodate additional pupils when needed.</p>			
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				<p>Capital Investment in Education Infrastructure Management of education capital investment remains a priority. The Council is delivering the One Strategic Plan, which includes the expansion of secondary and special schools, as well as capital projects to support the delivery of bulge classes. These investments ensure that school buildings are fit for purpose and can meet the needs of a growing population.</p> <p>Life-Pathway and Post-16 Support A life-pathway approach is being embedded to support young people beyond school age. This includes effective commissioning of services for those Not in Education, Employment or Training (NEET) and robust tracking systems to ensure that appropriate pathways are identified and supported after the age of 16.</p>			
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One Coventry Priority: Improving outcomes and tackling inequalities within our communities							
Service Area: Children and Education Services							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
26	<p>Increases in demand for specialist school placements for children with an Education Health and Care Plan</p> <p>Persistent year on year increases in demand for specialist school placements for children with an Education Health and Care Plan, is exceeding supply both locally and nationally. Consequently, the Council is becoming increasingly reliant on the independent sector to meet its statutory sufficiency duty.</p> <p>Alternative out of city placements, represent a significant unit cost increase in terms of both fees and travel.</p>	<p>Impact on Children's Wellbeing and Life Chances</p> <p>A rise in demand for specialist school placements can significantly affect the wellbeing and educational outcomes of children with special educational needs. Without timely access to appropriate provision, these children may experience delays in support, leading to poorer outcomes in childhood and reduced life chances into adulthood.</p> <p>Financial Pressure on Council Resources</p> <p>The increasing volume of specialist placements, combined with rising unit costs, places substantial pressure on the Council's budget. This trend risks creating an in-year deficit in the High Needs Block, which funds support for children with additional needs. Additionally, the home-to-school transport budget is</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>20</p> <p>Risk Level RED</p>	<p>Expanding Local Specialist Provision</p> <p>To meet growing demand, the Council will commission additional specialist school placements locally, with a medium-term focus on delivering the planned expansion of Woodfield Special School at the Woodlands site. In the short term, the capacity of special schools for children with learning disabilities will be maximised through a targeted capital expansion programme.</p> <p>Strengthening Early Intervention and Mainstream Alternatives</p> <p>A key strategy to reduce pressure on specialist placements is the development of early intervention and alternative support pathways. This includes the introduction of enhanced resourced provisions (units) within mainstream schools, offering high-quality, inclusive alternatives for children with additional needs.</p>	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>16</p> <p>Risk Level RED</p>	Director of Children and Education Services	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>16</p> <p>Risk Level RED</p>

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	<p>The quality of external provision is lower than within City publicly funded schools and children achieve poorer outcomes.</p>	<p>under strain due to the growing number of children requiring travel to specialist settings, often at greater distances.</p>		<p>Building Inclusive Capacity Through Workforce Development</p> <p>A co-produced workforce strategy is being implemented to strengthen the skills and expertise of school staff. This strategy is underpinned by a comprehensive training programme, enabling schools to adopt more inclusive practices and increase their capacity to support a broader range of complex needs within mainstream settings.</p>			
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One Coventry Priority: Improving outcomes and tackling inequalities within our communities							
Service Area: Public Health							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
27	Reducing health inequalities If the Council and its partners do not embrace the challenge of reducing health inequalities, then more deprived and vulnerable residents will continue to experience worse health outcomes leading to decreased quality of life, healthy life expectancy and life expectancy.	Worsening Health Outcomes: Deprived and vulnerable populations will continue to suffer from poorer health, reduced quality of life, and shorter life expectancy. Persistent Inequality: The gap in life expectancy between affluent and deprived areas will remain wide or worsen. Increased Social Issues: There may be rises in domestic abuse, sexual violence, and substance dependence. Economic and Social Consequences: Residents may struggle to live healthy, independent, and economically productive lives, impacting community wellbeing and economic growth.	Likelihood Score 5 Impact Score 5 Total Score 25 Risk Level RED	Strategic Resource Allocation: Protecting the ring-fenced public health grant. Aligning financial strategies to systematically reduce inequalities. Equity-Focused Commissioning: Embedding equality impact assessments (EIA) and scrutiny in commissioning, employment, training, and procurement. Population Health Management: Using data-driven approaches to identify and respond to health needs. Prioritizing prevention across all care pathways. Addressing Wider Determinants of Health: Improving job quality and educational equity, especially in early years. Supporting vulnerable groups (e.g., homeless, mentally ill, refugees). Tackling violence and improving access to housing, heating, and insulation.	Likelihood Score 3 Impact Score 5 Total Score 15 Risk Level RED	Director of Public Health and Wellbeing	Likelihood Score 3 Impact Score 5 Total Score 15 Risk Level RED

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				<p>Collaborative and Community-Based Approaches: Working with the Integrated Care System and voluntary/community groups. Empowering communities through leadership development and co-production (One Coventry approach).</p>			
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One Coventry Enabler: Council's role as a partner, enabler, and leader							
Service Area: Human Resources							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
32	<p>A workforce that is healthy and safe</p> <p>If the council does not actively manage health and safety whilst delivering One Coventry Plan priorities and services to residents, including working within a challenging budget, then employees and members of the public and others may be harmed, resulting in injury, ill health, or loss of life.</p>	<p>Increased Risk of Harm and Organisational Liability</p> <p>If the Council does not maintain a safe and healthy working environment, there is a risk of increased workplace incidents, harm to staff, and non-compliance with health and safety legislation. This could lead to higher sickness absence, reduced staff morale, reputational damage, and potential legal or financial consequences. Rising incidents of violence and aggression, particularly in frontline services, further increase the risk to staff wellbeing and service continuity.</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>25</p> <p>Risk Level RED</p>	<p>System Improvements, Targeted Interventions, and Cultural Change</p> <p>Incident Reporting and Data Use: Continued roll-out of the IAN (Incident, Accident and Near Miss) reporting system to improve the quality and use of health and safety data.</p> <p>Lone Working Review: A comprehensive review of lone working arrangements is underway, due to complete in July 2025, to ensure staff are appropriately supported and risks are mitigated.</p> <p>Violence and Aggression Response: The violence and aggression group has been re-launched and meets monthly to coordinate actions and reduce incidents across the organisation.</p> <p>Training and Awareness: Ongoing training and communication to promote a culture of safety and ensure staff are aware of procedures and support mechanisms.</p>	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>12</p> <p>Risk Level AMBER</p>	Director of People	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>12</p> <p>Risk Level AMBER</p>

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				Health and Safety Oversight: Strengthened governance and oversight through the People Directorate, with regular monitoring of trends and targeted interventions in high-risk areas.			
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APPENDIX 1

One Coventry Enabler: Council's role as a partner, enabler, and leader							
Service Area: Human Resources							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
33	<p>Equal pay claims and the impact on budgets and the delivery of services.</p> <p>The number of equal pay claims already received are a significant financial risk if successful. If the claims continue to increase, there will be a significant impact on the Council's reserves and revenue budget. Meeting liabilities may result in spending reductions and a deterioration in service delivery to vulnerable residents.</p>	<p>Financial Exposure and Reputational Risk</p> <p>The Council faces a significant financial and legal risk due to ongoing equal pay claims, with approximately 700 claims submitted by GMB and Unison. If not effectively managed, this could result in substantial backdated pay liabilities, legal costs, and reputational damage. The scale of claims may also impact future budget planning, service delivery, and employee relations, particularly if the issue is perceived as unresolved or systemic.</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>25</p> <p>Risk Level RED</p>	<p>Legal Preparation, Data Validation, and Strategic Oversight</p> <p>Tribunal Preparation: A tribunal date has been set for November 2026, providing a clear legal timeline for case progression.</p> <p>Data Review: Ongoing work to validate claimant information, including employment dates and job roles, to ensure accurate case assessment and legal defence.</p> <p>Strategic Oversight: The risk is being actively managed within the People Directorate, with regular updates and coordination across legal, HR, and finance teams.</p> <p>Confidentiality and Sensitivity: The issue is being handled with appropriate discretion due to its sensitive nature and potential implications for wider workforce relations.</p>	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>20</p> <p>Risk Level RED</p>	Director of People	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>20</p> <p>Risk Level RED</p>

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One Coventry Priorities and Enablers: ICT and Digital impacts the delivery of all priorities and enablers

Service Area: Digital Services

No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
35	<p>The threat of Cyber-attack to the delivery of One Coventry priorities</p> <p>If the Council fails to deliver its ICT and Digital Strategies the likelihood of a large-scale failure of ICT & Digital services due to cyber-attack will increase. <i>The cyber threat profile is always adapting including, but not limited to, the advances in Artificial Intelligence based Cyber threats.</i> This could have a fundamental and significant impact on the delivery of the One Coventry priorities, the day-to-day operation of the Council and the provision of services to vulnerable people and the residents of the city.</p>	<p>Disruption to Service Delivery and Statutory Functions A large-scale failure of ICT and Digital services would severely hinder the Council's ability to deliver essential and statutory services to residents and businesses. This disruption would undermine the effectiveness and efficiency of service provision and diminish the quality of customer experience, particularly for those relying on digital access.</p> <p>Exposure to Legal, Financial, and Reputational Risk Compromised data security and system integrity could lead to breaches of compliance, resulting</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>25</p> <p>Risk Level RED</p>	<p>Cyber Threat Monitoring and Intelligence Sharing</p> <ul style="list-style-type: none"> Proactive Monitoring: The Cyber Security Team continuously monitors systems for suspicious activity. Threat Intelligence: Intelligence is sourced from the National Cyber Security Centre (NCSC) Early Warning System and shared with regional partners. Awareness of Third-Party Risks: Monitoring of subcontractors and Council contracts for breaches, even if Council systems are unaffected. <p>Cybersecurity Awareness and Training</p> <ul style="list-style-type: none"> Mandatory Training: Cyber Awareness training is now mandatory for all employees, complementing existing data protection training. Simulations and Campaigns: Regular phishing simulations and an annual Cyber Awareness Campaign (Oct/Nov) are conducted. Topical Communications: Timely intranet updates, such as recent advice following cyber-attacks on major UK retailers. 	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>15</p> <p>Risk Level RED</p>	Director of Digital Services	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>12</p> <p>Risk Level AMBER</p>

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		in litigation, regulatory fines, and reputational damage. The fallout would also place a significant burden on staff and leadership, diverting time and resources away from core priorities to manage the consequences and restore operations.		<p>Strategic and Operational Governance</p> <ul style="list-style-type: none"> • Annual Service Plan: Digital Services maintains a service plan to ensure resilient infrastructure and alignment with the One Coventry Plan. • Governance Framework: A structured governance, risk, and compliance framework is in place to track and remediate risks. • External Assurance: Effectiveness is validated through internal audits, IT Health Checks, and external schemes like NHS DSPT and NCSC CAF. <p>Supply Chain and Technology Resilience</p> <ul style="list-style-type: none"> • Supply Chain Monitoring: Increased scrutiny of suppliers, especially those providing core/critical systems, due to economic instability and product withdrawals. • Contingency Planning: Identification of alternative solutions when suppliers withdraw products. 			
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				<div>Business Continuity and Disaster Recovery<ul style="list-style-type: none">Service-Level Planning: Each service area is responsible for its own business continuity and disaster recovery plans.</div>			
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One Coventry Enabler: Council's role as a partner, enabler, and leader							
Service Area: Regulatory Services							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
37	<p>Inadequate database systems in Regulatory Services</p> <p>If, following a data transfer to new products and packages, the Council has inadequate database systems (Property Licensing, Building Control and Alcohol and Entertainment Licensing) there is a risk that the Council's business will not be conducted efficiently resulting in statutory requirements not being met, inspections not being conducted, and complaints not being investigated.</p>	<p>If the Council's database systems in Regulatory Services (e.g. Property Licensing, Building Control, Alcohol and Entertainment Licensing) are inadequate, following data transfers to new platforms:</p> <p>Operational Disruption: Statutory functions such as inspections, licensing, and complaint investigations may be delayed or missed.</p> <p>Compliance Risk: Failure to meet legal obligations could result in regulatory breaches and reputational damage.</p> <p>Data Integrity Issues: Inaccurate or inaccessible data could compromise decision-making and service delivery.</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>20</p> <p>Risk Level</p> <p>RED</p>	<p>Data Recovery and Repair:</p> <ul style="list-style-type: none"> Recover corrupted or lost data from backups or original sources. Repair damaged files using automated tools or manual methods. <p>Data Validation and Reconciliation:</p> <ul style="list-style-type: none"> Validate recovered data against system specifications. Reconcile validated data with existing records to resolve discrepancies. <p>Quality Assurance and Testing:</p> <ul style="list-style-type: none"> Test functionality, performance, and security of the new system. Ensure data meets required standards before full implementation. <p>Project Planning and Monitoring:</p> <ul style="list-style-type: none"> Careful planning of the data transfer process, including risk assessments. Continuous monitoring and troubleshooting using logs, alerts, and reports. <p>Communication and Documentation:</p> <ul style="list-style-type: none"> Clear documentation of procedures and regular updates to stakeholders. Use of feedback and lessons learned to improve future data transfers. 	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>16</p> <p>Risk Level</p> <p>RED</p>	Director of Law and Governance	<p>Likelihood Score</p> <p>4</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>16</p> <p>Risk Level</p> <p>RED</p>

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		<p>Financial Impact: Inefficiencies may lead to increased costs and reduced fee income.</p> <p>Stakeholder Confidence: Trust from customers, partners, and regulators may be eroded due to service failures or delays.</p>					
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APPENDIX 1

One Coventry Priority: Improving outcomes and tackling inequalities within our communities							
Service Area: Children and Education Services							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score March 2025
40	<p>Mainstream Education Sufficiency A growing child and young person population is impacting on our ability to meet statutory duty to ensure there is sufficiency of school places for children and young people living in Coventry.</p> <p>We have been implementing additional places into the Secondary Sector since 2018 to respond to a birth rate population bulge moving through the system. A significant increase in in-year admissions (21/22, 22/23 and 23/24 academic years) has impacted on sufficiency of places</p>	<p>The Council faces increasing pressure to meet its statutory duty to provide sufficient school places due to:</p> <p>Population Growth: A sustained rise in the number of children and young people, particularly in secondary education, driven by a birth rate bulge and increased in-year admissions.</p> <p>Capacity Constraints: Many schools are already operating at or above capacity, with 17 out of 22 secondary schools having undergone expansion.</p> <p>Admissions Challenges: More pupils are being</p>	<p>Likelihood Score</p> <p>5</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>15</p> <p>Risk Level RED</p>	<p>School Expansion Delivery Implemented and delivered further planned Primary and Secondary school expansions both temporary and permanent by reutilising previous temporary growth and opening 11 bulge classes in primary and 1 in secondary.</p> <p>Capital Investment in School Infrastructure Capital funding is being used to ensure schools have the necessary facilities to support additional pupil numbers and accommodate growth effectively.</p> <p>Enhanced Forecasting and Planning The Pupil Place Planning forecasting process has been updated to reflect levels of pupil growth, enabling more accurate modelling of short- and long-term impacts on school capacity.</p> <p>Flexible Growth Strategy A continued focus on flexibility allows schools to expand or contract in response to changing pupil demand, ensuring a responsive and sustainable approach to sufficiency.</p>	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>9</p> <p>Risk Level AMBER</p>	Director of Children and Education Services	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>9</p> <p>Risk Level AMBER</p>

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	<p>placed via the Fair Access Protocol, reducing the likelihood of receiving a preferred school placement and increasing complaints and reputational risk.</p> <p>Funding Limitations: Changes to DfE capital funding methodology and the lagged school funding system constrain the Council's ability to respond quickly to demand.</p> <p>Policy Shifts: National changes, such as the introduction of VAT on private school fees, may increase demand for state school places.</p>		<p>Future Secondary Provision Work is underway to secure a site for a new secondary school, planned to open in September 2027 through the free school presumption process.</p> <p>Collaborative Planning and Coordination Ongoing discussions are taking place with primary and secondary school leaders, alongside close liaison with the DfE Sufficiency Team. This includes supported engagement with Multi-Academy Trusts (MATs) to ensure alignment with in-year and coordinated admissions planning.</p>			
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Audit and Procurement Committee

22nd September 2025

Name of Cabinet Member:

N/A

Director approving submission of the report:

Director of Law and Governance

Ward(s) affected:

N/A

Title: Outstanding Issues

Is this a key decision?

No

Executive summary:

This report is to identify those issues on which further reports / information has been requested or are outstanding so that Members are aware of them and can monitor their progress.

Recommendations:

The Audit and Procurement Committee is recommended to:

- 1) Consider the list of outstanding items as set out in the Appendices to the report, and to ask the Director concerned to explain the current position on those items which should have been discharged.
- 2) Agree that those items identified as completed within the Appendices to the report, be confirmed as discharged and removed from the outstanding issues list.

List of Appendices included:

Appendix 1 - Further Report Requested to Future Meeting
Appendix 2 - Information Requested Outside Meeting

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel, or other body?

No

Will this report go to Council?

No

Report title: Outstanding Issues

1. Context (or background)

- 1.1 In May 2004, the City Council adopted an Outstanding Minutes system, linked to the Corporate Forward Plan, to ensure that follow-up reports can be monitored and reported to Members.
- 1.2 At their meeting on 25th January 2017, the Audit and Procurement Committee requested that, in addition to further reports being incorporated into the Committee's Work Programme, a report be submitted to each meeting detailing those additional reports requested to a future meeting along with details of additional information requested outside the formal meeting.
- 1.3 Appendix 1 to the report outlines items where a report back has been requested to a future Committee meeting, along with the anticipated date for further consideration of the issue.
- 1.4 In addition, Appendix 2 to the report sets out items where additional information was requested outside the formal meeting along with the date when this was completed.
- 1.5 Where a request has been made to delay the consideration of the report back, the proposed revised date is identified, along with the reason for the request.

2. Options considered and recommended proposal

N/A

3. Results of consultation undertaken

N/A

4. Timetable for implementing this decision

N/A

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial implications

N/A

5.2 Legal implications

N/A

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

N/A

6.2 How is risk being managed?

This report will be considered and monitored at each meeting of the Audit and Procurement Committee.

6.3 What is the impact on the organisation?

N/A

6.4 Equalities / EIA

N/A

6.5 Implications for (or impact on) climate change and the environment

N/A

6.6 Implications for partner organisations?

N/A

Report authors:

Names and job titles:

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Lara Knight
Governance Services Co-ordinator

Directorate:

Law and Governance

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Enquiries should be directed to the above persons.

This report is published on the council's website: www.coventry.gov.uk/council-meetings

Appendix 1

Further Reports Requested to Future Meetings

	Subject	Minute Reference and Date Originally Considered	Date for Further Consideration	Responsible Officer	Proposed Amendment to Date for Consideration	Reason for Request to Delay Submission of Report
	Nil					

* Identifies items where a report is on the agenda for the meeting.

Appendix 2**Information/Action Requested Outside Meeting**

No.	Subject/Report	Minute Reference and Date Originally Considered	Information Requested / Action Required	Responsible Officer	Date Completed
1	Annual Compliance Report 2024 - Regulatory and Investigatory Powers Act (RIPA) 2000	Audit & Procurement Committee 21 st July 2025 – Minute 11/25	Information on the use of powers under RIPA for the period January – July 2025 be circulated to the Committee	Remi Aremu	
2	Revenue and Capital Outturn Report 2024-25	Audit & Procurement Committee 21st July 2025 – Minute 12/25	Details of the prohibited uses and the permitted uses of Public Works Loan Board loans/ borrowing, be circulated to the Committee	Tina Pinks	23 rd July 2025

Audit and Procurement Committee

Work Programme 2025/26

23rd June 2025

Annual Governance Statement 2024/25
Internal Audit Annual Report 2024/2025
Internal Audit Plan 2025-26 and Internal Audit Strategy 2025-2028

21st July 2025

Revenue and Capital Outturn 2024/2025
Audit and Procurement Committee Annual Report to Council 2024/2025
2024 Annual Compliance Report - Regulatory & Investigatory Powers Act (RIPA) 2000

22nd September 2025

2024/25 External Audit Plan (Grant Thornton)
First Quarter Revenue and Capital Monitoring Report (to June 2025)
Annual Fraud and Error Report 2024/2025
Local Code of Corporate Governance 2025/26
Corporate Risk Report
Six Monthly Procurement Progress Report (Private)
Consideration of Approval of Severance Package (Private)

24th November 2025

Treasury Management Update 2025/26 – Half Year Progress Report
2024/25 Audit Findings Report (Grant Thornton)
2024/25 Statement of Accounts and Annual Audit Letter (Grant Thornton)
Internal Audit Professional Standards Update
Information Governance Annual Report 2024
Coventry Municipal Holdings Limited - Compliance with Group Governance Agreement
Complaints to the Local Government and Social Care Ombudsman 2024/2025

2nd February 2026

Quarter Two Revenue and Capital Monitoring Report 2025/2026 (to September 2025)
Internal Audit Plan 2025/26 – Half Year Progress Report
Half Year Fraud and Error Report 2025/2026
Whistleblowing Annual Report 2024/2025

16th March 2026

Corporate Risk Report
Internal Audit Recommendation Tracking Report
Quarter Three Revenue and Capital Monitoring Report 2025/2026 (to December 2025)
Quarter Three Internal Audit Progress Report 2025/2026
Six Monthly Procurement Progress Report (Private)

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of the Local Government Act 1972.

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