



Audit and Procurement Committee

Time and Date

2.30 pm on Monday, 16th March, 2026

Place

Diamond Rooms 1 and 2 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 12)
To agree the minutes of the meeting held on 2nd February 2025
4. **Exclusion of Press and Public**
To consider whether to exclude the press and public for the private item of business for the reasons shown in the report.
5. **2025-26 External Audit Plan (Grant Thornton)** (Pages 13 - 68)
Report of the External Auditor (Grant Thornton)
6. **2025/26 Third Quarter Financial Monitoring Report (to December 2025)**
(Pages 69 - 96)
Report of the Director of Finance and Resources (Section 151 Officer)
7. **Quarter Three Internal Audit Progress Report 2025/2026** (Pages 97 - 108)
Report of the Director of Finance and Resources (Section 151 Officer)
8. **Internal Audit Recommendation Tracking Report** (Pages 109 - 120)
Report of the Director of Finance and Resources (Section 151 Officer)
9. **Corporate Risk 2026** (Pages 121 - 156)
Report of the Director of Finance and Resources (Section 151 Officer)
10. **Outstanding Issues** (Pages 157 - 162)
There are no outstanding issues

11. **Work Programme 2025/2026** (Pages 163 - 164)
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. **Six Monthly Procurement Progress Report** (Pages 165 - 184)
Report of the Director of Law and Governance

(Listing Officer: Rob Amor – Email: rob.amor@coventry.gov.uk)
14. **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, Governance and Safer Communities, Council House, Coventry

Friday, 6 March 2026

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

Membership: Councillors M Ali, J Blundell, R Brown (By Invitation), Z Francis (By Invitation), A Hopkins, A Jobbar, R Lakha (Chair), P Male, B Singh (Deputy Chair) and Smith (By Invitation)

By invitation Councillor R Brown

Public Access

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Lara Knight

Telephone: (024) 7697 2642

e-mail: lara.knight@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 2.30 pm
on Monday, 2 February 2026

Present:

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

Other Member Present: Councillor G Lloyd (Chair of Scrutiny Co-ordination Committee)

Employees (by Directorate):

Finance and Resources B Hastie (Director of Finance and Resources (Section 151 Officer)), P Helm, T Pinks, K Tyler

Law and Governance M Salmon

Others Present: Andrew Smith, Grant Thornton (External Auditor)
Megan Hancox, Grant Thornton (External Auditor)

Apologies: There were no apologies

Public Business

45. Declarations of Interest

There were no disclosable pecuniary interests.

46. Minutes of Previous Meeting

The minutes of the meeting on 24th November 2025 were agreed and signed as a true record. There were no matters arising.

47. 2024/25 Statement of Accounts

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that sought approval for the 2024-25 Statement of Accounts for publication on the Council's behalf. Appendices to the report from the External Auditor, Grant Thornton, provided: the Coventry City Council's Statement of Accounts 2024-25; the Audit Findings Report 2024-25 for Coventry City Council; and the Auditor's Report 204-25. These documents detailed the position in relation to 2024-25 and dealt with the necessary matters required in

advance of the Government deadline for the completion of audit work. Officer from Grant Thornton attended the meeting to support this item of business.

In 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. This legislation specified 'backstop' deadlines for the completion of audit work relating to particular financial years. The deadline for the Statement of Accounts 2024-25 was set as 27th February 2026. In the event of uncompleted audits, auditors would be required to issue either qualified opinions or disclaimers, as appropriate.

Grant Thornton had provided an Audit Findings Report for the work carried out on the audit of 2024-25 accounts since 1st July 2025. As part of this, and due largely to the tight timescale surrounding the backstop, they had drafted a partially disclaimed opinion for 2024-25 and proposed 'management letters of representation' for the Council to review.

At the time of publication of the report, the Auditor's Report 2024-25 (Appendix 3 to the report) has not been received from Grant Thornton. In light of the backstop date for the publication of the 2024-25 audited accounts being 27th February 2026 and with the agreement of the Chair, Councillor Lakha, the Auditors Report 2024-25 was circulated and published separately and prior to the meeting in order to ensure that sufficient time was provided for the Committee to give full consideration to the document and the contents of the report.

Although a significant amount of audit work had been carried out on the 2024-25 accounts this had not been sufficient for the auditor to issue an opinion without disclaimer. As a result, Grant Thornton was intending to issue a disclaimed opinion, reflecting the fact that there had been insufficient time to gain full assurance. Appendix 1 to the report detailed the work that had been carried out on the 2024-25 accounts and clarified which items remained incomplete.

There were no regulatory penalties for missing the accounting deadlines. However, failure to comply with the accounting deadlines would likely result in additional work for officers and the Council's auditors, which would be reflected in additional audit costs.

Coventry City Council remained classified as a Public Interest Entity (PIE) in 2024/25 due to an historic issue of bonds which were freely tradable on the Stock Exchange. This classification required the Local Authority to meet a number of ethical standards specific to PIE organisations. One of these ethical standards related to a 70% cap on non-audit fees for PIEs for the average of the fees paid in the last three consecutive years of audit fees. The cap was used to control non-audit spending (for Coventry City Council, this related to Teachers Pension Audit and Housing Benefit Audit work) to ensure it didn't exceed a certain percentage of the audit fees.

Due to the audit backstop legislation, and the subsequent reduced audit fees for 2021/22, 2022/23 and 2023/24, presented to Audit and Procurement Committee on 25th November 2024 (minute 35/24 referred), the non-audit fees for 2024-25 were in breach of this ethical standard. In these exceptional circumstances, owing to the backstop, Grant Thornton had been awarded an exemption by the Financial Reporting Council (FRC). The waiver on the fee cap was awarded on the grounds

of the specific costs involved and the circumstances around the backstop. There is an obligation on the Council through the work of the Audit and Procurement Committee to satisfy itself as to the continued independence of Grant Thornton UK LLP to act as auditor, given the nature of fees earned by Grant Thornton UK LLP in relation to the fees cap, as applicable in these exceptional circumstances.

As a result of the backstop legislation passed in September 2024, a disclaimer of opinion was issued for 2023-24. For the 2024-25 audit, Grant Thornton had continued to rebuild assurance, focusing on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances. As was expected, they had not concluded all the necessary work including reserves, grants received in advance and capital financing requirements due to the disclaimed opinion on opening balance in 2023-24. This 'limited assurance' over the opening balances for 2024-25 resulted therefore in 'no assurance' over the closing reserves balance also due to the uncertainty over the opening amount.

In June 2025, the National Audit Office (NAO) published its "Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06" for auditors which set out special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions. This included assessments over risk of material misstatements of opening balance figures and reserves; designing and performing specific substantive procedures, such as proof-in-total approach; special considerations for fraudulent reporting, property, plant & equipment, and pension related balances. It was expected that Grant Thornton's strategy for rebuilding assurance would be discussed, as part of the planning for 2025-26 audit plan.

The Council had received claims in respect of Equal Pay. Due to the process currently being at an early stage, it was management's view that there was no reliable assessment of the validity, potential success or value of claims at this stage. Disclosure of Counsel advice regarding open litigation was excluded under the Local Audit and Accountability Act 2014 to prevent undue influence on the outcome of claims. Grant Thornton had not received management's assessment of the probability of the claims being successful or an estimation of any associated liabilities and had therefore not concluded work in this area.

Members asked questions and received responses at the meeting from officers and Grant Thornton on matters that included: valuations of land and buildings; equal pay claims process and liability; officer access to the accounts; IFRA 16; the pension scheme; future backstop dates for the accounts; external auditor fees. The Committee received assurance that these were a good set of accounts and financial management at the Authority was robust.

The Committee thanked Grant Thornton and the Council's Finance Officers for the work they had undertaken on the accounts.

RESOLVED that the Audit and Procurement Committee:

1) Notes the details presented in the 2024-25 Audit Findings Report.

- 2) **Accepts the disclaimed opinions provided by the external auditor in relation to elements of the 2024-25 accounts.**
- 3) **Grants authorisation for the requested letter of representation for 2024-25, to be signed and returned to the external auditors.**

48. **2025/26 Second Quarter Financial Monitoring Report (to September 2025)**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer), that had also been considered by Cabinet at its meeting held on 16th December 2025 (their Minute 45/24 referred). that advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2025. The net revenue forecast position after management action was for spend in 2025-26 of £3.3m over budget. Whilst not a wholly comparable position, at the same point in 2024-25, there was also a projected overspend of £10.2m.

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

The Council's capital spending was projected to be £184m and included major schemes progressing across the city. The size of the programme and the nature of the projects within it continued to be fundamental to the Council's role within the city. Although prevailing inflation rates looked to be stabilising, legacy inflationary pressures continued to affect capital projects. The position would continue to be monitored to ensure projects were delivered within available resources.

RESOLVED that the Audit and Procurement Committee, having considered the proposals in the report, notes the report and confirms that it has no further recommendations to make to Cabinet.

49. **Internal Audit Plan 2025-26 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that provided an update on the internal audit activity for the period April to September 2025, against the Internal Audit Plan for 2025-26. The report was the first monitoring report for 2025-26, which was presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'. Appendices to the report provided: the Audit Reviews Completed between April and September 2025; and the Summary Findings from Key Audit Reports.

The Internal Audit Plan for 2025-26 was presented to the Audit and Procurement Committee at its meeting on 23rd June 2025 (minute 4/25 referred) and provided for 650 days of internal audit work in 2025-26. As the Plan was agreed at the start of the financial year, it was always likely to be subject to some amendments due to

changes in the risk environment, requests from service areas to reschedule work, and other exceptions, with significant changes reported to the Committee. As a result of unplanned absence in the Service and the time taken to implement the agreed service redesign, it had been necessary to make changes to the Audit Plan given the reduction in available resources, therefore the Plan was now based on the provision of 550 days of internal audit work in 2025-26. This had been accommodated through re-programming some internal audit work into the 2026-27 Audit Plan and changes in the risk environment impacting on the requirement for audit involvement. The key target was for the Internal Audit Service to complete 90% of its work plan by 31st March 2026. A chart in the report provided analysis of progress against planned work for the period April to September 2025 based on the revised audit plan of 550 days.

At the end of September 2025, the Service had completed 45% of the Audit Plan against a benchmark of 50% (which reflected delivery of 100% of the Plan.) Whilst this showed the Service to be on track to achieve the target of 90% by the end of 2025-26, the impact of the unplanned absence in particular would be visible in the quarter three performance which was due to be reported to the Audit and Procurement Committee in March 2026. Notwithstanding this, the Service remained committed to achieving the target by the end of the financial year. It was the view of the Chief Internal Auditor that these changes would not, in any significant respects, impact on the ability to deliver the annual internal audit conclusion.

At its meeting in November 2025 (minute 26/25 referred), the Audit and Procurement Committee approved the performance indicators for the Internal Audit Service for 2025-26, in line with the Global Internal Audit Standards in the UK Public Sector. Whilst some of these indicators were measured on an annual basis, there were two that were measured quarterly and these were summarised in a table in the report. The report also provided details of comments made by customers, in addition to the high customer feedback scores.

It was noted that the indicator relating to the percentage of audit recommendations implemented as planned was not exclusively a reflection of Internal Audit performance, as management were responsible for completing agreed actions. However, notwithstanding this, the Internal Audit Service were in the process of putting in place additional measures to support the gradual improvement of implementation rates which included further development of the directorate trackers, specific discussions at the draft report stage on the importance of the timely implementation of agreed actions, and enhancements to the follow up process to make officers more accountable for lack of progress.

Appendix One to the report listed the audits finalised between April and September 2025, along with the level of assurance provided. At 30th September 2025 there were no audits at Draft Report Stage, and the on-going audits were Property Disposals, Ransomware Threat, Our Lady of Assumption Catholic Primary School, Occupational Therapy Equipment, Commercial Property Rent, Purchasing Cards (Children's and Education), and Noise Team Rotas. Details of a selection of key reviews completed in this period were provided at Appendix Two to the report, in all cases the relevant managers had agreed to address the issues raised in line with the timescales stated. These reviews would be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

RESOLVED that the Audit and Procurement Committee:

- 1) Notes the performance as at quarter two against the Internal Audit Plan for 2025-26.**
- 2) Notes the summary findings of the key audit reviews attached at Appendix Two to the report.**

50. Half Yearly Fraud and Error Report 2025-2026

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that provided a summary of the Council's anti-fraud and error activity undertaken by the Internal Audit Service during the first half of the financial year 2025-26.

Fraud in the public sector had a national focus through the publication of "Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy stated that the level of fraud in the public sector was significant, the current trends in fraud activity included areas which Coventry City Council did not have responsibility for, e.g. social housing, and the levels of identified / reported fraud against the Council remained at relatively low levels, in terms of both numbers and value.

The report documented the Council's response to fraud and error during the first half of the financial year 2025-26 and was 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'. The Internal Audit Service was responsible for leading on the Council's strategic response to the risk of fraud and error, the work of the team had focused on three main areas during 2025-26: National Fraud Initiative; Referrals and Investigations considered through the Council's Fraud and Corruption Strategy; and Fraud Awareness. A summary of the key activity that had taken place during 2025-26 was set out in detail in the report.

A National Fraud Initiative exercise, led by the Cabinet Office, took place every two years and matched electronic data within and between public bodies, with the aim of detecting fraud and error. The follow up of matches could also provide assurance that the Council's own arrangements for preventing and detecting fraud / error were effective. The results of the last exercise were released in January 2025 and formed part of the planned programme of work for 2025-26. It was noted that matches relating to Housing Benefit / Council Tax Support / Single Person Discounts fell under the responsibility of the Revenues and Benefits Service. Given the number of matches released, a risk-based approach was used in following up the matches. To date, around 700 matches had been processed and a table in the report provided a breakdown of those areas where overpayments / forward savings had been identified to date. Where overpayments were identified, these were subject to standard recovery arrangements.

From time to time, the Internal Audit Service received referrals or were asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. A further table in the report indicated the

number of referrals by source in 2025-26, along with figures for the previous three financial years. It was important to note that there was no mechanism for determining the number of reports the Council should receive on an annual basis and it was very difficult to anticipate or identify the reasons behind fluctuations in numbers. It was noted that this information only reflected referrals made in respect of concerns relating to fraud and corruption and did not include other matters raised under the Whistleblowing Policy.

Of the 18 referrals received, eleven have led to a full investigation. The reasons for referrals not resulting in a full investigation included (a) initial assessment / fact finding does not find any evidence to support the allegations (b) appropriate action had already been taken, e.g. the fraud had been prevented, and (c) the nature of the event meant it was impractical to pursue further. Two further investigations were carried forward from 2024-25. All investigations related to fraud / theft or other activities linked to obtaining a financial benefit. Five out of the 13 investigations were still on-going, whilst of the remaining eight:

- In one case, the employee resigned during the disciplinary investigation.
- In three cases, the concern was not substantiated.
- In one case, a formal re-setting of standards took place.
- In one case involving a direct payment, the direct payment was ended.
- In one case involving the theft of ICT equipment, the employee was dismissed and was prosecuted by the police.
- In one case involving European grant funding provided to four local businesses (who were connected to each other), a sum of £138k was recovered and returned to central government.

In 2025-26 to date, the Internal Audit Service continued to support training sessions with employees from Adult Social Care to raise awareness of the types of fraud that could occur within the social care environment, and particularly within direct payments. The Service was also in discussion with colleagues from Customer Services around how the single resident record which was in development could be used to detect / prevent fraud in claims for financial assistance.

Within auditing standards there were 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 included an expectation that appropriate detail was provided around significant fraud for which principles had been applied. In the period April 2025 to September 2025, the report detailed two significant frauds that had been concluded. Whilst in both cases, the investigations related to previous financial years, associated legal processes had not been concluded until 2025-26. Further to these cases: the service area had taken action to review their processes for verifying grant claims and put in place additional measures to minimise risk; and Digital Services had worked closely with Internal Audit to strengthen arrangements with a specific software package procured which should provide a more efficient and robust solution in the longer term.

RESOLVED that the Audit and Procurement Committee, notes the anti- fraud and error activity undertaken during the first half of the financial year 2025-26.

51. **Whistleblowing Annual Report 2024-2025**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that provided a summary of the concerns raised under the Council's Whistleblowing Policy during 2024-25 along with the Council's response to the issues, including any organisational learning to prevent similar reoccurrences.

Whistleblowing was the making of a protected disclosure as found in Part IVA of the Employment Rights Act 1996 (and as amended by the Public Interest Disclosure Act 1998) and was reflected in the Council's Whistleblowing Policy 2017. This qualified employees (including agency workers) for legal protection against detriment or unfair dismissal if they made a disclosure in the public interest. To qualify, the disclosure must also fall within one of the following grounds: a criminal offence; breach of any legal obligation; miscarriages of justice; danger to health and safety; damage to the environment; and the deliberate concealing of information about any of these grounds. The Council's Whistleblowing Policy was clear that all concerns raised about actual or potential misconduct or wrongdoing in the Council were taken seriously. Matters relating to fraud and corruption were considered by the Chief Internal Auditor and all other concerns which fell under one of the grounds were considered by the Council's Monitoring Officer.

The report provided a summary of the concerns raised under the Council's Whistleblowing Policy during 2024-25 and the Council's response to the issues and was 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 whistleblowing and the fraud and corruption strategy". In order to protect the confidentiality of whistleblowers and other parties involved, no information was included in the report that could lead to the identification of a whistleblower or the subject of the whistleblowing or compromise the confidentiality of an on-going investigation.

During 2024-25, the Council received ten whistleblowing disclosures. Of these, three disclosures were made by a third party and as such, the legal protection afforded to employees who raise concerns did not extend to these individuals. However, the Council considered that any disclosure made by members of the public should be treated in the same way as disclosures made by employees and consequently had made every reasonable effort to protect all individuals under the whistleblowing process. Further, four disclosures did not satisfy the grounds for whistleblowing as they did not relate to one of the prescribed concerns required in order to qualify under the Council's policy. In such cases, the individual was advised of the appropriate route to raise their concern. A summary of the disclosures made by type and service area, and a summary of the responses to the disclosures were detailed in tables in the report.

Employees were able to resolve matters using other routes if they wished to do so, for example through discussion with their line manager or reporting concerns to one of the "prescribed persons" set out in the Public Interest Disclosure (Prescribed Persons) Order 2014, such as the Health and Safety Executive.

Where appropriate, responsible officers would identify learning points from any issues raised and ensure that they were acted upon to prevent similar issues recurring. If required, this included consideration of whether there were any systematic improvement actions for the wider organisation. In one case considered in 2024-25, management action was agreed. Whilst these actions were specific to the concerns raised, rather than organisation-wide improvements, opportunities to learn from disclosures would continue to be considered as part of the investigation process.

RESOLVED that the Audit and Procurement Committee, notes the summary of whistleblowing concerns raised during 2024-25 and confirms its satisfaction with the actions taken to respond to the issues raised.

52. **Outstanding Issues**

There were no outstanding issues.

53. **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.

54. **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 3.40 pm)

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Coventry City Council

Public report

Audit and Procurement Committee

16th March 2026

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:

2025/26 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 2025/26 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 review the controls in place for the Council's key financial systems. The 2025/26 IT audit is scheduled to take place in April 2026. The strategy of the IT Audit is set out within the Audit Plan (Appendix 1 to the report).

Recommendations:

Audit and Procurement Committee is recommended:

- 1) To note the details presented in the 2025/26 Audit Plan.
- 2) To note the findings detailed in the 'Informing the audit risk assessment – 2025/26' report.

List of Appendices included:

Appendix 1 – 2025/26 External Audit Plan
Appendix 2 – Informing the audit risk assessment – 2025/26

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: 2025/26 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 2025/26 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.
- 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
- 1.4. In support of the audit of the accounts, Grant Thornton review the controls in place for the Council's key financial systems. The latest outcome from this work is detailed in the '2024/25 IT audit findings' report which was presented to the Audit & procurement Committee alongside the 2024/25 Audit Plan in September 2025. Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements. The 2025/26 IT audit has been scheduled for April 2026 and will specifically review the Business World Cloud Migration which took place in February 2026, with findings and assurances being fed into the Main Audit.
- 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 subsequent four years, 2020/21, 2021/22, 2022/23 and 2023/24 accounts were delayed. As the deadline for publishing 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. The audit of the 2024/25 accounts was signed off and approved in February 2026, however, to reflect the fact that the Council's prior four years accounts have not been audited, reliance cannot be placed on brought forward balances. This resulted in the 2024/25 audited accounts continuing to be issued with a disclaimed opinion.
- 1.8. The Audit Plan for 2025/26 reflects the continued application of the backstop arrangements and acknowledges limited assurance over opening balances and reserves. Members will be aware that the Council's strategic objective remains the rebuilding of audit assurance following the prior period disclaimers.
- 1.9. Whilst the Plan refers to rebuilding assurance over time, further detailed discussion is scheduled with Grant Thornton later in March regarding the scope, phasing and timing of regaining assurance work during 2025/26 and beyond. The outcome of those discussions will be reported back to the Committee as appropriate.

2. Options considered and recommended proposal

- 2.1. A decision not to agree to these recommendations would result in delaying the audit of the Council's 2025/26 statutory accounts.

3. Results of Consultation Undertaken

- 3.1. None

4. Timetable for implementing this decision

- 4.1. The external auditor, Grant Thornton, will begin the main work on the Council's 2025/26 Statement of Accounts in July 2026, following the publication of the draft accounts on the Council's website on 30th June 2026. Early audit testing will take place in March to April 2026 and June 2026.

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.

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

Tel and email contact:

Tel: 02476 972312
Email: tina.pinks@coventry.gov.uk

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	04/03/26	04/03/26
Karen Tyler	Chief Internal Auditor	Finance and Resources	04/03/26	04/03/26
Names of approvers for submission: (Officers and Members)				
Barry Hastie	Director of Finance and Resources (Section 151 Officer)	-	04/03/26	05/03/26
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	04/03/26	05/03/26
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	04/03/26	04/03/26

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The Audit Plan for Coventry City Council

Year ending 31 March 2026

4 March 2026



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The Backstop

The Future of 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 require audited financial statements to be published by a specific date. The upcoming backstop dates are as follows:

- for years ended 31 March 2026 by 31 January 2027
- for years ended 31 March 2027 by 30 November 2027; and
- for years ended 31 March 2028 by 30 November 2028.

The Regulations are supported by the National Audit Office's (NAO) Code of Audit Practice 2024. The backstop dates were introduced to clear the backlog of historic financial statements and support 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 Audit Recovery

In the audit report for the year ended 31 March 2025, a disclaimer of opinion was issued due to the backstop.

As a result, we anticipate that for 2025/26:

- we will have limited assurance over the opening balances for 2025/26
- limited assurance over the closing reserves balance, due to the uncertainty over their opening amount.

We will work with the Council to rebuild assurance over time.

Our Work

In order to meet future statutory deadlines, for 2025/26 we will be working towards an internal deadline of 30 November 2026, as a dry run for future years. Our primary focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration disclosures; and closing balances for 2025/26. Our objective is to continue to rebuild assurance, by providing assurance over the in year 2025/26 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 our work progresses, we will formulate a more detailed strategy as to how assurance can be gained on prior years. We will need the cooperation and input of management throughout the rebuilding process.

Introduction and headlines

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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 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 and Group and is risk based.

Introduction and headlines (continued)

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
- 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 £18.95m (PY £17.90m) for the Group and £17.80m (PY 16.90m) for the Council, which equates to 1.85% of your prior year 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 prior period accounts 2024/25 being partially audited, as well as the previous four periods of disclaimed accounts 2020/21 – 2023/24.

We have determined performance materiality to be £13.265m (PY 11.600m) for the Group and £12.460m (PY £10.900m) for the Council.

Clearly trivial has been set at £947.5k (PY £890k) for the Group and £890k (PY £840k) for the Council.

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any significant weakness areas or related risks, requiring separate attention. We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

Audit logistics

Our interim visit will take place in March, and our final visit will commence in June. 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 £524,953 (PY: £520,656) for the Council, subject to the Council delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested.

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.

Significant risks identified

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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	Audit team's assessment	Planned audit procedures
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p>Risk relates to</p> <p>Group and Authority</p>	<p>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.</p>	<p>We will:</p> <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).

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment
<p>The revenue cycle includes fraudulent transactions</p> <p>Risk relates to</p> <p>Group and authority</p>	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p>	<p>We have identified and completed a risk assessment of all revenue streams for the Council and Group.</p> <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 City 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>

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

The expenditure cycle includes fraudulent transactions

Risk relates to

Authority

Risk relates to

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.

Audit team's assessment

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.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of Land and buildings and Investment Properties</p> <p>Risk relates to</p> <p>Authority</p>	<p>The valuation of land and buildings and Investment Properties represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.</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	Audit team's assessment	Planned audit procedures
<p>Valuation of the pension fund net asset / liability</p> <p>Risk relates to</p> <p>Authority</p>	<p>The valuation of the pension fund net asset/liability represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.</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	Audit team's assessment	Planned audit procedures
<p>Accounting for the Group and related disclosures</p> <p>Risk relates to Group</p>	<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 2025/26.</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

Significant risks identified (continued)

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Significant risk	Audit team's assessment	Planned audit procedures
<p data-bbox="89 244 433 328">Valuation of long-term investments</p> <p data-bbox="89 385 433 456">Risk relates to Authority</p>	<p data-bbox="433 244 1274 571">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 data-bbox="433 571 1274 812">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 data-bbox="1274 244 2451 285">We will:</p> <ul data-bbox="1274 285 2451 812" style="list-style-type: none"> <li data-bbox="1274 285 2451 385">• 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 <li data-bbox="1274 385 2451 471">• evaluate the instructions issued by management to their management experts for this estimate and the scope of the experts' work <li data-bbox="1274 471 2451 556">• assess the competence, capabilities and objectivity of the experts who carried out the valuations <li data-bbox="1274 556 2451 642">• assess the accuracy and completeness of the information provided by the Authority to the experts to estimate the fair values <li data-bbox="1274 642 2451 728">• 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 <li data-bbox="1274 728 2451 812">• 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 Risk relates to Authority	The Council has received claims in respect of Equal Pay. Equal pay claims can have a highly material impact on a Council’s expenditure and balance sheet. 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. 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.	We will: <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.



“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

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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.

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.

Description

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, sector developments, financial stability and reporting requirements for the financial statements

Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements

An item may be considered to be material by nature when it relates to instances where greater precision is required.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process

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.

Our approach to materiality (continued)

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2024

Description	Amount (£)	Qualitative factors considered
Materiality for the group financial statements	18,950,000	<p>This equates to 1.85% of the gross expenditure of the group. We have increased the materiality from 1.75% in the prior year to 1.85% in the current year since the Council is no longer classified as a Public Interest Entity (PIE). We consider gross expenditure to be the most appropriate benchmark given the level of user interest in spend incurred. In determining the percentage of 1.85%, we have taken into account the increased interest in the accounts resulting from the previous five years' accounts being disclaimed.</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. In line with firm guidance, we have set performance materiality at 70% of overall materiality, an increase from 65% in the prior year, to reflect the substantial work completed during the previous year's audit. The performance materiality for 2025/26 is therefore set at £13,265,000.</p>
Materiality for the Council financial statements	17,800,000	<p>This equates to 1.85% of the gross expenditure of the Council. We have increased the materiality from 1.75% in the prior year to 1.85% in current year since the Council is no longer classified as a Public Interest Entity (PIE). We consider gross expenditure to be the most appropriate benchmark given the level of user interest in spend incurred. In determining the percentage of 1.85%, we have taken into account the increased interest in the accounts resulting from the previous five years' accounts being disclaimed.</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. In line with firm guidance, we have set the performance materiality at 70% of overall materiality, an increase from 65% in the prior year, to reflect the substantial work completed during the previous year's audit. The performance materiality for 2025/26 is therefore set at £12,460,000</p>
Materiality for specific transactions, balances or disclosures	30,000	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 1.85% determination above, and applying this to total senior officer remuneration reported in the prior year.



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)

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 audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits 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 and implementation only) Review the Business World Cloud migration project

Value for Money Arrangements

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Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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



We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

Risks of significant weakness in VFM arrangements

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 2025/26. 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	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Financial sustainability	A No risks of significant weakness reported; improvement recommendations made	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional 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 and follow up improvement recommendations made in 2024/25.

-  No significant weaknesses or improvement recommendations.
-  No significant weaknesses, improvement recommendation(s) made.
-  Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant weakness in VFM arrangements

(continued)

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Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
<p>Governance</p>	<p>A</p> <p>No risks of significant weakness reported; improvement recommendations made</p>	<p>No risks of significant weakness identified</p>	<p>As no risk of significant weakness has been identified, no additional 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 and follow up improvement recommendations made in 2024/25.</p> <p>We will assess the arrangements around Equal Pay claims to assess their potential impact on the Council’s financial position alongside assessing the associated legal impact.</p>
<p>Improving economy, efficiency and effectiveness</p>	<p>A</p> <p>No risks of significant weakness reported; improvement recommendations made</p>	<p>No risks of significant weakness identified</p>	<p>As no risk of significant weakness has been identified, no additional 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 and follow up improvement recommendations made in 2024/25.</p>

Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources where we needed to perform additional procedures. The risks we have identified are detailed on the table overleaf along with the further work we will perform. We will continue to review the Council'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 table below.

Potential types of recommendations



Statutory recommendation

Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council 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 Council. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

Logistics

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The audit timeline



Key elements

- Planning meeting with management to set audit scope
- Planning requirements checklist to management
- Agree timetable and deliverables with management and Audit and Procurement Committee
- Issue the Audit Plan to management and Audit and Procurement Committee
- Planning meeting with Audit and Procurement Committee to discuss the Audit Plan

Key elements

- Document design effectiveness of systems and processes
- Review of key judgements and estimates
- Issue Audit Progress Report and sector update to management and Audit Committee
- Any planned additional testing.

Key elements

- Audit teams onsite to complete fieldwork and detailed testing
- Weekly update meetings with management

Key elements

- Draft Audit Findings issued to management
- Audit Findings meeting with management
- Draft Audit Findings issued to Audit Committee
- Audit Findings presentation to Audit Committee
- Auditor’s Annual Report
- Finalise and sign financial statements and audit report

Our team and communications

Grant Thornton core team

<div style="background-color: #4a4a9a; color: white; padding: 10px; border-radius: 10px 10px 0 0;"> <p>Andrew Smith Engagement Lead/Key Audit Partner</p> </div> <ul style="list-style-type: none"> Key contact for senior management and Audit Committee Overall quality assurance 	<div style="background-color: #4a4a9a; color: white; padding: 10px; border-radius: 10px 10px 0 0;"> <p>Zak Francis Audit Senior Manager</p> </div> <ul style="list-style-type: none"> Audit planning Resource management Performance management reporting 	<div style="background-color: #4a4a9a; color: white; padding: 10px; border-radius: 10px 10px 0 0;"> <p>Megan Hancox Audit Manager</p> </div> <ul style="list-style-type: none"> Audit planning Resource management Project planning and monitoring 	<div style="background-color: #4a4a9a; color: white; padding: 10px; border-radius: 10px 10px 0 0;"> <p>Aaron Chaitezvi In-charge</p> </div> <ul style="list-style-type: none"> On-site audit team management Day-to-day point of contact Audit fieldwork
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Pool of specialists and other technical specialists (e.g. 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

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Our fee estimate

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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 good quality sets 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 estimates 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 2024/25 the scale fee set by PSAA was £510,656. The actual fee charged for the audit was £520,656.

As the audit report from the 2024/25 (and from 2020/21 to 2023/24) were disclaimers of opinion 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.

Company	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
Coventry City Council Audit	510,656	524,953
IFRS 16 implementation – fee variation*	10,000	N/A
Total (Exc. VAT)	520,656	524,953

* Subject to approval by PSAA

Our fee estimate (continued)

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 audits for the Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £524,953.

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 or opinion issued (but not before 1 December 2025)
- 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.

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers [and network firms]). In this context, we confirm there are no matters that we are required to report.

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

Matter	Conclusions
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 Council/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 at planning 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 and network firms 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 at planning 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

The following tables set out the non-audit services that we have been engaged to provide or charged from the beginning of the financial year to the date of this audit plan, 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.

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	2025/26: TBC 2024/25: 160,000 2023/24: 140,987	Self-Interest (because this is a recurring fee) Self review (because GT provides audit services) Management (because GT report to DWP)	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 £524,953 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. 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. 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 (continued)

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Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
Certification of Teachers Pensions Return	2025/26: TBC 2024/25: 12,500	Self-Interest (because this is a recurring fee) Self review (because GT provides audit services) Management (because GT report to DWP)	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 £524,953 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. 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. 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) £524,953			(Non-Audit fee) £TBC

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)

Other non-audit services

Service	£ Threats Identified	Safeguards applied
<p>Associated company work: Independent review of the West Midlands Rail Executive (WMRE) Blueprint for rail devolution</p> <p>(Completed March 2025 to June 2025)</p>	<p>38,000 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)</p> <p>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)</p>	<p>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.</p> <p>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.</p>

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.

Communication of audit matters with those charged with governance

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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	●	●
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	●	●
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	●	●

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.

Communication of audit matters with those charged with governance (Continued)

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.

Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
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		●
Significant matters arising in connection with related parties		●
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		●

Financial reporting changes

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Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).

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 comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- 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 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from [2027/28](#).

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 (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for [2026/27](#).

Scope of group audit

	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	Component Auditor – Crowe LLP		Cash and cash equivalents; Capital Grants Received in Advance	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

Scope of group audit

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	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	Yes	Coventry	Component Auditor – Ernst & Young LLP		Cash and cash equivalents	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

Scope of group audit (continued)

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.

Involvement in the work of component auditors

In order to use the work of the component auditor, we will require the ability to access relevant component auditor documentation to complete our group audit. The nature, time and extent of our involvement in the work of Crowe LLP and Ernst & Young LLP will begin with a discussion on risks, guidance on designing procedures, participation in meetings, followed by the review of relevant aspects of the component audit documentation and meeting with appropriate members of management. We will also require that the component auditor is independent under the independence requirements of the FRC and this may be stricter than the requirements for completing their local reports.

If we are unable to secure access to the component auditor's working papers we will report the impact of such impediments on the audit of the group financial statements.

Fraud and litigation

We have not been made aware of any actual or attempted material frauds in the year during our planning procedures performed to date. 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.



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	25/26 Question	25/26 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 2025/26?	<p>Valuation of the Council's asset portfolio continues to be an area most subject to potential volatility, in addition 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. As we are yet to receive confirmation of audit opinion on both group and asset valuations, they remain active as key issues for our financial statements.</p> <p>The impact of potential equal pay claims is an ongoing event within the Council. We expect that there will be further clarity surrounding this position within the next financial year.</p>
	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?	Following the successful implementation of IFRS 16 in 2024/25, management consider our adopted accounting policies to be appropriate.
	3. Is there any use of financial instruments, including derivatives? If so, please explain	<p>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 2024-25 section 3.33)</p> <p>There is no use of financial derivative instruments.</p>
	4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	The Council undertakes activity through companies which it owns in part or on a 100% basis. However, this is 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	<p>A contingent liability currently 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, yet, no reliable assessment of the validity, potential success, or value of any claims.</p> <p>We expect that there will be further clarity surrounding this position within the next financial year.</p>
Page 55	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?	<p>No solicitors used on litigation which would have a significant impact on the Council's financial position other than the following:</p> <p><u>Equal Pay Claims (on-going):</u> Counsel: Betsan Criddle KC of Old Square Chambers</p>

Page 56	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.
	10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	1) Right to work and Sponsorship Advisor: Mark Benton – Mills & Reeves No significant impact on financial position 2) School HR provision by Employer Joanne Clement KC, 11KBW Outcome not expected to be financially significant
	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 Enquiries	
	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 2025? 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 2025 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.)

		<p>In 2025/26 to date there have been the following cases of actual, suspected or alleged fraud: 9 cases relating to external fraud against the Council. 15 cases involving employees of the Council. Of these, 8 were not substantiated / were impractical to pursue. Of the other 7:</p> <ul style="list-style-type: none"> - In one case the employee resigned during the disciplinary process - Five cases are ongoing - In one case, a formal re-setting of standards took place. <p>There are 2 cases from previous years which have been concluded in 2025-26: 1 relates to an external grant fraud of ERDF monies against the Council. Whilst the businesses involved did not accept any liability, £139k was recovered as a result of the investigation and returned to central government as per the grant conditions. 1 relates an employee theft. The employee was dismissed in 2023, but the criminal prosecution was not concluded until July 25. This involved the theft of ICT equipment. The employee received a suspended prison sentence. The Council made an insurance claim and received a sum of £190k from this.</p>
	<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. 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. The risk of fraud is considered in individual audits, including an assessment of the controls in place to mitigate this.</p>
<p>Page 57</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>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 2024-25. 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 2025-26 to materially impact on this opinion.</p> <p>No risk areas have been identified in relation to the financial statements.</p>

<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>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>
<p>9. How does Coventry City Council communicate and encourage ethical behaviours and business processes of its 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. 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>Contracts include terms and conditions around the behaviours etc of contractors and a Supplier Code of Conduct is also now in place.</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>Staff are expected to raise all concerns about fraud with the Chief Internal Auditor. In 2025-26 to date, no issues have been reported which have led to significant fraud being identified.</p> <p>Two significant frauds which related to previous years have been concluded in 2025-26: 1 relates to an external grant fraud of ERDF monies against the Council. Whilst the businesses involved did not accept any liability, £139k was recovered as a result of the investigation and returned to central government as per the grant conditions. 1 relates an employee theft. The employee was dismissed in 2023, but the criminal prosecution was not concluded until July 25. This involved the theft of ICT equipment. The employee received a suspended prison sentence. The Council made an insurance claim and received a sum of £190k from this.</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 2025-26 to date, there have been four cases where cash discrepancies were highlighted. In three cases, the amounts involved were < £30 and in one case (£600) the investigation is ongoing.</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 for each company which is subject to regular review.</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 conclusion on the adequacy and effectiveness of the internal control environment also highlights any significant control issues to the Committee.</p> <p>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 2025-26 to date three whistleblowing complaints linked to potential fraud were raised. Of these:</p> <ul style="list-style-type: none"> - In 1 case, which related to an officer having secondary employment which was not declared, the officer resigned during the disciplinary process. - in 1 case 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>If so, please provide details</p>	<p>One of the whistleblowing concerns reported in 2025-26 to date related to potential bribery / corruption in the award of a contract. The matter was subject to an investigation, and no evidence was found to substantiate the concern (which was raised anonymously.)</p>
iii)	Law and regulations	
Page 59	<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>

Page 60	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.
	3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2025 with an on-going impact on the 2025/26 financial statements? If so, please provide details	No
	4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details	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.
	6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details	Prior to 2025/26 we made a small number of self-reports to HMRC regarding IR35. Following discussions with the HMRC they agreed for CCC to complete an internal audit of all off payroll workers across schools. Once completed feedback will be provided to HMRC and a final disclosure (if applicable) will be required. This approach removes the burden required for HMRC to conduct a full employment status review and this decision was made due to the fact that CCC were carrying out an internal audit. Documents and internal audit outcomes have been sent to HMRC along with payment details for centrally based contractor. Work is still ongoing with individual school reviews over a 4-year period which could result in further non-compliance disclosure once this work is complete.
iv)	Related Parties	
	1. Have there been any changes in the related parties including those disclosed in Coventry City Council's 2025/26 financial statements? If so, please summarise: <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 • the type and purpose of these transactions 	There have been no changes to the Council's related parties in 2025/26.
	2. What controls does Coventry City Council have in place to identify, account for and disclose related party transactions and relationships?	Related parties are assessed by materiality by applying the following criteria: 1) The Council holds shares in a company;

		<p>2) The Council has a material financial relationship (identified via a transactional review) with a company over which it has influence; and</p> <p>3) any other considerations that indicate materiality by nature.</p>
	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. The national Fair Funding Review has provided the Council with additional resources, 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 doing so.
(v)	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

Page 62	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 2025/26 and, if so, what was the reason for these?	In response to recommendations within the 2024/25 AFR we will be reviewing and updating the Annual Leave Accrual, which may involve a review of the estimation process. There may also 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 2025/26

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?
<p>Land and buildings valuations</p>	<p>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>	<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>	<p>Yes, external valuers used: Wilkes Head and Eve</p>	<p>Degree of uncertainty inherent with any revaluation. We commission professional valuers and rely on expert opinion.</p>	<p>Yes. Following changes to the CIPFA code Authorities should apply a revaluation cycle once every 5 years. In intervening years, the carrying amount of assets will be updated using an appropriate index to ensure that carrying amounts are materially accurate. Where no index is available a desktop evaluation can be used in year 3.</p>

<p>Investment property valuations</p>	<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>	<p>Yes, external valuers used: Wilkes Head and Eve</p>	<p>Degree of uncertainty inherent with any revaluation. We commission professional valuers and rely on expert opinion.</p>	<p>No</p>
<p>Depreciation</p>	<p>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>	<p>Consistent application of depreciation method across asset groups.</p> <p>Annual review with internal management.</p>	<p>Internal managers responsible for asset management are consulted on UELs including any changes to assets that may have affected the UEL.</p>	<p>Depreciation is calculated on a straight-line basis as this reflects consumption of assets and is a reasonable assumption.</p>	<p>No</p>

Valuation of defined benefit net pension fund liabilities	Hymans Robertson Actuarial Report	CCC check that the contributions used in the report tie back to the contributions made during the accounting period	An external actuary is used to calculate the value of the pension fund: Hymans Robertson	There is a degree of uncertainty in the assumptions used which include CPI, salary increase rate, discount rates, demographic and longevity assumptions. CCC rely on expert knowledge of the actuary. Where there have been changes in assumptions year on year these are picked up in the remeasurement section of the pension fund report.	
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. Use of external valuation expert.	Yes, external valuers for company investments. The current contract is with Azets.	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 Page 66	Provisions are identified through detailed monthly management accounts, legal case monitoring, and discussions with service departments, which flag potential present obligations to management.	Each provision is separately reviewed by Corporate Finance, with supporting workings prepared and reviewed to evidence the basis of the estimate and compliance with IAS 37.	As necessary on an individual basis.	Each provision is assessed on an individual basis to ensure that it meets the recognition criteria under IAS 37, including the existence of a present obligation and the probability of settlement. The degree of uncertainty is considered in determining both whether a provision is required or whether disclosure as a contingent liability is more appropriate, and in estimating the amount recognised.	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, using contract values, service confirmations and known timing information where available.	Monthly management accounts provide regular analysis so that significant accruals are identified, reviewed and actioned throughout the year, including at year-end close.	No	The use of actual dates of receipt of goods and services, supported by contract and service information, gives a low degree of estimation 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 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 using company accounts to inform financial performance of counterparties.	No.	There is a degree of uncertainty with any estimate of default, but the Council applies the suggested approach in IFRS 9.	No.

<p>Finance lease liabilities</p>	<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>	<p>Review of leasing agreements and associated information against accounting requirements.</p>	<p>No However, as part of the introduction of IFRS16 the use of experts may be considered on a case-by-case basis.</p>	<p>The assumptions would be based on the legal agreements in place and the relevant market information e.g interest, asset values, etc.</p>	<p>No Impending changes due to IFRS16 are being considered and will impact at the relevant stage.</p>
<p>PFI Liabilities</p>	<p>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</p>	<p>Actual Increases in Contract Level taken from Invoices for the year.</p>	<p>Yes, at the outset of the schemes or where re-financing of PFI debt is considered experts are used in line with standard practice.</p>	<p>Alternative estimates are not generally considered once the model has been established, unless there are major changes in the scheme (e.g. re-financing)..</p>	<p>No</p>

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Public report
Cabinet

Cabinet
Audit and Procurement Committee

10th February 2026
16th March 2026

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 Third Quarter Financial Monitoring Report (to December 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 December 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 a projected overspend of £7.0m.

The Council continues to face budget pressures within Adults Social Care, Property Services & Development, City Services and Regeneration & Economic Development. 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 £174m 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 third quarter revenue monitoring position.
- 2) Approve the revised forecast capital outturn position for the year of £174m incorporating: £1.1m net increase in spending relating to approved/technical changes and £11.1m 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 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, 16th March 2026

Will this report go to Council?

No

Report title:
2025/26 Third Quarter Financial Monitoring Report (to December 2025)

1. Context (or background)

- 1.1 Cabinet approved the City Council's revenue budget of £296.7m on 25th February 2025 and a Capital Programme of £171.6m. This is the third 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 £7.0m which reflected pressures relating primarily to social care activity and price. Capital spend in 2025/26 is projected to be £174m.
- 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.

<i>Total Over / (Under) spend at Q2</i>	Service Area	Revised Net Budget	Total Forecast Spend	Total Over/ (Under) Spend at Q3	<i>Swing from Q2 to Q3</i>
£m		£m	£m	£m	£m
2.2	Adult Services and Housing	144.1	147.9	3.8	1.6
0.4	Childrens and Education	123.1	122.4	(0.7)	(1.1)
1.5	City Services	38.9	41.1	2.1	0.6
(4.5)	Contingency & Central Budgets	(44.0)	(52.6)	(8.6)	(4.1)
0.5	Digital Services	0.5	0.7	0.2	(0.3)
0.7	Finance and Resources	13.3	14.6	1.3	0.6
0.0	Legal and Governance Services	11.5	11.7	0.2	0.2
0.3	People and Organisation Development	2.9	3.2	0.2	(0.1)
(0.5)	Planning and Performance	7.7	7.4	(0.3)	0.2
(0.1)	Policy and Communication	0.4	0.4	(0.0)	0.1
1.9	Property Services and Development	(10.7)	(8.5)	2.2	0.3
(0.4)	Public Health	(1.3)	(1.8)	(0.5)	(0.1)
1.3	Regeneration and Economy Development	10.2	12.0	1.7	0.4
3.3	Total	296.7	298.3	1.6	(1.7)

- 2.2 The overspend position has improved by £1.7m since the second quarter report. An explanation of the major forecast variances is provided below. Further details are provided in Appendix 1 to the report.

Directorate

Adult Services & Housing: £3.8m overspend

The forecast overspends of £3.8m, representing 2.5% of the approved budget and an increase of 1% since Quarter 2. This mainly relates to Adult Social Care due to the costs of purchasing packages of care for adults and older people (£6.2m), which is partially offset by increased client fee income (-£1.4m). 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 and rising costs of support post-annual review, the higher needs and associated costs of cases in Mental Health, growth in residential & nursing care partly due to pressure from individuals exiting other funding arrangements such as Continuing Healthcare, and pressure in Learning Disabilities with a greater number of cases requiring intensive 1:1 support to manage 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.

These pressures are being offset at a directorate level by an underspend in Housing and Homelessness (-£1m) 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: £2.2m overspend

The increase is primarily due to residual holding costs for the City Centre South project, especially void NNDR costs at a forecast of £1.3m. Demolition is progressing, and it's anticipated that the Valuation Office will remove the properties of the rating list acknowledging the lack of beneficial occupation, leading to a cost reduction over time. Other pressures include the management of the deteriorating commercial property assets such as the market and void levels within the portfolio. Operationally the Commercial property team continues to actively manage its portfolio to mitigate this impact.

City Services: £2.1m overspend

Environmental Services & Environmental: £1.6m overspend

The forecast reports both a decline in mortality rates and the purchase of memorialisation items alongside a shift to cremation services rather than burials impacting our income against budget to a value of circa £0.8m. Further pressures have been realised in our Parks and Open spaces for works on vital tree surveys and reduced activities in parks that also impact on car park income and the Travellers Inclusion work concluding to stay with existing provision has meant some existing targets will not be met due to the commercial viability of new proposals.

Waste Disposal: £0.6m overspend

A proportion of these costs relate to the costs associated with non-recyclable waste being put into recycling bins, leading to contamination charges and reduction in recycling rebates. Other costs within Waste are associated with the costs of transport

and management fees at the Civic Amenity sites and the partial non-achievement of Food Waste Savings which is partly offset by additional Garden Waste income and an increase from Fleet services third party services.

Highways 0.1m underspend

This relates to reduced income being forecast against both penalty charge notices and residents parking scheme income at a net cost of £0.4m which is offset by energy price reductions of £0.5m against the Street Lighting scheme

Regeneration and Economic Development £1.7m overspend

The Planning Services division continues to experience financial pressures driven by a decline in planning activities, resulting in lower fee income. Additionally, cultural commercial operations have underperformed against expectations.

Further contributing to the current overspend are higher-than-anticipated costs associated with the repair and replacement of traffic signal assets, which are essential to maintain safe and reliable operation following incidents. Combined with reduced fee income, these factors have placed additional strain on the division's budget.

Finance and Resources £1.3m overspend

The majority of the overspend c£1.6m within this division relates to the Revenue and Benefits service where we are experiencing a number of demand-led pressures including higher transaction fees for receiving card payments, increasing cost of providing support to care leavers and the level of provision made for bad debt. The most significant cost pressure in this area relates to the provision of housing benefit for people in supported accommodation – for which the Council is only partly reimbursed by Government.

Vacancies within other areas of the overall service have brought the divisions overspend down to £1.3m over.

Corporate

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

Contingency and Central: £8.6m underspend

There is a £6.0m surplus forecast on Asset Management Revenue Account. £3.4m of this relates to increases in expected income from both Coventry & Solihull Waste Disposal Company (CWSDC) and Birmingham Airport dividend income, above that assumed in the base budget. Positive cash balances in December 2025 and higher interest rates contributed to reductions in forecast Interest on Borrowing as well increases in Interest Income on cash balances creating a net underspend on Treasury Management activities of £2.6m

Other favourable variances totalling £5.1m, include contingencies held in lieu of National Insurance impact, inflation on contracts and levies. This is being offset by an adverse variance of £2.5m, which is due to a forecast underachievement of 2025/26 One Coventry Programme and Senior Management savings targets.

2.3 Capital

The quarter 3 2025/26 capital outturn forecast is £174m compared with the second quarterly outturn of £184m. Table 3 below updates the budget at quarter 3 to take account of £1.1m of new approved/technical changes and £11.1m 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 64.2% of the programme is funded by external grant monies, whilst 25.1% is funded from borrowing. The programme also includes funding from capital receipts of £17.3m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2025/26 MOVEMENT	Qtr 3 Reporting £m
Revised Programme (Reported at Q2)	184.0
Approved / Technical Changes (see Appendix 2)	1.1
“Net” (Rescheduling) into future years (See Appendix 3)	(11.1)
Revised Estimated Outturn 2025-26	174.0

RESOURCES AVAILABLE:	Qtr 3 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	43.7
Grants and Contributions	111.8
Capital Receipts	17.3
Revenue Contributions and Capital Reserve	1.2
Total Resources Available	174.0

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 was dominated by the fallout of the US trade tariffs and their impact on financial markets. Equity markets declined sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. The second quarter continued with uncertainty, equity markets made gains and a divergence in US and UK government bond yields started to occur, which had been moving relatively closely together. From late June, amid a UK backdrop of economic uncertainty, concerns around the government’s fiscal position and speculation around the autumn Budget, yields on medium and longer-term gilts

pushed higher, including the 30-year which hit its highest level for almost 30 years following the budget announcement on 28th November.

UK consumer price inflation (CPI) increased over the period. At March 2025, CPI was 2.6% but going into the new financial year it rose to its peak in July – September at 3.8%. Since September it has started to fall to 3.2% in November still well above the Bank of England's 2% target. Core inflation was 3.4% in March rose to its peak in July but has since fallen to 3.5% in November.

The UK economy expanded by 0.1% within Q3 2025. The production sector contracted by 0.3%, which was driven largely by a fall in manufacturing, alongside mining and quarrying. Within manufacturing, transport equipment experienced a sharp decline, following a cyberattack that significantly disrupted Jaguar Land Rover's operations in September. Services output rose by 0.2%, providing some offset. This was supported by financial services and insurance activities, although professional and technical services weakened. Construction grew by 0.2%, with repair and maintenance activity underpinning growth, while new work declined. Alongside this, business investment and household consumption was revised upwards, suggesting growth was caused more by the private sector rather than government spending. On an annual basis the UK economy grew by 1.3% up to Qtr. 3 with household consumption and government spending both slowing down.

At the beginning of the financial year the bank base rate was 4.5%, since then there have been 0.25bpts cuts in May (4.25%), August (4.0%) and December (3.75%). The Monetary Policy Committee (MPC) voted 5-4 to cut the Bank Rate by 25bpts in December indicating some internal disagreement among committee members.

Long Term (Capital) Borrowing

The net long-term borrowing requirement for the 2025/26 Capital Programme is £28.8m, considering borrowing set out in Section 2.3 above (total £43.7m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£16.9m). 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. 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 31 December 2025 have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2025/26 to Q3	Maximum 2025/26 to Q3	At the end of Q3
5 year	3.66%	4.02%	3.80%
20 year	4.78%	5.36%	4.95%
50 year	4.53%	5.20%	4.78%

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 outweighs any potential savings.

During quarter 3, the Council have not had a need to take out any new borrowing although it was anticipated that some short-term money may have been required in December. This did not come to fruition due to the close monitoring of cashflow and timings of funds received. No further capital repayments have been made since repaying £10m of LOBO loans during the first quarter.

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 4.48% in the third 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 31/03/25 £m	As at 30/06/25 £m	As at 30/09/25 £m	As at 31/12/25 £m
Banks and Building Societies	0.0	0.0	0.0	0.0
Local Authorities	22.5	41.5	10.8	45.0
Money Market Funds	18.7	24.6	39.0	6.8
Corporate Bonds	0.0	0.0	0.0	0.0
HM Treasury	2.5	0.0	0.0	0.0
Total	43.7	66.1	49.8	51.8

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 5.08% since the beginning of the financial year. At 30th November 2025 the pooled funds had a capital value of £28.6m (£27.6m at 31st March 2025), against an original investment of £30m (a deficit of £1.4m). All seven pooled funds show a deficit value but returns remain strong. Although the world economy has shown volatility over the last 12 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 December 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 31 December 2025 the value is -£36.7m (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 31 December 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 £86.1m of existing commitments: -

	Limit	Actual 31 st December 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	33.8	0.2	34.0	26.0
	115.0	85.9	0.2	86.1	28.9

The committed or planned total of £0.2m is predominantly for the balance of loan facility to Coombe Abbey Park Ltd which may not 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 3 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 £7.0m overspend (quarter 3, 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 accepted earlier in the year, 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 have worked proactively 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.

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

Tina Pinks
Finance Manager Corporate Finance

Directorate:

Finance and Resources

Tel and email contact:

Tel: 02476 972312
Email: tina.pinks@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	13/01/26	14/01/26
Sunny Singh Heer	Lead Accountant	Finance and Resources	15/12/25	7/12/26
Elaine Hughes	Lead Accountant	Finance and Resources	15/12/25	06/12/26
Lindsey Hughes	Lead Accountant	Finance and Resources	15/12/25	23/12/25
Names of approvers for submission: (officers and members)				
Barry Hastie	Director of Finance and Resources (Section 151 Officer)	-	13/01/26	19/01/26
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	13/01/26	19/01/26
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	13/01/26	18/01/26

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 cannot recruit to vacant posts without first going through rigorous processes. In this sense managers must work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend of £7.7m 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	144.1	147.9	(2.2)	5.9	3.8
Childrens and Education	123.1	122.4	(2.2)	1.5	(0.7)
City Services	38.9	41.1	(1.8)	3.9	2.1
Digital Services	0.5	0.7	(0.1)	0.3	0.2
Finance and Resources	13.3	14.6	(0.2)	1.5	1.3
Legal and Governance Services	11.5	11.7	(0.5)	0.7	0.2
People and Organisation Development	2.9	3.2	(0.1)	0.3	0.2
Planning and Performance	7.7	7.4	(0.5)	0.1	(0.3)
Policy and Communication	0.4	0.4	(0.1)	0.1	(0.0)
Property Services and Development	(10.7)	(8.5)	(0.4)	2.6	2.2
Public Health	(1.3)	(1.8)	(0.0)	(0.5)	(0.5)
Regeneration and Economy Development	10.2	12.0	0.3	1.4	1.7
Contingency & Central Budgets	(44.0)	(52.6)	0.0	(8.6)	(8.6)
Total	296.7	298.3	(7.7)	9.4	1.6

Table 2:

Service Area	Reporting Area	Explanation	£m
Adult Social Care	Strategic Commissioning (Adults)	The underspend is due to New Homes for Old Private Finance Initiative additional client fee income above budget £0.8m and reduced transport costs £0.2m.	(1.0)
Adult Social Care	Internally Provided Services	There are salary underspends arising from vacancies of £0.4m off set by overspends against overtime, agency, & casual pay of £0.6m. Contributing to the underspend is an over-achievement of social care fee income of £0.6m.	(0.4)
Adult Social Care	Community Purchasing	We are currently experiencing ongoing and emerging pressures across various areas of care provision. The main factors contributing to the Q3 overspend are similar to those we have encountered in previous quarters.	

		<p>Firstly, the costs of new care packages have significantly impacted our expenditure. During this period, the new care packages we have commissioned have, on average, been more expensive than those that have concluded, leading to increased spending. Secondly, we are facing pressures related to the support packages in mental health. These pressures are tied to the higher needs of individuals supported in the community and those discharged from long-stay hospital or secure units, rather than an increase in the number of people requiring support. Additionally, there has been strain in supported living arrangements for individuals with learning disabilities. An increased number of cases have required intensive one-on-one support to manage needs safely within community settings, resulting in higher costs. We have also seen growth in residential and nursing care beyond anticipated levels for this year. This growth is partly due to individuals exiting other funding arrangements which has a knock-on impact on Adult Social Care (ASC). Lastly, the costs of support post-annual review for individuals are rising. Increases in review performance results in increased costs to ASC. We remain committed to scrutinising all areas of authorisation to ensure value for money while maintaining the highest standards of care and safeguarding. Moreover, we are working with partners around joint funded packages to update tools and processes used across the health and social care system.</p>	6.2
Housing	Housing and Homelessness	<p>The underspend is mainly due to a £1.9m 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 delays in projects opening costing £0.8m including Ribbon Court and the Single Homelessness Accommodation Programme (SHAP project) which are both being progressed by external housing providers and the £0.8m continuing increase in temporary Accommodation cost. Staffing and other cost underspends total £0.7m.</p>	(1.0)
TOTAL Adult Services & Housing			3.8

Children's Services	Children's Services Management Team	This underspend is primarily due to the cost of social worker recruitment and retention initiatives being lower than anticipated when the budget was set.	(0.2)
Children's Services	Corporate Parenting and Sufficiency	There is a £2.8m forecast overspend on homes for children in care. The overall number of children in residential care is lower than our financial planning assumptions, however a greater proportion are currently accommodated in more costly external spot placements which is offsetting the benefit of reduced activity. Alongside this, the level of external financial contributions towards care packages for children with disabilities and complex needs is forecast to be lower than budgeted.	2.6
Children's Services	Help & Protection	Social work case holding teams are forecast to underspend by £1.1m due to reduced levels of agency staff and overall case numbers. Section 17 budgets are forecasting to underspend by £0.6m due to reduced expenditure on assessments and temporary accommodation. Family Hubs and Early Help are forecasting to underspend by £0.9m 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.	(2.4)
Children's Services	Children in Care, Children with Disabilities & Care Leavers	The Care Leavers budget is forecast to underspend by £0.4m, this is in line with last year and is an area of budget which is being reviewed moving forwards. In addition, there are forecast underspends of £0.3m, primarily due to staffing, across the Children in Care and Throughcare services.	(0.9)
Children's Services	Safeguarding Practice and Workforce	There is an overall pressure of £0.3m primarily linked to safeguarding training income which is forecast to be below the budgeted target and agency costs relating to the Local Authority Designated Officer (LADO) function.	0.2

Education Services	Education Improvement	An underspend of circa £0.3m across historic pension costs and the data team is partly offset by an overspend across Schools Trade Union. Historic pension costs expenditure will continue to reduce over time as there are no new commitments against this. The overspend position on Schools Trade Union is linked to inflation and lower amounts of de-delegated funding.	(0.1)
Ringfenced Funding – Dedicated Schools Grant (DSG)	SEND & Specialist Services	<p>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 Q3 budgetary control the forecast in-year deficit has decreased to £1.5m.</p> <p>Expenditure against Special Schools, Mainstream Schools, Other Local Authority Schools (OLA's), Independent Specialist Placements (ISP's), Education Other Than at School (EOTAS) and Further Education is forecast to be £1.0m higher than budgeted.</p> <p>This is being offset by an underspend of £0.3m against Enhanced Resource Provisions (ERP's), due to the reprofiling of opening dates for new settings. There is also a forecast underspend of £0.7m across SEND Support Services, Personal Budgets, and Speech & Language Therapy.</p> <p>The overall position is being supported by a positive import / export adjustment and supplementary grant funding announced by the government to support with the cost of pay awards and national insurance contributions for centrally employed teachers which was unbudgeted.</p>	1.5

Ringfenced Funding – Dedicated Schools Grant (DSG)	Schools	There is a £0.9m forecast overspend against the Early Years block which 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. This is offset by a forecast £0.1m underspend against the Growth Fund and a forecast £0.1m underspend against the maintained school's maternity de-delegation budget.	0.6
Ringfenced Funding – Dedicated Schools Grant (DSG)	Education Entitlement & Enrichment Services	This is a combination of several small variances across the service, primarily due to staffing.	(0.1)
Ringfenced Funding – Dedicated Schools Grant (DSG)	Education Improvement	This is a combination of a small forecast underspend against the de-delegated New Arrivals Fund and staffing underspends across the service.	(0.1)
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.	(1.8)
TOTAL Children's and Education			(0.7)
Highways	Parking	This pressure is due to - not achieving Penalty Notice Income (Bus Lane & Parking Enforcement) £592k and - not achieving targets set in relation to Residents parking schemes £140k and Shopmobility £46k. This is partly offset by additional Car Park income of £421k	0.3
Highways	Traffic	This is primarily due to reduced energy costs on the Street Lighting Private Finance Initiatives (PFI).	(0.5)
Transport Policy & Innovation	Transport Policy	This forecast variance is attributed to a combination of factors including higher-than-expected energy costs associated with traffic signal and Urban Traffic Management and Control (UTMC) operation and expenses associated with road traffic collisions which require immediate repairs to make safe and maintain operation of traffic signal assets. In addition, highway fee income associated with	0.3

		external works and development-related activities has been lower than anticipated; all of which have contributed to the overall variance. To address this, alternative funding sources are being actively reviewed, and resources are being reallocated where possible to minimise the overall variance.	
Environmental Services	Street pride & Parks	The forecast outturn is made up of several different elements: Reduced death rates (locally and nationally) and the increase in the cost of living, Cremation, Burial and Memorialisation income is significantly reduced £769k; Parks & Open Spaces - Mandatory Tree Surveys £169k, reduced Car Park income £207k, reduced income from Events & Activities £156k and non-achievement of a savings target relating to Traveller Incursions £150k.	1.6
Environmental Services	Waste & Fleet Services	<p>Waste Disposal pressures account for £435k of this overspend, partly due to contamination costs of 131k, lower than expected recycling rebates £375k and partly due to variations in tonnage/gate fees -71k. This includes an increase in the Civic Amenities (CA) Site Management fee which is mostly due to increased transport costs.</p> <p>Pressures in Domestic Refuse and Recycling: include c£188k relating to increase transport/disposal of nitrous oxide canisters costs at the Waste Transfer Station (WTS), Collection costs c£352k (which includes non-achievement of a savings target re: Food Waste & the cost of Christmas Collections). These are partly offset by some additional income in Fleet c-£100k; additional Garden Waste income c-£290k and some miscellaneous over/underspends c£8k.</p>	0.5
City Services		Variances below £100k	(0.1)
TOTAL City Services			2.1
Finance & Resources	Revenues and Benefits	In addition to pressures related to an 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	1.6

		increase in the provision for bad debt, uncontrollable increased costs of partially subsidised accommodation have caused further budget pressures within the housing benefits subsidy service.	
Finance & Resources	Financial Management	Ongoing vacancies in the service area are under active recruitment but result in a forecasted underspend.	(0.1)
Finance & Resources		Variances below £100k	(0.2)
TOTAL FINANCE & Resources			1.3
Digital and Customer Services	ICT & Digital	The ICT overspend relates to an ongoing pressure arising from under-recovery of schools and academies income from our traded services. Work continues to have plans to try to improve the position, but this remains an area of challenge.	0.2
TOTAL Digital Services			0.2
Legal and Governance Services	Legal Services	Legal Services forecasted agency staff costs has reduced from £680k in 24-25 to £336k in 25-26 and is fully funded by vacancy savings. However, the Service has a vacancy savings target of £350k and this is driving the overall adverse forecast variance.	0.2
Legal and Governance Services	Coroner & Register Office	25-26 forecasted one off costs of the extraordinary coroner's enquiry are £295k.	0.1
Legal and Governance Services	Procurement	Prompt payment rebates have increased and are expected to outperform targets in 25-26. Vacancies in the area are being held whilst the service undergoes a structure review to maximise these opportunities.	(0.1)
Legal and Governance Services	Regulatory Services	Service areas have undergone significant restructures in recent months and vacancies are actively being recruited the underspend reflects the timing to fill roles	(0.1)
Legal and Governance Services		Variances below £100k	0.1
TOTAL Legal and Governance Services			0.2

People and Organisation Development	HR and Workforce Development Management	During the financial year, the Council invested in an organisational culture change programme for circa 500 staff, to enhance skills and improve performance.	0.1
People and Organisation Development	Employment Services	To implement the payroll restructure vacancies have been held in posts that were 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	Employment Policy & Practice	The unfunded Council Job Evaluation team continues to drive the overspend in the People Directorate.	0.1
People and Organisation Development	Facilities & Property Services	Facilities Management have had increases in income & savings targets whilst also receiving a reduction in the maintenance budget therefore currently forecasting an overspend of circa £150K. Management action is taking place to attempt to reduce this further	0.1
TOTAL People and Organisation Development			0.2
Planning & Performance	Customer and Business Services	Staffing underspends of £0.7m due to the wider service actively managing vacancies which align to corporate change initiatives while future staffing models are determined. This is offset by increased printing, postage and equipment renewal costs.	(0.5)
Planning & Performance	Libraries, Advice, Health & Information Services	Libraries budget overspend relates principally to under delivery of anticipated income across Public Libraries and the School Library Service. Additionally, we are currently forecasting an unexpected £70k ICT commitment this financial year because of worldwide support for Windows 10 ending. We expect to deliver related underspends on ICT for the next two financial years creating a longer-term balanced budget position. Income Generation and Staff Turnover Savings Targets continues to be monitored with the view to reduce the deficit position.	0.2
TOTAL Planning and Performance			(0.3)
Policy & Communication		Variance below £100k	(0.0)
TOTAL Policy and Communication			(0.0)

Property Services and Development	Commercial Property and Development	Variance relates to holding costs being charged to the service 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, including ever increasing costs associated with deteriorating property assets such as Coventry Market and older industrial estates	2.0
Property Services and Development	PSD Management & Support	Variance relates to unachievable income target for this year, but service plan demonstrates an improved position from next year.	0.2
TOTAL Property Services and Development			2.2
Public Health	Migration	This represents an underspend on Our Coventry Programme contract and overheads due to utilisation of other grant funding.	(0.5)
TOTAL Public Health			(0.5)
Regeneration and Economy Development	Culture, Sports & Events	The forecast deficit of £668k principally arises from a shortfall in commercial income for 2025/26 and higher energy costs than budget. While some smaller positive adjustments have helped mitigate the position, further mitigating actions will be required in Quarter 4.	0.6
Regeneration and Economic Development	Economic Development service (EDS)	EDS (Economic Development service) has generated surplus by maximisation of grant income to the service and earnings from delivery of contract programmes to external partners.	(0.2)
Regeneration and Economic Development	Regeneration & Economy Management Support	The variance predominantly relates to a shortfall against the income target for sponsorship and commercial activity. £100k is now forecast to be achieved by the end of 2025/26 against a target of £375k, leaving a shortfall of £275k. This is a £55k variance from Quarter 2, driven by slippage on two high-value income projects due to dependencies around technical design/approvals and installation programme sequencing. Work continues to progress delivery and bring forward other pipeline opportunities where possible to improve the overall position.	0.3
Transport Policy & Innovation	Transport Policy	This forecast variance is attributed to a combination of factors including higher-than-expected energy costs associated with traffic	0.3

		signal and Urban Traffic Management and Control (UTMC) operation and expenses associated with road traffic collisions which require immediate repairs to make safe and maintain operation of traffic signal assets. In addition, highway fee income associated with external works and development-related activities has been lower than anticipated; all of which have contributed to the overall variance. To address this, alternative funding sources are being actively reviewed, and resources are being reallocated where possible to minimise the overall variance.	
Development Management	Planning Services	The income target for planning application fees, level of development interest is influenced by a range of factors outside of the Council's control. The current forecast is based on actual to date and the overall planning application activity in Coventry remains broadly in line with national trends. Coventry progressing with plan making and engagement with national policy evolution. Anticipated recruitment to several vacant posts is required to continue to meet requirement of legislation.	0.7
TOTAL Regeneration and Economy Development			1.7
Contingency & Central Budgets	Revenue AFC	favourable variances totalling £5.1m, include contingencies held in lieu of National Insurance impact, inflation on contracts and levies. This is being offset by an adverse variance of £2.5m, which is due to a forecast underachievement of 2025/26 One Coventry Programme and Senior Management savings targets.	(2.6)
Contingency & Central Budgets	Treasury Management	There is a £6.0m surplus forecast on Asset Management Revenue Account. £3.4m of this relates to increases in expected income from both Coventry & Solihull Waste Disposal Company (CWSDC) and Birmingham Airport dividend income, above that assumed in the base budget. Positive cash balances in December 2025 and higher interest rates contributed to reductions in forecast Interest on Borrowing as well increases in Interest Income on cash balances creating a net underspend on Treasury Management activities of £2.6m	(6.0)

TOTAL Contingency & Central Budgets	(8.6)
Total Outturn Variances	1.6

Appendix 2

Capital Programme Approved / Technical Changes

SCHEME	EXPLANATION	£m
Highways Maintenance & Investment	<p>The WMCA has been awarded funding to carry out decarbonisation trials as part of the Centre of Excellence for Decarbonising Roads (CEDR).</p> <p>WMCA have awarded £1m to Coventry City Council for trials of asphalt preservation, rejuvenation and resurfacing products at Broad Lane, Willenhall Lane, Jimmy Hill Way and Ring Road Junctions 2-4.</p>	1.0
Miscellaneous	Schemes below £250k reporting threshold	0.1
TOTAL APPROVED / TECHNICAL CHANGES		1.1

Appendix 3

Capital Programme: Analysis of Programme Acceleration/(Rescheduling)

SCHEME	EXPLANATION	£m
City Centre Cultural Gateway	A revised cashflow from the contractor identifies £6m of rescheduling into 2026-27, this reflects an amendment to phased payment projections. The programme is still expected to complete during 2026	(6.1)
Vehicle & Plant Replacement	Expenditure to the tune of £1.4m is rescheduled into next financial year due to a delay in the delivery of 7 Refuse vehicles. The vehicles are on order but are not due to be delivered until after March 2026.	(1.4)
Education Programme - Basic Need	Pearl Hyde project has now been split into two phases, prioritising the internal works to create the learning space for reception pupils. This has caused a slight delay to the main works, to ensure the first phase was handed over for the beginning of the academic year. There has also been a delay in obtaining planning consent for Baginton school along with the completion of the tender process to ensure compliance.	(1.4)
Housing Venture	There is no defined plan for joint venture schemes with Citizen this financial year, therefore funding is rescheduled into next year.	(1.0)
Street Lighting - LED Upgrade	A delay in receiving delivery of Street Lighting lanterns from the manufacturer has resulted in fewer lanterns being installed on site than programmed. The delay is due to have an impact until March resulting in £1m rescheduling into next financial year.	(1.0)
ICT	The implementation of the adult social care access system will take place over 2 financial years, this element of rescheduling recognises the spend to be incurred in 2026-27.	(0.4)
Miscellaneous	Schemes below £250k reporting threshold.	0.2
TOTAL RESCHEDULING		(11.1)

Appendix 4

Prudential Indicators

Indicator	per Treasury Management Strategy 2025/26	As at 31 st December 2026
<p>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.</p>	14.21%	14.03%
<p>Gross Borrowing should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) at 31st March 2025 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.</p>	Estimate / limit of £571.5m	£335.8m Gross borrowing within the limit.
<p>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.</p>	£591.5m	£335.8m is less than the authorised limit.
<p>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.</p>	£571.5m	£335.8m is less than the operational boundary.
<p>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.</p>	£513.6m	£227.0m
<p>Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9), as above highlighting interest rate exposure risk.</p>	£102.7m	-£36.7m

<p>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> <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

16th March 2026

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:

Quarter Three Internal Audit Progress Report 2025-26

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 an update on the internal audit activity for the period April to December 2025, against the Internal Audit Plan for 2025-26.

Recommendations:

Audit and Procurement Committee is recommended to:

1. Note the performance as at quarter three against the Internal Audit Plan for 2025-26.
2. Consider the summary findings of the key audit reviews (attached at Appendix Two).

List of Appendices included:

Appendix One - Audit Reviews Completed between April and December 2025

Appendix Two - Summary Findings from Key Audit Reports

Background papers:

None

Other useful documents:

None

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:

Quarter Three Internal Audit Progress Report 2025-26

1. Context (or background)

1.1 This report is the second monitoring report for 2025-26, which is presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

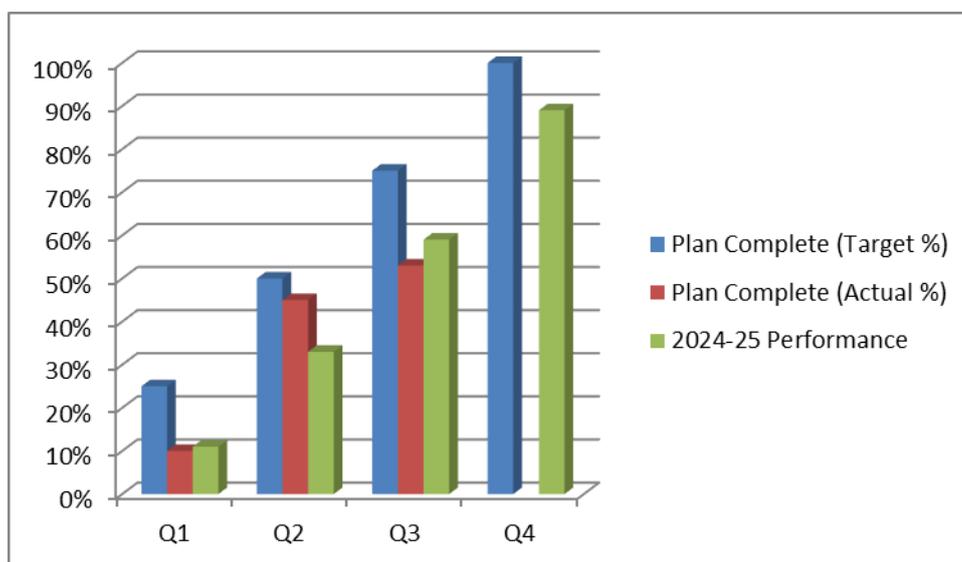
2. Options considered and recommended proposal

2.1 Delivering the Audit Plan

2.1.1 At its meeting on the 2nd February 2026, the Audit and Procurement Committee received an update on the resource position within the Internal Audit Service. As a result, the Committee noted that the Internal Audit Plan had been amended to 550 days, which reflects the impact of unplanned absence in the Service and the time taken to implement the agreed service redesign.

2.1.2 The key target facing the Internal Audit Service is to complete 90% of its work plan by the 31st March 2026. The chart below provides analysis of progress against planned work for the period April to December 2025 based on the revised audit plan of 550 days.

Chart One: Progress against delivery of Internal Audit Plan 2025-26



As at the end of December 2025, the Service had completed 53% of the Audit Plan against a benchmark of 75% (which reflects delivery of 100% of the Plan.) It is recognised that performance is below expectation, with the impact of the unplanned absence being visible in the quarter three performance. However, notwithstanding this, based on an assessment of performance as at February 2026, it is predicted that the Service will achieve over 80% of the plan by the end of March 2026. It

should also be noted that whilst the audits which are required to be completed to achieve 90% of the plan may not be finalised by the end of March 2026, the work in support of them will be substantially complete.

2.1.3 Taking into account the points at 2.1.1 and 2.1.2 above, it is the view of the Chief Internal Auditor that these issues will not, in any significant respects, impact on the ability to deliver the annual internal audit conclusion.

2.2 Other Key Performance Indicators (KPIs)

At its meeting in November 2025, the Audit and Procurement Committee approved the performance indicators for the Internal Audit Service for 2025-26, in line with the Global Internal Audit Standards in the UK Public Sector. Whilst some of these indicators are measured on an annual basis, there are two (in addition to the indicator in 2.1 above) which are measured quarterly. The table below shows a summary of the performance for 2025-26 to date against these two performance indicators.

Table One: Internal Audit Quarterly Key Performance Indicators 2025-26

Performance Measure	Target	Performance Q3 2025/26
Average customer feedback score	4.8 out of 5	5
% of agreed audit recommendations which have been followed up and have been implemented as planned	70%	50%

It should be noted that the indicator relating to the percentage of audit recommendations implemented as planned is not exclusively a reflection of Internal Audit performance as management are responsible for completing agreed actions. However, notwithstanding this, the Internal Audit Service have recently put in place additional measures to support the gradual improvement of implementation rates. This includes further development of the directorate trackers, specific discussions at the draft report stage on the importance of the timely implementation of agreed actions, and enhancements to the follow up process to make officers more accountable for lack of progress.

2.3 Audits Completed to Date

Attached at Appendix One is a list of the audits finalised between April and December 2025, along with the level of assurance provided.

As at the 31st December 2025, the following audits were in progress:

- **Audits at Draft Report Stage** – Ransomware Threat, Noise Team Rotas
- **Audits On-going** – Property Disposals, Allowances and Overtime, Security Certificates, Governance over AI, Housing Benefits (Domestic Abuse refuse cases), Payroll, Commercial Property Rent, Purchasing Cards (Children’s and Education), Formal Follow Up – Broad Heath Primary School

Details of a selection of key reviews completed in this period are provided at Appendix Two. In all cases, the relevant managers have agreed to address the issues raised in line with the timescales stated. These reviews will be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

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 monitoring report.

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

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, 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 are no legal implications arising from the recommendations in this report.

Reporting on progress in regards to the delivery of the Annual Audit Plan ensures that the Council meets its statutory obligations in respect of maintaining an internal audit function and represents good governance.

6. Other implications

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

Internal Auditing is defined in the Global Internal Audit Standards in the UK Public Sector as "an independent, objective assurance and advisory service designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control

processes". As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis and reflected in the annual Internal Audit Plan.

6.2 How is risk being managed?

In terms of risk management, there are two focuses:

- Internal Audit perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee. Delays in the delivery of individual audits could occur at the request of the customer, which could impact on the delivery of the plan. This risk is managed through on-going communication with customers to agree timing and identify issues at any early stage to allow for remedial action to be taken.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

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

No impact

6.6 Implications for partner organisations?

None

Report author(s):

Name and job title:

Karen Tyler
Chief Internal Auditor

Service:

Finance

Tel and email contact:

Tel: 024 76972186
Email: Karen.tyler@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-ordinator	Law, Governance and Safer Communities	25/2/2026	25/2/2026
Tina Pinks	Finance Manager Corporate Finance	Finance	25/2/2026	4/3/2026
Oluremi Aremu	Head of Legal and Procurement Services	Law, Governance and Safer Communities	25/2/2026	4/3/2026
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance and Resources	-	25/2/2026	4/3/2026
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	25/2/2026	2/3/2026
Councillor R Lakha	Chair of Audit and Procurement Committee	-	25/2/2026	25/2/2026

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

Appendix One – Audit Reviews Completed between April and December 2025

Audit Area	Audit Title	Assurance	Previous Assurance level (if applicable)
2024-25 B/Fwd	Corporate Income	Significant	Significant
	CareDirector	Reasonable	Reasonable
	Building Control	Reasonable	n/a
Corporate Risk	New working arrangements in Waste Services	Reasonable	Reasonable
	Return of ICT equipment	Significant	n/a
	Coventry Municipal Holdings – conflicts of interest	Reasonable	n/a
Regularity	Proactive invoice checks	Verification	n/a
	Turnaround Programme grant	Verification	n/a
	HUG 2 grant	Verification	n/a
	SHDF wave 2 grant	Verification	n/a
	Network North highways grant	Verification	n/a
	Homelessness grants	Verification	n/a
	Bus Subsidy grant	Verification	n/a
	Disabled Facility grant	Verification	n/a
	Annual Governance Statement	Reasonable	Reasonable
	Teachers Pension Statements	Verification	n/a
	Youth Justice grant	Verification	n/a
	Innovate UK grant	Verification	n/a
	Cannon Park Primary School	Significant	Significant
	Eastern Green Primary School	Reasonable	Significant
	Grangehurst Primary School	Significant	Significant
	Holbrook Primary School	Reasonable	Significant
	Joseph Cash Primary School	Reasonable	Significant
	Spon Gate Primary School	Reasonable	Significant
	Our Lady of Assumption Catholic Primary School	Reasonable	Reasonable
Directorate issues	Adult Education Enrolment	Limited	n/a
	SEND Home to School Taxi Provision	Significant	Limited
	Occupational Therapy Equipment	Reasonable	n/a
	Repairs & Maintenance Training Records	Reasonable	n/a
	Timesheets	Fact finding	n/a
Follow ups	Management of Plant and Equipment	Limited	Limited
	Transparency Code	Reasonable	Limited

Appendix Two – Summary Findings from Key Audit Reports Completed between April and December 2025

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>Occupational Therapy Equipment</p> <p>December 2026</p> <p>Therapy and Community Equipment Service Manager, Warehouse Manager, Repairs and Maintenance Commercial Manager</p>	<p>Overall Objective: To provide assurance that the Council has effective arrangements in place to ensure the provision and collection of loaned therapy equipment is managed appropriately.</p> <p>Key controls assessed:</p> <ul style="list-style-type: none"> - Procedures are in place to ensure that appropriate equipment is ordered and delivered on a timely basis following an assessment. - Arrangements are in place to ensure that equipment is collected on a timely basis when no longer required and is dealt with appropriately. - Processes ensure that appropriate stock levels are maintained to support the efficient provision of equipment, with arrangements in place to ensure stock is safeguarded and can be accounted for. <p>Opinion: Reasonable Assurance</p> <p>The review highlighted that in general terms, there are appropriate arrangements in place leading to effective outcomes for individuals. However, it was clear that there are opportunities for improvement across a number of areas, particularly in relation to processes and procedures which underpin effective performance management, which is key in any service which deals with a high volume of transactions.</p> <p>Agreed Actions - risk level high (H) or medium (M):</p> <ul style="list-style-type: none"> • Review and update the Therapy Criteria and Guidance to provide clear definitions and expectations on when key tasks linked to the timely provision of equipment should be completed by. (H) • Undertake periodic spot checks to monitor the timeliness of equipment orders and take action as appropriate to improve performance. (H) • Revise the process for specialist equipment orders by removing the requirement for line management approval and creating a specific form in ELMS to manage the process. (M)

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<ul style="list-style-type: none">• Take action to improve controls over replacement equipment. (M)• Take action to agree a set of appropriate performance indicators between the Therapy and Community Equipment Service and Repairs and Maintenance, including establishing arrangements for providing quarterly performance updates. (M)• Put in place an appropriate process to monitor and manage collections on a routine basis. (M)• Ensure a stock check is completed on high value items (> £1,000) on a quarterly basis and on all low value items (<£1000) on an annual basis. (M)• Ensure that a process is developed to undertake stock checks on equipment managed by Repairs and Maintenance on a periodic basis. (M)

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>SEND Home to School Taxi Provision</p> <p>September 2026</p> <p>Transport Commissioning Officer</p>	<p>Overall Objective: To provide assurance that effective arrangements are in place to provide adequate control over the use of taxis for home to school transport relating to SEND provision.</p> <p>Key controls assessed:</p> <ul style="list-style-type: none"> - Effective arrangements are in place in relation to the procurement of taxis to provide home to school transport, including where there are changes to requirements. - Appropriate systems exist to support the efficient and effective processing of invoices from suppliers with appropriate checks and balances in place as part of contract management. - Robust systems are in place to support the provision of accurate financial forecasts. <p>Opinion: Significant Assurance</p> <p>It is clear that there is now much more effective control over the use of taxis, including arrangements to manage the contract appropriately, more accurately forecast spend and administer invoices in an effective and efficient way. These arrangements support the Council in achieving value for money in delivering the service. Whilst the review did highlight a small number of areas for improvement, these do not undermine the arrangements in place.</p> <p>Agreed Actions - risk level high (H) or medium (M):</p> <ul style="list-style-type: none"> • Where a route has been subject to a direct award, ensure this is clearly shown in the procurement run spreadsheet, along with the reason. (M) • Take action to develop an appropriate policy / procedures to deal with charges for cancellations / no-shows. (M) • Consolidate the Bulk PO spreadsheet into the Taxi Tracker. (M) • Further develop the invoice query spreadsheet to record the date upon which invoices have been queried with the provider to allow for effective monitoring. (M)

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

16th March 2026

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:

Internal Audit Recommendation Tracking Report

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with an update on the progress made in implementing internal audit recommendations since January 2025.

Recommendations:

The Audit and Procurement Committee is recommended to note the progress made in implementing audit recommendations and confirm its satisfaction with this and the proposed action by the Chief Internal Auditor for audits where actions remain outstanding.

List of Appendices included:

Appendix One – Results of Formal Follow up Exercise

Appendix Two – Results of Self-Assessment Follow up Exercise

Background papers:

None

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:

Internal Audit Recommendation Tracking Report

1. Context (or background)

- 1.1 The Global Internal Audit Standards in the UK Public Sector requires that “Internal auditors must confirm that management has implemented internal auditor’s recommendations or management’s action plans following an established methodology.”
- 1.2 As reflected within its terms of reference, the Audit and Procurement Committee is required to receive reports on Internal Audit’s follow up process. This report provides an update as to progress in respect of the agreed management actions which have been followed up during the period January 2025 to January 2026.

2. Options considered and recommended proposal

- 2.1 **Follow Up Procedure** - Given the number of audits that the Internal Audit Service completes every year, it is critical that it has a robust procedure in place for ensuring that it obtains appropriate assurance that audit recommendations have been implemented but does so in an efficient and proportionate way. Where appropriate, Internal Audit defines within its audit reports the follow up process to those responsible for the system / area under review and a date is agreed of when this will take place.

Currently, the key consideration that will determine the follow up procedure adopted is the level of assurance provided in the audit report, with the follow up procedure being:

- 1) A self-assessment process; or
- 2) A formal follow up review.

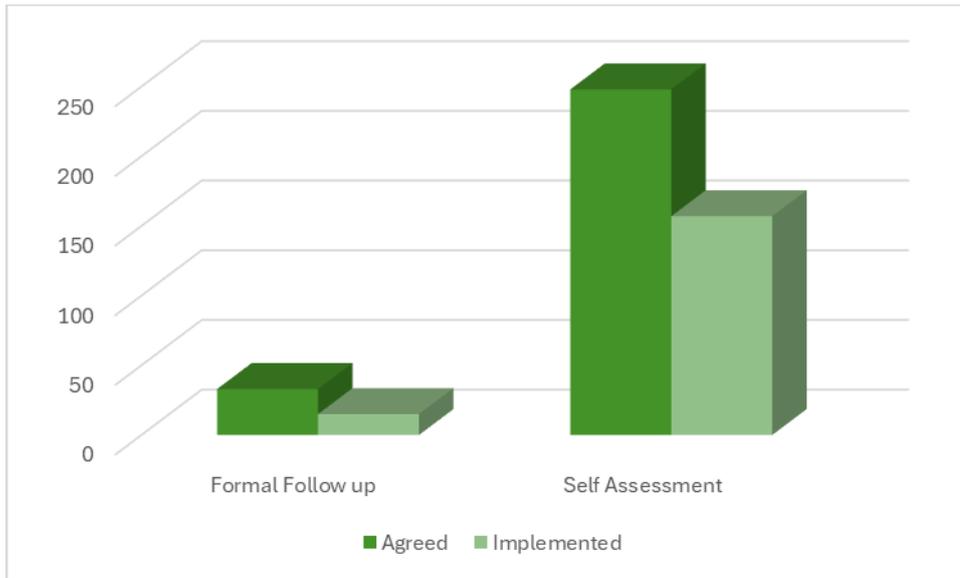
- 2.2 These considerations are expanded upon below:

- **Self-assessment process:** For any audit which receives “significant” or “reasonable” assurance, a process exists which is based on a self-assessment by relevant managers. This involves Internal Audit asking managers for an update on the action taken to implement audit recommendations.
- **Formal follow up:** Any audit which receives 'no' or 'limited' assurance is subject to a follow up review to assess improvements based on a timing agreed between Internal Audit and relevant management. This involves Internal Audit assessing progress through audit testing to ensure that agreed actions have been implemented and are working effectively.

- 2.3 Overall, it is believed that the procedure achieves the right balance between ensuring action is taken in response to risks identified by Internal Audit and allowing the Service to focus on delivering the Annual Audit Plan.

2.4 It should be noted that the results presented in this report represent the overall implementation rates for the agreed audit actions and do not take into account that the same action may have been followed up more than once in the period. As such, the implementation rates reported here will differ from the performance indicator which is reported quarterly to Audit and Procurement Committee which includes each occasion an action is followed up.

2.5 **Results** – The results of the latest follow up exercise are attached at Appendix One and Two and are summarised in the graph below.



Of the 281 actions followed up, 61% have been implemented based on both the formal and self-assessment follow up method. This compares to 65% last year. When this is analysed by follow up method the results are:

- Formal follow up method – 45% implementation rate.
- Self-assessment follow up method – 63% implementation rate.

In terms of the specific results, the following points should be considered:

- Formal follow up – The implementation rate of 45% has decreased since last year (53%). However, this may reflect the smaller number of actions followed up by this process in the current period.
- Self- assessment – The rate of implementation has also decreased since last year (72%). This may reflect that additional scrutiny is now being applied to self-assessments with clarity being sought where managers do not provide sufficient information to support their assessment.

Directorate trackers are in place for each Director to assist them to monitor progress and ensure that actions will be implemented by the due date. In addition, the quarterly performance indicator forms part of the Leadership Board dashboard. Further measures have also recently been taken to support the gradual improvement of

implementation rates. This includes further development of the directorate trackers, specific discussions at the draft report stage on the importance of the timely implementation of agreed actions, and enhancements to the follow up process to make officers more accountable for lack of progress. The Chief Internal Auditor is due to attend Leadership Board in April 2026 to discuss the follow up process further.

- 2.6 **Proposed Way Forward for Dealing with Outstanding Actions** - After the follow up has been completed, the results are collated within Internal Audit. If progress is not consistent with expectations, audit management will determine the next course of action.

Based on the reasons for the lack of progress, the following courses of action are available:

- Revised implementation dates are agreed for outstanding actions.
- Concerns raised through the management structure to ensure senior managers are aware of both the lack of progress made and the risks still facing a service.
- As a last resort, to ask the Audit and Procurement Committee to intervene and seek prompt action from the relevant manager.

The proposed actions for the audits where recommendations remain outstanding are highlighted within Appendices One and Two.

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 monitoring report.

5. **Comments from the Director of Finance and Resources and the Director of Law, Governance and Safer Communities**

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, 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 are no legal implications arising from the recommendations in this report.

Reporting on progress in implementing audit recommendations ensures that the Council meets its statutory obligations in respect of maintaining an effective internal audit function and represents good governance.

6. Other implications

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

Internal Auditing is defined in the Global Internal Audit Standards in the UK Public Sector as "an independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes." As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis and reflected in the annual Internal Audit Plan.

6.2 How is risk being managed?

In terms of risk management, there are two focuses:

- Internal Audit Service perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

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

No impact

6.6 Implications for partner organisations?

None

Report author:

Name and job title:

Karen Tyler
Chief Internal Auditor

Service:

Finance

Tel and email contact:

024 76972186 – Karen.tyler@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-ordinator	Law, Governance and Safer Communities	25/2/2026	25/2/2026
Tina Pinks	Finance Manager Corporate Finance	Finance	25/2/2026	4/3/2026
Oluremi Aremu	Head of Legal and Procurement Services	Law, Governance and Safer Communities	25/2/2026	4/3/2026
Names of approvers for submission: (officers and members)				
Barry Hastie	Director of Finance and Resources	-	25/2/2026	4/3/2026
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	25/2/2026	2/3/2026
Councillor R Lakha	Chair of Audit and Procurement Committee	-	25/2/2026	25/2/2026

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Appendix One – Results of Formal Follow Up Exercise

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Business Rates 24/25	2	0	13	7	Subject to a further formal follow up
CareDirector 24/25	0	0	8	5	
Management of Plant and Equipment	2	0	3	1	Subject to a further formal follow up
Transparency Code	4	2	1	0	
Total	8	2	25	13	

Revised implementation dates have been agreed for all outstanding actions, and these will be followed up through a further formal follow up / the self-assessment process

Appendix Two – Results of Self-Assessment Follow up Exercise

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Sports asset maintenance programme	1	1	3	3	
Statutory compliance	4	4	1	1	
Longford Park Primary School	2	0	12	9	
Repairs and Maintenance	3	3	0	0	
Asset Management Leavers	0	0	1	1	
Housing Benefit Subsidy	0	0	5	5	
Waste Services Working Arrangements	5	2	5	2	
Cyber Security	6	4	6	4	
Hollyfast Primary School	0	0	1	1	
Stoke Primary School	2	1	1	0	
John Gulson Primary School	2	1	3	2	
Whitmore Park Primary School	1	0	3	3	
Off Contract Agency Spend	1	0	5	3	
Willenhall Community Primary School	2	1	6	3	
Software Asset Management	0	0	1	1	
Plas Dol-y-moch Recruitment	0	0	1	1	
Health Visitors Contract	0	0	2	2	
Register Office	0	0	1	0	
Energy Billing	0	0	4	3	
Allesley Primary School	0	0	1	1	
Mobile Devices	0	0	1	1	
Home to School Transport Assistance	0	0	2	2	

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Budgetary Control	0	0	1	0	
Payment Kiosks	0	0	4	1	
Housing Benefits and Council Tax Support	0	0	2	2	
ICT Equipment Physical Security Controls	0	0	5	3	
Howes Community Primary School	2	2	5	2	
Stivichall Primary School	1	1	7	5	
Council Tax Arrears	0	0	1	0	
Accounts Payable	0	0	1	0	
Homelessness	0	0	3	3	
Emergency Planning and Business Continuity	1	1	4	4	
Deprivation of Liberty Safeguards	1	1	2	1	
Group Governance Review	2	0	12	10	
End User Computing	0	0	4	1	
Enabling Attendance	1	0	2	0	
Corporate Income	0	0	4	4	
Henley Green Primary School	2	0	15	8	
Longford Park Primary School	2	0	4	1	
Ernesford Grange Primary School	4	2	13	6	
Implementation of new IT Systems / Upgrades	1	1	7	7	
Sowe Valley Primary School	4	3	9	5	
CMH Management of Conflicts of Interest	1	1	0	0	

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Pre-employment Checks	2	0	7	1	Progress delayed due to restructure / staffing changes
Spon Gate Primary School	2	2	4	2	
Grangehurst Primary School	2	2	10	10	
Total	57	33	191	124	

Revised implementation dates have been agreed for all outstanding actions, and these will be followed through a further self-assessment.

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Public report

Audit and Procurement Committee

16th March 2026

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 2026

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 2026 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 September 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 require the Committee to monitor the effective development and operation of risk management within the Council. It was agreed in March 2024 that the Audit and Procurement Committee would receive the Corporate Risk Register twice a year in line with the 2024 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 2026, which was received and reviewed by Leadership Board on 10th February 2026 and subsequently resulted in the reduction in the residual risk score for one risk and the addition of two new risks to the Corporate Risk Register.

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 Owners. 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 Audit & Procurement Committee last received the report in September 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:

Risk 42 – Statutory Engineering Inspections

Leadership Team agreed that escalation to the corporate register was necessary until the mitigating actions surrounding this contract are embedded.

Risk 43 – Elections

In recognition of the all-out election in May 2026, Leadership Board agreed that elections should be added to the latest version of the Corporate Risk Register.

Risks removed in this review:

No risks have been removed from this updated 2026 Risk Register.

Risks where the residual risk score has decreased:

Risk 1 – Finance

In recognition of the significantly improved Quarter 3 monitoring report (compared to both the 2025/26 Quarter 2 Cabinet report position and the prior year position in the 2024/25 Quarter 3 Cabinet report), as well as the 2026/27 Revenue Budget Setting and Medium Term Financial Strategy approved on 24th February 2026 as a result of favourable funding position for Coventry (confirmed in the final 2026/27 Local Government Finance Settlement). These reports demonstrate the Council's financial resilience for the three-year settlement period and the risk score has been reduced to reflect this.

Risks where the residual risk score has increased:

There are no risks where the residual score has increased

- 2.4 It is proposed that the Corporate Risk Register be reviewed by the Audit and Procurement Committee next in September 2026.

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:**

Tina Pinks
Corporate Finance Manager

Service:

Finance

Tel and email contact:

02476 972312 – tina.pinks@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/ approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Susanna Chilton	Director of People Services	People Services	10/02/26	02/03/26
Liz Read	Head of Electoral Services and Deputy Returning Officer		10/02/26	03/03/26
Lara Knight	Governance Services Coordinator	Law and Governance	02/03/26	04/03/26
Names of approvers for submission: (officers and members)				
Julie Newman	Director of Law and Governance	Law and Governance	02/03/26	03/03/26
Barry Hastie	Director of Finance and Resources (Section 151 Officer)	Finance	02/03/26	05/03/26
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	02/03/26	05/03/26
Councillor R Lakha	Chair of Audit and Procurement Committee	-	02/03/26	03/03/26

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Corporate Risk Register February 2026

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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:

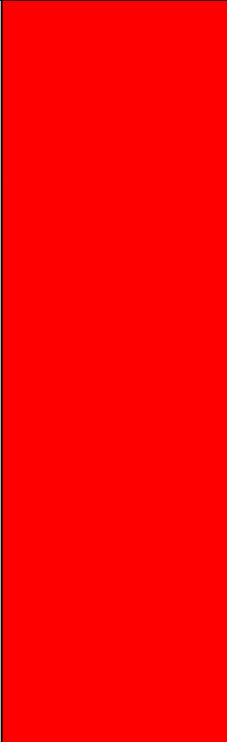
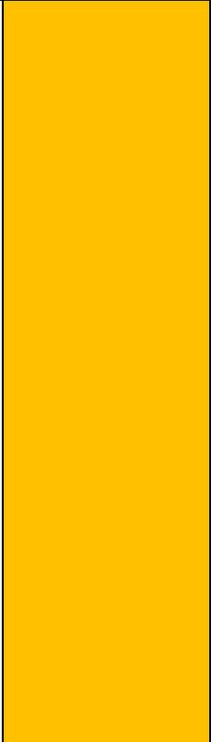
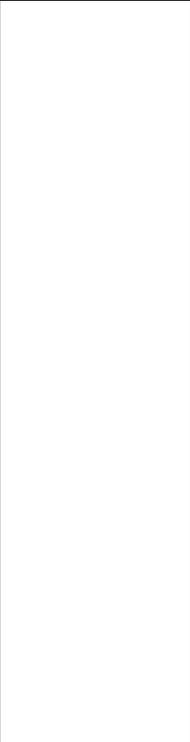
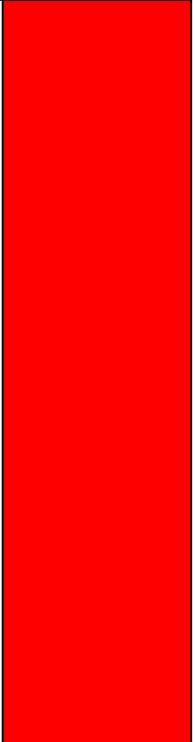
- **Inherent Risk:** Before controls
- **Residual Risk:** After controls

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

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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 June 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.</p> <p>The forecast outturn at Q3 for 2025/26 is a overspend position of £1.6m recognising continued pressure across many areas of the budget, including increased demand, and complexity in services, including in Adults and Children's Social Care, and the legacy impact of inflationary pressures across many areas of the budget.</p> <p>The provisional Fair Funding Settlement has been announced, providing a 3-year settlement and new cash resources for Coventry using a needs-based formula. In these circumstances there are inherent risks that new</p>	<p>The 3-year settlement enables a much better medium-term view of the Councils finances, although indicative allocations will allow Councils to plan more effectively, the Government will reserve the right to review allocations each year.</p> <p>There are many economic factors affecting public sector finances, such that each year will still need to be considered based on prevailing circumstances, such is the volatility in recent years. The Council will still need to ensure Government funding together with local taxation decisions are sufficient to cover existing cost and emerging pressures.</p> <p>In addition, the council continues to be faced with ongoing demand for support from citizens</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>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 manage its resources and ensure focus remains of key strategic priorities.</p> <p>The Government have implemented their Fair Funding system for Local Authority Funding during this year. The needs-based formula now recognises the level of funding required to support Coventry, although, due to the transitional nature of the new funding assessment, the full effect of this will</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</p> <p>AMBER</p>	<p>Director of Finance and Resources: Barry Hastie</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>resources are not used effectively to deliver corporate objectives, and that on-going spending and income is not controlled to delegated budgets.</p>	<p>driven by current national financial challenges, the stubborn levels of inflation and cumulative impact of inflationary pressures, relatively high costs of borrowing and the persistent cost of living crisis</p> <p>The council need to meet the complex needs of vulnerable people, address inequalities and work towards climate change commitments.</p>		<p>take 3 years to fully benefit the city. This does however provide some certainty of funding levels for the city over the next 3 years, suggesting further headroom for the 2 years subsequent to the current budgeting cycle and the opportunity to build a medium-term financial plan for the city focusing of key strategic priorities. 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>			
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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 June 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 it's 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: Paul Ward	<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 June 2025
6	<p>Supporting people who require support from Adult Social Care. 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 due to the complexity of cases presenting and the increasing costs of meeting care and support needs. 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</p>	<p>Increased Risk to Vulnerable Adults and Statutory Non-Compliance Growing demand from an ageing population and working age 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, higher long-term care costs and adverse outcomes from regulatory processes.</p>	<p>Likelihood Score 3</p> <p>Impact Score 5</p> <p>Total Score 15</p> <p>Risk Level RED</p>	<p>Prioritisation, Workforce Development, and Risk Management</p> <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 Oversight: 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. • Partnership working: Reviewing and establishing clear protocols 	<p>Likelihood Score 3</p> <p>Impact Score 4</p> <p>Total Score 12</p> <p>Risk Level AMBER</p>	<p>Director of Care, Health and Housing: Pete Fahy</p> <p>Assistant Director for Social Care and Support: Kirstin Clarke</p>	<p>Likelihood Score 3</p> <p>Impact Score 4</p> <p>Total Score 12</p> <p>Risk Level AMBER</p>

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	Council's capacity to respond in a timely manner to this demand			for cases where joint funded of CHC/S117 funded with ICB colleagues. <ul style="list-style-type: none">• Market Management: clear processes for fee setting and fee agreements with the market led by Commissioning.			
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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 June 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 children and young people suffering significant harm or death.</p> <p>Children will suffer worse physical and emotional health and wellbeing, leaving them less able to lead happy and fulfilling lives.</p> <p>Potential for complaints and litigation.</p> <p>Children’s circumstances and outcomes will not improve, they will not reach their potential and be less able to be independent in adult life.</p> <p>The reputation of the Council and its statutory partners is reduced because they have failed to safeguard or protect.</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: Sukriti Sen</p> <p>Chris Heeley Matt Clayton Angela Whitrick</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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Delivering High-Quality Children’s Services:

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.

Raising Safeguarding Awareness Across the Council:

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.

Safeguarding Considerations in Service Redesign:

Any proposed changes to service delivery are carefully assessed for potential safeguarding impacts, with appropriate mitigation strategies developed as part of the planning process.

Improving Responses to Missing Children:

Systems are in place to effectively identify and respond to children who go missing. This includes statutory return home interviews and targeted interventions to

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reduce repeat incidents and safeguard children.

Managing Increased Demand and Complexity:

Strategic workforce planning and demand forecasting are in place to respond to increased case complexity, ensuring service delivery remains safe and sustainable.

Embedding Consistent Practice Standards:

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.

Implementing the social care reforms

The programme now enters its next phase, with the engagement and design of the Multi-Agency Child Protection Teams commencing. This builds on the solid foundations already in place and aims to further strengthen safeguarding practice, enhance professional collaboration, and ensure that interventions are tailored to the individual needs of children and families across the system

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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 June 2025
19	<p>An increase in families in temporary accommodation and street homelessness which is not countered by availability of social and affordable housing to provide move on options.</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</p>	<p>Rising Family Homelessness and Long-Term Housing Pressure</p> <p>While overall temporary accommodation (TA) demand has stabilised and more recently shown minor reductions the overall numbers are expected to remain high into 2026/27. 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 as affordable move on options are limited. Prolonged stays in TA can negatively impact family well-being, increase inequality, and undermine the Council's</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, move from TA to private rented, 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>	<p>Director of Care, Health and Housing: Pete Fahy</p> <p>Head of Housing: Jim Crawshaw</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</p> <p>RED</p>

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	<p>2024. Since September 2024 overall numbers have plateaued and we have more recently started to see some minor reductions, however, are still very high. How the impact of the Renters Reform Act 2025 effects on the private rental market is yet unknown.</p>	<p>ability to meet its statutory housing duties.</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 June 2025
25	<p>Education and the link to inequalities</p> <p>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.</p>	<p>Quality education is key to raising attainment and reducing inequalities and gaps in achievement for vulnerable pupils.</p> <p>An increase in the number of young people not in education, employment, and training.</p> <p>Greater deprivation as young people are unable to sustain a livelihood in the future.</p> <p>Inequalities will not reduce in line with the Council's One Coventry priorities.</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>	<p>A joined up One Coventry approach (including locality prototypes) to enable families to access support as early as possible.</p> <p>Launch of Early Help Strategy 2023-2025 and close working arrangements between Schools, Education and Children's Services to understand how family support can impact positively on the lives of children and young people.</p> <p>Doing It together: Getting a Good Education workstream has representation from headteachers across the city and feeds into the Coventry Safeguarding Partnership.</p> <p>Co-ordination and facilitation of the Coventry Education Partnership including school improvement, school to school support, collaboration, to support quality education and whole school improvement.</p> <p>Management of supply and demand of school places across Coventry to fulfil the local authority's statutory duty in providing sufficient school places.</p> <p>Review of the Fair Access Protocol to</p>	<p>Likelihood Score</p> <p>2</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>6</p> <p>Risk Level AMBER</p>	<p>Director of Children and Education Services: Sukriti Sen</p> <p>Racheal Sugars</p> <p>Jeannette Essex</p>	<p>Likelihood Score</p> <p>2</p> <p>Impact Score</p> <p>3</p> <p>Total Score</p> <p>6</p> <p>Risk Level AMBER</p>

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				<p>ensure that the Council can continue to allocate school places for unplaced children and young people. The introduction of schemes and funding for bulge classes across the city to respond to significant increases in in-year admissions.</p> <p>Management of education capital investment in school buildings. This includes the delivery of the One Strategic plan, including Secondary and Special School expansion, and capital expansion to support the delivery of bulge classes across the city.</p> <p>Life-pathway approach including effective commissioning of the service supporting people Not in Education, Employment or Training. Tracking for young people, after the age of 16, to ensure appropriate pathways are identified.</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 June 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. The quality of external provision is lower than within City publicly funded schools and children achieve poorer outcomes.</p>	<p>Impact on the wellbeing and outcomes for children with special education needs in their childhood and on life chances into adulthood.</p> <p>Impact on the Council's budget, due to increased volume and unit costs, which is a factor in the Council setting an in-year deficit budget of the High Needs Block in 2025/26 and increased pressures on the home to school transport budget</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>Further specialist school placements will be commissioned locally, with a focus on delivering the planned expansion of Woodfield Special School on the Woodlands site in the medium term.</p> <p>The capacity of special schools for learning disability will be maximised in the short term, through a programme of capital expansion.</p> <p>A range of early intervention and alternative support pathways will reduce the demand for special school placements by offering high quality mainstream alternatives. This will include a series of enhanced resourced provisions (units) within mainstream schools.</p> <p>A co-produced workforce strategy will support the development of skills and expertise, enabling schools to further develop inclusive practice and increase capacity to meet a broader range of complex needs, underpinned by a training programme.</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</p> <p>RED</p>	<p>Director of Children and Education Services</p> <p>Sukriti Sen</p> <p>Racheal Sugars</p> <p>Jeannette Essex</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</p> <p>RED</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 June 2025
27	<p>Reducing health inequalities</p> <p>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.</p>	<p>Worsening Health Outcomes: Deprived and vulnerable populations will continue to suffer from poorer health, reduced quality of life, and shorter life expectancy.</p> <p>Persistent Inequality: The gap in life expectancy between affluent and deprived areas will remain wide or worsen.</p> <p>Increased Social Issues: There may be rises in domestic abuse, sexual violence, and substance dependence.</p> <p>Economic and Social Consequences: Residents may struggle to live healthy, independent, and economically productive lives, impacting community wellbeing and economic growth.</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>Strategic Resource Allocation: Protecting the ring-fenced public health grant. Aligning financial strategies to systematically reduce inequalities.</p> <p>Equity-Focused Commissioning: Embedding equality impact assessments (EIA) and scrutiny in commissioning, employment, training, and procurement.</p> <p>Population Health Management: Using data-driven approaches to identify and respond to health needs. Prioritizing prevention across all care pathways.</p> <p>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.</p> <p>Collaborative and Community-Based Approaches: Working with the Integrated Care</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 Public Health and Wellbeing: Allison Duggal</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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			System and voluntary/community groups. Empowering communities through leadership development and co-production (One Coventry approach).			
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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 June 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</p> <p>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</p> <p>AMBER</p>	Director of People: Susanna Chilton	<p>Likelihood Score</p> <p>3</p> <p>Impact Score</p> <p>4</p> <p>Total Score</p> <p>12</p> <p>Risk Level</p> <p>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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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 June 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</p> <p>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</p> <p>RED</p>	Director of People: Susanna Chilton	<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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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 June 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 in litigation, regulatory</p>	<p>Likelihood Score 5</p> <p>Impact Score 5</p> <p>Total Score 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 5</p> <p>Impact Score 3</p> <p>Total Score 15</p> <p>Risk Level RED</p>	Director of Digital Services: Paul Ward	<p>Likelihood Score 4</p> <p>Impact Score 3</p> <p>Total Score 12</p> <p>Risk Level AMBER</p>

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		<p> 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>		<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. <p>Business Continuity and Disaster Recovery</p> <ul style="list-style-type: none"> • Service-Level Planning: Each service area is responsible for its own business continuity and disaster recovery plans. 			
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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>	<p>Director of Law and Governance: Julie Newman</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</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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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 June 2025
40	<p>Mainstream Education Sufficiency</p> <p>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 across the mainstream sector, and is also impacting on co-ordinated admissions (Year 6/7).</p> <p>Recent government changes announced in relation to VAT on private school fees could result in</p>	<p>The Secondary sector has already been expanded to meet birth rate pressure. 17/22 schools have been expanded to meet temporary and permanent increase.</p> <p>Primary and Secondary: Pupils are having to be allocated via the Fair Access Protocol over and above Pupil Admission Number putting pressure on already expanded and fuller schools.</p> <p>Less pupils are allocated a preference school impacting on the level of complaints, PR, and children not in school (school refusers, EHE).</p> <p>Use of DSG Growth funding to incentivise schools to grow due to</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</p> <p>RED</p>	<p>Implemented and delivered further planned Primary and Secondary school expansion (temporary and permanent) through reutilising previous temporary growth and opening bulge classes across primary (11) and secondary (1).</p> <p>Use of capital funding to ensure schools can be supported to expand and have appropriate facilities to support additional pupil numbers.</p> <p>Updated Pupil Place Planning forecasting process to include levels of pupil growth – modelling the impact over the short and longer term.</p> <p>Communication, Information Sharing and Partnership approach to school expansion focussing on flexibility for schools to grow and shrink according to pupil demand.</p> <p>In the process of securing a site to open further secondary school provision from September 2027 via a free school presumption process.</p> <p>Ongoing discussions with primary and secondary colleagues in relation to future expansions, and close liaison with the DfE Sufficiency Team in relation to capacity</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</p> <p>AMBER</p>	<p>Director of Children and Education Services: Sukriti Sen</p> <p>Strategic Lead – Education: Rachael Sugars</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</p> <p>AMBER</p>

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	<p>pupil movement from the private sector to the state sector.</p>	<p>the lagged funding system for schools.</p> <p>Changes to DFE methodology to capital funding allocations (3-year model to a 2-year model) mean that resources to support further expansion (temporary and permanent) are limited.</p>		<p>for in-year and coordinated admissions including supported discussions with MATs where required.</p>			
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One Coventry Priority: Effective use of resources							
Service Area: Statutory Engineering Inspections							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score June 2025
42	<p>Statutory Engineering Inspections – Compliance & contract failures, limited resources to manage the statutory engineering inspection contract, combined with inconsistent accountability across Council to appoint a “Responsible Person” within each Service Area.</p> <p>This results in statutory engineering inspection reports (including safety-critical defect findings) not being properly actioned.</p> <p>Potential consequences include missed or overdue statutory inspections, undetected safety-critical defects, equipment failure, and failure to act on inspection findings. This may lead to serious injury or fatality, inadequate evidence and record-keeping, and increased legal and regulatory exposure.</p>	<p>Consequence / Impact:</p> <ol style="list-style-type: none"> 1. Potential Injury or fatality to equipment users or maintenance personnel. 2. Equipment failure due to undetected defects 3. Enforcement action by HSE (improvement or prohibition notices) 4. Criminal prosecution and significant fines 5. Civil claims for injury, damage, or loss 6. Reputational damage and loss of public confidence 7. Senior leadership accountability failures due to poor governance 8. Service disruption and operational delays 	<p>Likelihood Score</p> <p>2</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>10</p> <p>Risk Level</p> <p>AMBER</p>	<p>A Corporate contract is in place for statutory engineering inspections.</p> <p>Periodic reports are issued by contractor identifying defects and advisory actions.</p> <p>Work is underway to identify a Responsible Person in each Service Area for statutory inspection compliance.</p> <p>Resource has been increased to support contract management and compliance oversight. This will involve implement a centralised tracking and reporting system for inspections, defects, and actions within the next 3 months.</p> <p>Introduction a formal escalation and governance process for overdue inspections or unaddressed defects.</p> <p>Delivery of targeted training for Responsible Persons on LOLER, PUWER, PSSR obligations.</p> <p>Communication between the contractor, Corporate Compliance team has been improved including monthly account review meetings.</p>	<p>Likelihood Score</p> <p>2</p> <p>Impact Score</p> <p>5</p> <p>Total Score</p> <p>10</p> <p>Risk Level</p> <p>AMBER</p>	<p>Director of Finance and Resources: Barry Hastie</p> <p>Director of People: Susanna Chilton</p>	<p>N/A</p> <p>NEW</p>

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One Coventry Priority: Council's role as a partner, enabler and leader							
Service Area: Elections							
No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner	Previous score June 2025
43	<p>Elections - A loss of key staff or failure to comply with legislative requirements may result in a failure to deliver elections and increase the chance of an election petition being lodged, resulting in the need to rerun the election at significant cost and with severe reputational damage.</p>	<p>Consequence / Impact:</p> <ol style="list-style-type: none"> 1. Failure to deliver elections. 2. Potential that an election petition could be lodged resulting in the need to rerun the election at significant cost and with severe reputational damage. 3. Reputational damage and loss of public confidence 4. Senior leadership accountability failures due to poor governance 	<p>Likelihood Score 2</p> <p>Impact Score 5</p> <p>Total Score 10</p> <p>Risk Level AMBER</p>	<p>The Council has detailed project plans, which are monitored by a high-level Project Board, Chaired by the Director of Law and Governance.</p> <p>Service contingency plans are being reviewed. These include plans for the count venue, polling stations and IT.</p> <p>The Council has experienced and trained staff who understand rules and procedures. Current Vacancy – Deputy Manager role and training being arranged for the staff who are new to elections.</p> <p>The Council follows detailed guidance provided by the Electoral Commission.</p> <p>The Council senior leadership team has been gaining greater exposure and understanding of elections in order that there is greater resilience and the Council is less reliant on single individuals. Will need to review in view of some of the SLT changes.</p> <p>The Elections Service is receiving greater support from the wider Governance function to assist at the busiest times. For</p>	<p>Likelihood Score 2</p> <p>Impact Score 3</p> <p>Total Score 6</p> <p>Risk Level AMBER</p>	<p>Director of Law and Governance: Julie Newman</p> <p>Manager Electoral Services: Liz Read</p>	<p>N/A</p> <p>NEW</p>

APPENDIX 1

				<p>example, when elections need to be organized at short notice.</p> <p>Elections staff database is being reviewed to ensure that up to date information is contained and new people added to ensure that there are sufficient casual staff to run elections</p>			
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Public report Committee Report

Audit and Procurement Committee

16th March 2026

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:

Michelle Salmon
Governance Services Officer

Lara Knight
Governance Services Co-ordinator

Directorate:

Law and Governance

Email contact:

michelle.salmon@coventry.gov.uk

Lara.knight@coventry.gov.uk

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

No.	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
	Nil				

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
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

2024/25 Statement of Accounts (Grant Thornton)
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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