

AGENDA

AUDIT AND RISK MANAGEMENT COMMITTEE

MONDAY, 24 NOVEMBER 2025

4.00 PM

**COUNCIL CHAMBER, FENLAND HALL,
COUNTY ROAD, MARCH**

Committee Officer: Jo Goodrum
Tel: 01354 622424
e-mail: memberservices@fenland.gov.uk

- 1 To receive apologies for absence.
- 2 Previous Minutes. (Pages 3 - 8)

To confirm the minutes of 28 July 2025.
- 3 To report additional items for consideration which the Chairman deems urgent by virtue of special circumstances to be now specified.
- 4 Members to declare any interests under the Local Code of Conduct in respect of any item to be discussed at the meeting.
- 5 Draft - Auditor's Annual Report 2024/25 (Pages 9 - 42)

To receive the draft Auditor's Annual Report on the 2024/25 external audit.
- 6 Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review 2025/26 (Pages 43 - 52)

To review the activity for first six months of the year and to provide members with an update on matters pertinent to the Council's Treasury Management Strategy.
- 7 Internal Audit Plan 2025/26 - Progress Report (Pages 53 - 64)

To approve the updated internal audit plan and resources for the year; to consider and note the activity and performance of the Internal Audit function, and to consider the implementation of audit actions.

8 Corporate Risk Register Review (Pages 65 - 92)

To provide an update to the Audit and Risk Management Committee on the Council's Corporate Risk Register.

9 Audit and Risk Management Committee Work Programme (Pages 93 - 100)

For information purposes.

10 Items of Topical Interest.

11 Items which the Chairman has under item 3 deemed urgent.

Friday, 14 November 2025

Members: Councillor K French (Chairman), Councillor I Benney (Vice-Chairman), Councillor G Booth, Councillor G Christy, Councillor Mrs J French, Councillor S Harris and Councillor J Mockett

AUDIT AND RISK MANAGEMENT COMMITTEE

MONDAY, 28 JULY 2025 - 4.00 PM



PRESENT: Councillor K French (Chairman), Councillor I Benney (Vice-Chairman), Councillor G Booth, Councillor G Christy and Councillor Mrs J French

APOLOGIES: Councillor J Mockett

Officers in attendance: Sam Anthony (Head of HR and OD), Peter Catchpole (Corporate Director and Chief Finance Officer) and Deborah Moss (Head of Internal Audit)

ARMC1/25 TO APPOINT A CHAIRMAN FOR THE MUNICIPAL YEAR

It was proposed by Councillor Mrs French, seconded by Councillor Booth and agreed that Councillor Kim French be appointed as Chairman of the Audit and Risk Management Committee for the municipal year 2025/26.

ARMC2/25 TO APPOINT A VICE CHAIRMAN FOR THE MUNICIPAL YEAR

It was proposed by Councillor Miss French, seconded by Councillor Mrs French and agreed that Councillor Benney be appointed as Vice Chairman of the Audit and Risk Management Committee for the municipal year 2025/26.

ARMC3/25 PREVIOUS MINUTES.

The minutes of the meeting held 12 May 2025 were approved and signed as a correct record.

ARMC4/25 MANDATORY TRAINING – VERBAL UPDATE

Sam Anthony, Head of Human Resources, provided a verbal update on mandatory training.

Members made comments, asked questions and received responses as follows:

- Councillor Mrs French stated that this appears to be a large amount of work which needs to be undertaken by officers, and she questioned whether there are enough staff to complete the training as well as carry out their day-to-day work. Sam Anthony explained that the courses are all E-learning courses and are scheduled so that they can be completed within the officers working week which is why staff have been allocated a time frame of a year in order to complete them all so that it does not impact on their day job and they can still undertake their role and deliver the services that they need to.
- Councillor Booth stated that there appears to be a number of courses for completion and he questioned as to whether consideration has been given to scheduling different modules over different months and providing a deadline in order to manage the training going forwards? Sam Anthony stated that the current completion rate is 50% which is encouraging but if the compliance rate were to drop then that could be something that could be considered. She added that with regards to health and safety courses there is a quarterly focus on certain topics which is promoted to all staff.
- Councillor Christy asked what arrangements are in place for those members of staff who are not office based to undertake the training? Sam Anthony explained that all members of

staff have access to the app so that they can access it on their mobile phones, however, in her view, it is reasonable for the training to be provided in house and in particular for refuse and recycling teams there are micro training sessions being carried out face to face in order that those staff who only require an awareness of a particular subject receive that training in their team meetings.

- Councillor Mrs French asked how many staff are still working from home? Sam Anthony explained that there is approximately 50% occupancy in most of the Councils' buildings on a day-to-day basis and there is still a significant amount of the workforce who are working from home or in an agile way.
- Councillor Booth asked whether the training modules are tailored to different levels as he feels that the Armed Forces Covenant would be more tailored to the senior management so that they can ensure it is being delivered as opposed to the refuse collection operatives where that subject would have very little impact on their day to day role because they are unlikely to be undertaking any recruitment or setting policies. Sam Anthony stated that the courses are mandatory for the type of role that people undertake.
- Councillor Tierney expressed the view that it does seem an extreme amount of mandatory training courses for officers to complete but if different areas of the Council have different elements of training which they need to undertake that is far better. He expressed the view that there does appear to be a high level of extra work for staff to undertake and he asked whether there is any way of ascertaining whether the staff feel as though they are gaining any value by completing all the training or whether they feel as though they are being forced to undertake pointless training? Sam Anthony stated that an evaluation process will be undertaken which will be completed after the first year to ascertain what the value is. She added that some of the mandatory courses are on subject matters which have not been covered robustly in the past. Sam Anthony made the point for subject matters, such as the Bribery Act and the responsibility of individuals with regards to that act, it does mean that officers are given the opportunity to elevate their knowledge. She added that with Local Government Reform coming forwards within the near future, the training is going some way to upskilling the workforce in readiness for that.
- Councillor Kim French asked whether any of the training is being rolled out to the elected members? Sam Anthony stated that the training is available to members and if the committee choose to make a recommendation it is something that can be considered.
- Peter Catchpole expressed the view that he welcomes the discussion which has taken place and added that as it has only been rolled out this year it has already stimulated some debate. He added that when a written report is provided it may entail some further detail. Peter Catchpole referred to the point made by Councillor Tierney with regards to it appearing that there is a significant amount of training for officers to undertake, however, a lot of the courses are only seven or eight-minute bite size modules however dependent on the member of staff's role there could be more in-depth training needed. He added that some of the courses are just to provide an overview to gain an awareness and because they are small bite size modules, it does not mean that officers have to put aside a large amount of their working day to complete the training which, in his view, is important.

Members noted the verbal update for information.

ARMC5/25 RISK REGISTER – QUARTERLY UPDATE

Members considered the Corporate Risk Register quarterly update presented by Sam Anthony, Head of Human Resources.

Members asked questions, made comments and received responses as follows:

- Councillor Booth referred to the three additional controls which Sam Anthony had referred to and asked whether they were going to be moved into the mitigation column as they will now become effective controls going forward, questioning whether as a result that will affect the scores? Sam Anthony explained that the mitigation column will be completed, and the

evaluation will be undertaken at the next review to see if it has had an impact before the scores are amended.

- Councillor Booth referred to the point by Sam Anthony with regard to declarations of interest and he asked whether that was for officers or elected members? Sam Anthony explained that she manages the declarations of interest for officers and the process will now be subject to an annual review. She added that where anybody declares an outside interest such as a School Governor, it is recorded on their personal file and will be subject to annual review. Sam Anthony added that Member Services manage the declaration of interest process for members. Councillor Booth expressed the view that he would like to see the distinction made in the mitigation element of the risk register so that it is made clearer, as most people would be under the impression that in Local Government, declaration of interest relates to councillors. Sam Anthony stated that this is a valid point which she will feed back.

Members AGREED the latest version of the Corporate Risk Register.

ARMC6/25 LOCAL CODE OF GOVERNANCE

Members considered the Local Code of Governance report presented by Deborah Moss, Head of Internal Audit.

Members made comments, asked questions and received responses as follows:

- Councillor Mrs French stated that with regards to the Constitution, following a recent Planning Committee, there were a number of confidential items listed on the agenda and as a result she has suggested to the Portfolio Holder for Planning and to the Head of Planning that there needs to be a change in the constitution so that items such as Section 215 and Section 216 matters do not need to be determined by the Planning Committee.
- Councillor Booth referred to page 46 where it refers to actions and controls and makes reference to quality policy and then further down in the document it mentions quality diversity and inclusion policy. He asked whether there are two policies which cover the same area or are they the same? Councillor Booth stated that he would suggest that because it is being viewed from a legal perspective then it should just be the Equality Policy as it reflects the Equality Act 2010. He expressed the view the other wording has a negative connotation and what is trying to be achieved is the legal obligation through that policy. Deborah Moss stated that she did find it difficult to ascertain whether there was an equality policy in place, however, one was drafted in 2025 with the title being the Equality, Diversity and Inclusion Policy which is why it has been included with that title, and she explained that it is not just an equality policy. Councillor Booth expressed the view that he does not think it is the correct title to be used in the current climate.

Members AGREED to endorse the new Local Code of Governance.

ARMC7/25 DRAFT ANNUAL GOVERNANCE STATEMENT 2024/25

Members considered the Draft Annual Governance Statement report presented by Peter Catchpole, Section 151 Officer.

Members asked questions, made comments and received responses as follows:

- Councillor Booth made reference to page 76 of the report which relates to areas of further improvement to the Council's governance, with item 3 referring to the local decisions record to be introduced to capture all officer decisions to enhance transparency and record keeping and questioned whether there is a level as to what the decisions should be because there is the potential to be inundated with reams of paperwork every time an officer makes any type of decision and he feels that it should be quantified. Peter Catchpole stated that he feels that is a very valid point and he clarified whether Councillor Booth is referring to monetary

value decisions. Councillor Booth explained that he does mean monetary or if it has a strategic policy impact. Peter Catchpole stated that he will look to incorporate some further definition, and asked Councillor Booth if he can provide any further guidance on what that should be. He explained that his view was that it should be in line with the Constitution of Officer Decisions and the value there. Councillor Booth stated that he feels that would be a very good starting point and added that when considering the call in process it should probably be at the same type of level.

- Councillor Christy referred to point 8 where it mentions enforced use of purchase orders to enhance financial management commitments for accounting and he asked whether there was an associated deadline or timeframe for that to happen? Peter Catchpole explained that he would like to see this happen within the current financial year and added that the Council is having to move its financial system Agresso to the cloud. He stated that as part of the implementation which begins in October there is the need to get officers used to the fact that items will not be processed unless they have a purchase order. Peter Catchpole added that there are exceptions to that and things such as utility bills where there cannot be purchase order for. He added that the new system is being rolled out currently in order that when the implementation date arrives the officers will be more used to it.

Members AGREED that the content of the Draft Annual Governance Statement for 2024/25 to be included in the Council's published Statement of Accounts 2024/25.

ARMC8/25 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2024/25

Members considered the Internal Audit Annual Report and Opinion presented by Deborah Moss, Internal Audit Manager.

Members made comments, asked questions and received responses as follows:

- Councillor Booth stated that the report mainly relates to last year and the opinion has been provided with regards to the effectiveness of the audit function. He added that at a previous meeting the subject of resourcing was discussed, and he asked for an update on that issue and what impact that is going to have looking forward. Deborah Moss explained that she can give the committee a partial update although there is still no definitive conclusion at the present time. She explained that an officer from the Transformation Team has moved across to Internal Audit on a part time basis although the position is a full-time post. She added that as a result there is still the residue of that resource and consideration is being given to that issue and is being discussed by the Management Team as to whether it is going to be advertised as a 0.4 or higher.
- Peter Catchpole explained that resourcing is under constant review and the committee are all aware that over the last few years there have been expensive interim officers filling posts within the team which has proved costly, and it is not something that the Council wishes to continue with. He added that the Council have been fortunate to recruit Deborah Moss as the Head of Internal Audit and currently she is the only full-time employee within the Audit Team. Peter Catchpole added that the intention is to try and get more and more risk based on the audits and also considering Local Government Reorganisation which is also on the horizon as well so different options are being explored, and consideration is being given to a possible shared resource or a specialist resource coming in to do certain things. He explained that there has been a focus on cyber security over the past few months and the 0.4 post is still under review as some of that budget could be used to bring in one or two specialists to undertake audits on what is high risk. Peter Catchpole expressed the opinion that the committee should be provided with an up-to-date status later in the year with an up-to-date audit plan to match the resource. He added that the key point for him is the ability to be able to deliver the audit opinion and the resourcing is still under review but as long as the audit plan is robust that enables at the end of the year to deliver an opinion then the objective has been achieved.
- Councillor Booth stated that at page 95 it makes reference to the Asset Management Plan

and the fact that the Management Team have decided that it is no longer required. He asked Deborah Moss to clarify how much resistance is received from recommendations made in audit reports and whilst he appreciates that no Audit Team will be perfect and nor will they have a perfect understanding of everything, in his view, it is healthy to actually have challenge on some of the recommendations. Councillor Booth stated that he believes it is the first time he has ever seen that in a report where an action has been cancelled. Deborah Moss explained that she has used the word cancelled due to the fact that it had been accepted originally rather than rejected at the reporting stage. She added that with the onset of Local Government Reorganization, it appears that elements are being reconsidered which is perfectly acceptable. Deborah Moss added that there are a number of actions which have been postponed due to the proposed reorganisation and that could be down to the time aspect or just because people are considering the importance of tasks including whether there is a better way of doing things or whether there is a more joined up way of working. She stated that she would hope that there is not a significant impact on the agreed actions and that they will still be pursued and moved forward.

- Councillor Booth stated that he would like to know how much push back is received on audit actions from management and is there much discussion. He added that normally a draft report will be produced and then feedback is received but he questioned whether there is appropriate push back or whether the actions are just accepted without any sort of challenge. Deborah Moss explained that the discussion and agreement takes place at the closing meeting and at that time there is a discussion of findings and then agreeing any required actions which is why the terminology has changed from recommendations to agreed actions and if they are not agreed then they are not included within the report. She added that if there was an element which Internal Audit wanted to be implemented and if it was not agreed by management then it would be reported to the committee if it was deemed necessary and dependent on the risk and the control. Councillor Booth made the point that it is important to have that healthy discussion and debate because on many occasions an audit recommendation is received, and it is just accepted even if it is felt that it is not the right recommendation.
- Peter Catchpole stated that Deborah Moss is given plenty of scope to raise issues and he meets regularly with her. He added that a Corporate Governance Group has been set up which includes Deborah Moss and Amy Brown, along with himself so that any issues where it is felt that there is a clash or a disagreement can be discussed. Peter Catchpole added that any concerns are also raised at Management Team in front of the Chief Executive and any areas of real dispute or disagreement would come to the committee. He stated that Asset Management Plans can be in place for 30 years and it does not mean that the Council does not have actions in place to manage its assets but a 30 year asset plan would normally look at improvements or enhancements and at the current time the scenario is to consider what is in place at the moment rather than looking at anything larger.

Members AGREED

- **the outturn for Internal Audit for 2024-25, which highlights the audits that were completed and their associated assurance ratings and also the additional assurances gained from other sources of work completed in-house and externally to support the Annual Audit Opinion; and**
- **the Head of Internal Audit's opinion on the adequacy and effectiveness of governance, risk and internal control processes.**

ARMC9/25 AUDIT AND RISK MANAGEMENT COMMITTEE ANNUAL REPORT 2024/25

Members considered the Audit and Risk Management Committee Annual Report 2024/25 presented by Councillor Kim French, Chairman of the Committee.

Members AGREED the Audit and Risk Management Committee Annual Report for 2024-2025 to be forwarded to Full Council in September.

ARMC10/25 AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME

Members considered the Audit and Risk Management Committee Workplan.

Peter Catchpole advised the committee that, at the current time, the items for the next meeting in September means that there will not be a lengthy agenda.

Councillor Mrs French questioned why there have been two meetings scheduled to take place a month apart in February and March 2025. Peter Catchpole explained that it is likely that one of those meetings will be cancelled but will be dependent on timings of audit results.

Councillor Booth suggested that the meeting on the 29 September could be cancelled as there would appear to be only a substantive item to bring forward. Deborah Moss explained that the Audit Plan does need full approval, and it can be circulated to members. Councillor Booth stated that would be a good idea, but he added that it is a work in progress anyway. Deborah Moss added that the updated version will only be a diluted version of the plan which came to the committee previously.

Members AGREED to note the workplan and for the meeting of the 29 September to be cancelled.

ARMC11/25 ITEMS OF TOPICAL INTEREST.

There were no items of topical interest.

4.44 pm

Chairman

Fenland District Council

Draft Auditor's Annual Report
Year ended 31 March 2025

14 November 2025



Shape the future
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The better the question. The better the answer. The better the world works.



Audit and Risk Management Committee
Fenland District Council
Fenland Hall, County Road,
March,
Cambridgeshire,
PE15 8NQ

14 November 2025

Dear Audit and Risk Management Committee Members,

2024/25 Draft Auditor's Annual Report

We are pleased to attach our draft Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Fenland District Council. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25. As the financial statement audit is still in progress as of November 2025, this report has been issued as draft and will be finalised as part of issuing the 2024/25 Audit Results Report.

This report is intended to draw to the attention of Fenland District Council any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Risk Management Committee meeting on 24 November 2025.

The [EY UK 2025 Transparency Report | EY - UK](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

Debbie Hanson

Partner

For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>).

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Risk Management Committee and management of Fenland District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Risk Management Committee and management of Fenland District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Risk Management Committee and management of Fenland District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Fenland District Council and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft Annual Report to Those Charged with Governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work (which is still ongoing at the date of drafting this report) in accordance with the Audit Plan that we issued on 23 April 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- Whether the financial statements give a true and fair view of the financial position of the Council and its expenditure and income for the year; and
- Have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- If the Annual Governance Statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- The use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- If we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Council

The Council is responsible for the preparation of the financial statements, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 Conclusions

Financial statements	<p>Disclaimed - As reported in our Audit Completion Reports of 4 November 2024 and 31 January 2025, we issued disclaimer of opinions on the Council's 2022/23 and 2023/24 financial statements under these arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have started to audit the closing balance sheet and in-year transactions and expect to be able to complete most of our planned procedures, thus obtaining assurance over a number of, but not all, balances and transactions. We have however not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances.</p> <p>As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all of the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 backstop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement.</p> <p>We therefore anticipate issuing a disclaimed 2024/25 audit opinion.</p> <p>Given that this is the first substantive audit performed in the last three financial years, there were numerous challenges for both ourselves as the auditors and for the Council's finance team. These included the departure of the previous Chief Accountant who had a key role in the preparation of the financial statements in previous years, and the resulting need for the new Chief Accountant and other members of the finance team to take on new roles and responsibilities related to the accounts. Despite these challenges, both teams have worked effectively together, allowing us to start to gain assurance over several account areas. The Council have indicated that they are committed to the audit process and to the build back of assurance, taking on board feedback from our 2024/25 audit and associated reporting. While there are still numerous challenges to be faced for 2025/26 and improvements to be made, as outlined in this report, the Council has taken a step in the right direction with the 2024/25 audit and the knowledge gained by both the Council and EY will have a positive impact on the audit in future years.</p>
Going concern	<p>Where a disclaimer of opinion is issued on the financial statements, we do not conclude on whether the use of the going concern basis of accounting is appropriate.</p>
Consistency of the other information published with the financial statements	<p>As we have not yet completed our audit of the 2024/25 financial statements, we have yet to conclude on whether financial information in the narrative statement and published with the financial statements is consistent with the accounts. We will provide an update in the finalised version of this report.</p>

Executive Summary (cont'd)

2024/25 Conclusions (cont'd)

Value for money (VFM)	We had no matters to report by exception on the Council's VFM arrangements.
Consistency of the Annual Governance Statement (AGS)	We were satisfied that the AGS was consistent with our understanding of the Council. We did note that the AGS was not published alongside the Draft Statement of Accounts by the 30 June 2025 deadline and have considered this within our VFM commentary in Section 03.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our Audit Certificate until these procedures are complete. We currently have no issues to report.
Certificate	We will issue our certificate once our audit is completed and we have concluded on all procedures required by the NAO on the Whole of Government Accounts submission.

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

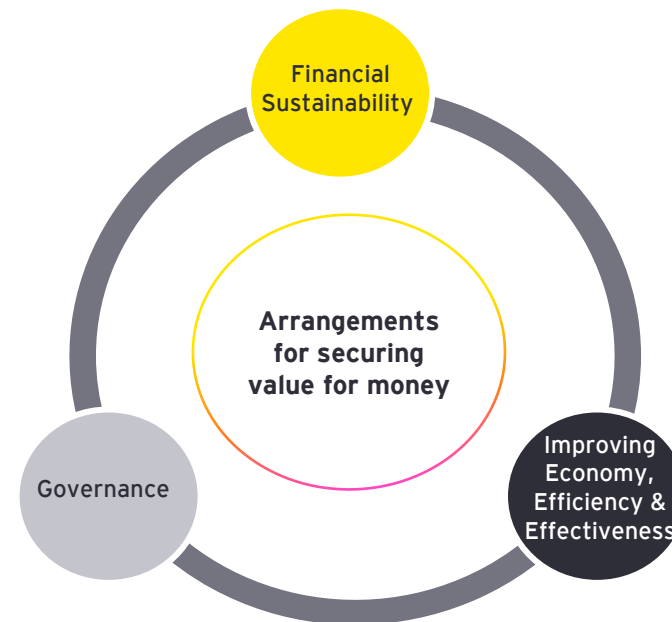
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

- 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.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- Our cumulative audit knowledge and experience as your auditor;
- Reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- Our review of Council committee reports;
- Meetings with the S151 Officer;
- Information from external sources; and
- Evaluation of associated documentation through our regular engagement with Fenland District Council management and the finance team.



Executive Summary (cont'd)

Reporting

Our VFM commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Council, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor’s Annual Report, which must be issued by 30 November. The recommendations we have agreed with the Council are included in Appendices A and B.

The final version of this report will be issued alongside the signed audit report concluding on the 2024/25 period.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified.	No significant weakness identified.
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	One significant risk identified in relation to the timely publication of the financial statements.	No significant weakness identified.
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	No significant risks identified.	No significant weakness identified.

Executive Summary (cont'd)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

[EY UK 2025 Transparency Report | EY – UK](#)



02 Audit of financial statements

Audit of financial statements

Key findings

The Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

Our audit of the 2024/25 financial statements is currently in progress. We will report our findings in our Audit Results Report to the February 2026 Audit Committee.

At this stage of the audit, we have been unable to progress the audit as we initially planned. Although the Council was able to publish its draft accounts by the statutory deadline of 30 June 2025, we have encountered challenges during the course of the audit as outlined on the following pages.

These issues have impacted on us carrying out our planned audit work in some areas and we do not anticipate being able to complete all planned procedures for the 2024/25 audit.

Audit of financial statements (cont'd)

Financial statement reporting assessment

Management, and the Audit and Risk Management Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below and over-page sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

Where we have been unable to undertake all planned procedures, this is likely to extend the timetable to recover assurance on the Council's financial statements.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on Page 15. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations. However, the Annual Governance Statement (AGS) was not published alongside the financial statements are required per the regulations.	The Council were unaware of the requirement to publish the AGS along with the accounts by the deadline and have agreed to ensure the 2025/26 AGS is published prior to the statutory deadline. We have therefore deemed the process to be 'effective'.
Quality and completeness of the draft financial statements	Ineffective			The first version of the draft financial statements published by the Council had significant internal inconsistencies, typographical and arithmetic errors that should have been identified through internal quality review prior to publication.	The Council published a second version of the draft 2024/25 financial statements in July 2025. Whilst these were significantly improved, we have still identified various disclosure errors during the audit, which remains ongoing.
Delivery of working papers in accordance with agreed client assistance schedule	Requires Improvement			Working papers and requested evidence were often not provided in line with the agreed timetable.	N/A

Audit of financial statements (cont'd)

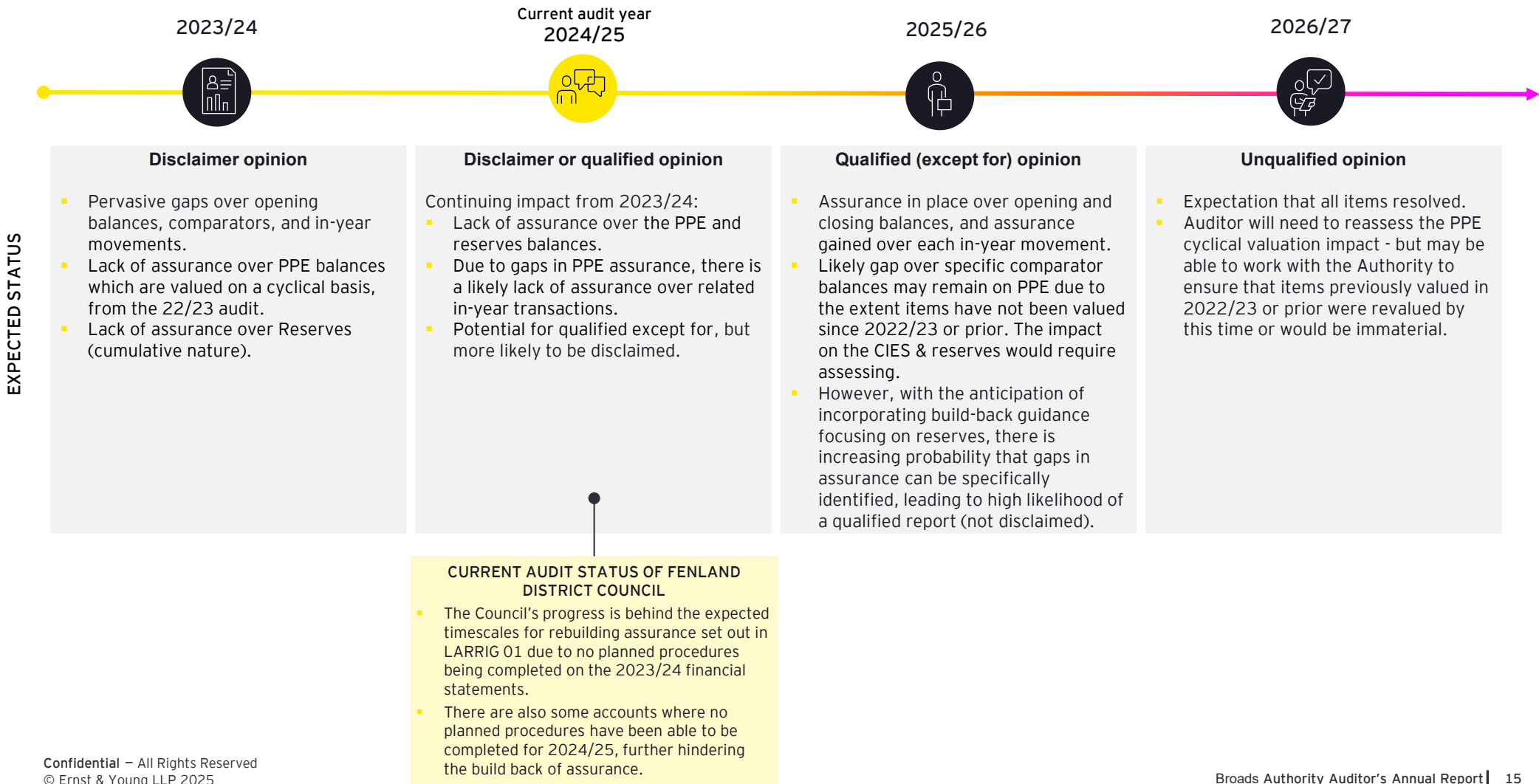
Financial Statement reporting assessment (cont'd)

Area	Status			Explanation	Further detail
	R	A	G		
Quality of working papers and supporting evidence	Requires Improvement			Whilst working papers and supporting evidence were generally of a good standard, there were instances where evidence provided did not satisfy all of the requested audit criteria.	The IFRS 16 leases working paper was of poor quality and had not assessed whether any of the Council's leases were required to be capitalised under the new standard.
Timeliness and quality of evidence supporting key accounting estimates	Ineffective			<p>Significant delays were experienced in the provision of supporting evidence from the Council's valuer (WHE) for the valuation of PPE and IP assets. There were also delays in responses from the Council and in sharing our queries with the Council's actuary (Hymans Robertson) in relation to IAS19 Pensions.</p> <p>In addition, we were unable to complete our planned procedures in relation to IFRS 16 leases due to the completeness of leases not being assessed appropriately as outlined above.</p>	The quality of evidence and explanations in relation to the valuation of PPE and IP assets were of a poor quality, resulting in requests for clarification and further evidence. This resulted in delays to the audit.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires Improvement			The Chief Accountant endeavoured to support the audit to the best of their ability and was generally responsive to audit queries. We did however note that during the period when the Chief Accountant was on leave, responses to queries from the team were slower and this impacted on the completion of the audit. We recognise that, as we reported in the previous year, this is largely due to capacity issues in relation to both the Chief Accountant and the wider finance team, which impacts on their ability to respond to audit requests. Whilst we do not have any concerns in regard to access to the finance team or other key personnel, there are issues in relation to the overall capacity of the finance team to support the delivery of an audit in a timely manner, due to other competing priorities and business critical activities.	We have raised the capacity of the finance team as a Governance recommendation within Section 03 of this report.
Volume and value of identified misstatements	Effective			As of the date of this report, the value of identified misstatements is below performance materiality.	N/A
Volume of misstatements in disclosure	Requires Improvement			As of the date of this report, we have detected various misstatements in disclosure as a result of our work performed.	N/A

Audit of financial statements (cont'd)

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.





03 Value for Money commentary

Value for Money

The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Our responsibilities

Under the revised NAO Code, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified	Recommendations identified
 Financial sustainability How the Council plans and manages its resources to ensure it can continue to deliver its services.	<ul style="list-style-type: none"> No significant risk identified. 	<ul style="list-style-type: none"> No significant weakness identified. 	<ul style="list-style-type: none"> No recommendations identified.
 Governance How the Council ensures that it makes informed decisions and properly manages its risks.	<ul style="list-style-type: none"> One significant risk identified in relation to the timely publication of the financial statements. 	<ul style="list-style-type: none"> No significant weakness identified. 	<ul style="list-style-type: none"> Four recommendations identified. These are set out in Page 23 of this report.
 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.	<ul style="list-style-type: none"> No significant risk identified. 	<ul style="list-style-type: none"> No significant weakness identified. 	<ul style="list-style-type: none"> No recommendations identified.



VFM commentary: Financial Sustainability

Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Significant risks identified during planning procedures

Within our Audit Planning Report, we noted that we had yet to complete our detailed value for money planning. Having completed our risk assessment, we have not identified any risks of a significant weakness in the Council's arrangements for financial sustainability. In the prior year, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25 to in prior years.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.

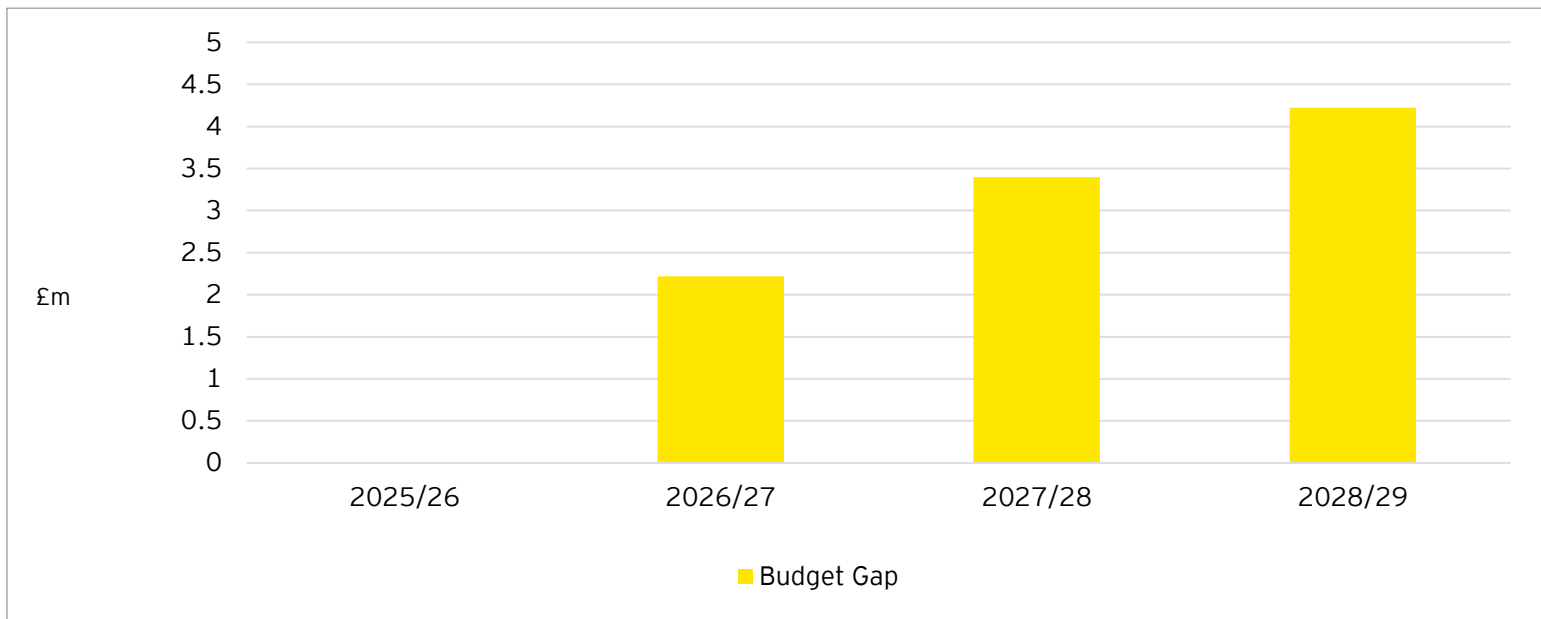


Financial Sustainability considerations

Medium Term Financial Strategy

In February 2025, the Council presented an updated Medium Term Financial Strategy for 2024/25 to 2028/29. The Strategy highlights the continuing levels of financial uncertainty across the sector and notes that there remains a significant structural deficit which the Council will need to address. Key challenges outlined within the Council's planning include pay and non-pay inflationary factors, ongoing uncertainty about future government funding and increasing levels of homelessness.

Exhibit A: The Council's MTFP outlines a cumulative gap of £4.22 million by 2028/29





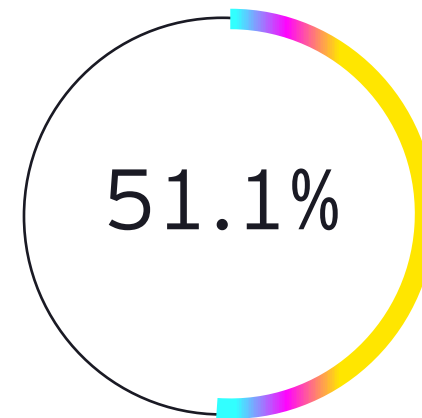
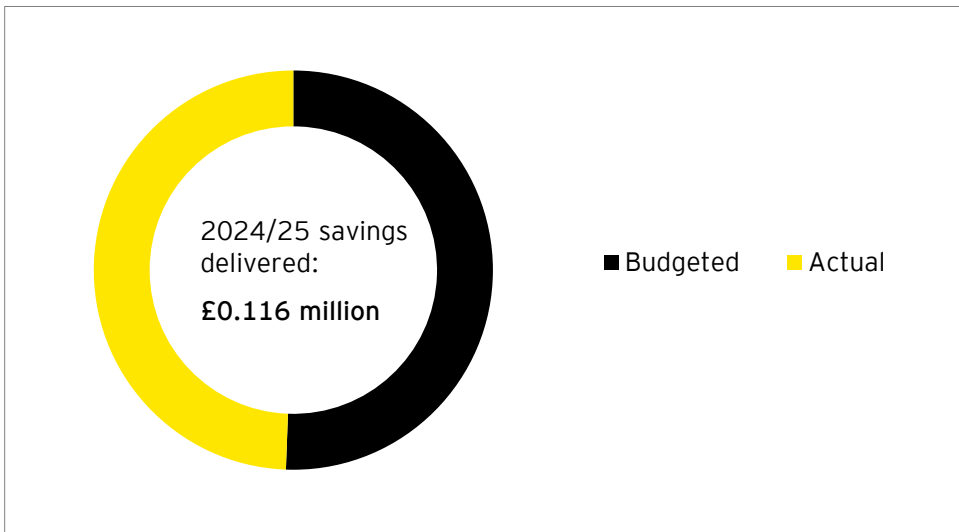
Financial Sustainability considerations (cont'd)

Savings plans

The Council's 2024/25 budget relied on the delivery of savings of £0.225 million. In the 2025/26 budget presented to the Council Committee in February 2025, the Council reported that it forecasted to only achieved £0.116 million, 51% of planned savings for 2024/25. The achievement of savings was reported to Audit & Risk Management Committee within regular budget monitoring reports.

The Council plan to deliver £0.550 million savings in 2025/26. As of September 2025, the Council is progressing on this target, with £0.125 million of savings made and a further £0.364 million of savings attributed to projects that are currently in progress. If the projects successfully complete by the end of the financial year, this would be a total of £0.489 million of savings made for 2025/26, 89% of the total target and thus a significant improvement in the achievement of the savings plan.

Exhibit B: The Council delivered 51% of planned £0.225 million of savings in 2024/25





Financial Sustainability considerations (cont'd)

Savings plans (cont'd)

As of 31 March 2025, the Budget Equalisation Reserve and General Fund Reserve stood at £1.654 million and £2 million respectively. However, the Council used £1.432 million of the Budget Equalisation Reserve in 2025/26 to achieve a balanced budget.

The updated shortfall places even more emphasis on achieving savings and additional income. The Council has put in place the Transformation Agenda 2 programme (TA2). The TA2 is constantly evolving in terms of what savings can be achieved and a Steering Group made up of senior officers has been put in place. In addition, the Council has commissioned the development of a Full Business Case in relation to its' future accommodation requirements with a preferred option of leaving Fenland Hall and securing more suitable accommodation, with the aim of achieving savings in running costs and also significant cost avoidance over the MTFS period. Additionally, the Council has used its Commercial and Investment Strategy to fund the purchase of properties, in conjunction with funding from the governments' Local Authority Housing Fund, to meet the rising demand and to reduce future costs relating to homelessness and temporary accommodation.

The TA2 project aims to deliver savings amounting to £2 million over the medium term, which includes the realisation of savings from staff, reduction in allowance payments, the reduction of fleet vehicles and reduction in overtime spending and agency costs.

Additionally, the Council is progressing with its Commercial and Investment Strategy, which involves the generation of additional sources of income to reduce the need for savings to be found. In particular, the Council recently concluded the land transfers of two sites (The Elms, Chatteris and the Nene Waterfront, Wisbech). These two projects include the delivery of a new electricity substation and affordable rent care facility, on which work has commenced. This will provide affordable rent opportunities for those with care needs and will also lead to further income to the Council, once complete.

The Council have not financed their commercial investment properties, which are all within Fenland District, from external borrowing. The Council carry out their commercial strategy through their subsidiary, Fenland Future Ltd (FFL). In 2024/25, the Council made a further £0.15 million loan to FFL to continue to progress these projects. The Council receives interest on these loans from FFL, receiving £0.147 in 2024/25.

Reserves position

Within the 2025/26 budget, the Council's reserves strategy outlines that the minimum reserves to be held as uncommitted general funds is £2 million. This is 9% of the Council's net expenditure for 2024/25 of approximately £22 million. The Council's current general fund balance is £2 million and is therefore very close to the minimum level. From April 2023 to April 2025, the Council's total earmarked reserves increased marginally by £0.061 million, to £11.186 million, while total usable reserves decreased by £0.427 million, to £16.551 million.

The Council used a significant portion of the Budget Equalisation Reserve to fund the shortfall within the 2025/26 budget, resulting in a reduction in this reserve to £1.654 million, from £2.111 million at 31 March 2025. The Council therefore needs to continue to focus on transformation savings and ways of increasing income.



VFM commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the Council monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the Council approaches and carries out its annual budget setting process;
- How the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance; and
- How the Council monitors and ensures appropriate standards, such as meeting legislative / regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality declarations / conflicts of interest), and for example where it procures or commissions services.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified the Council's governance arrangements as an area of focus for our 2024/25 audit, in light of the late publication of the 2022/23 and 2023/24 draft Statement of Accounts, and the significant weakness regarding this reported in 2023/34. We also made a recommendation in relation to the Council's governance arrangements in 2023/24. We summarise our consideration of the Council's progress against that recommendation in Appendix B. The Council's underlying arrangements in relation to governance are not significantly different in 2024/25.

For 2024/25, while we did not identify any significant weakness in overall arrangements, we have made four governance recommendations that are detailed over-page. We gave careful consideration as to whether the weaknesses in the financial statement procedures referred to in the table on Pages 13 and 14 of this report indicated a significant weakness. On balance, we concluded that, due to the improvements in the timeliness of the production of the accounts in 2024/25 compared to prior years and the support provided by the finance team, along with the fact that we have not identified any issues with the Council's in year financial reporting or monitoring, the issues we have noted did not represent a significant weakness in overall governance arrangements. We do however note that we are likely to again identify the financial statements process as a risk of significant weakness in 2025/26 and will expect to see further improvements in the Council's processes in this area.



VFM commentary: Governance (cont'd)

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks. However, we have made the below recommendations in regard to the Council's governance arrangements.

Recommendations

- The Council should review and assess the adequacy of the skills and capacity of the Council's finance team to ensure it is sufficient to support all the Council's business critical activities:
 - As outlined on Page 14, whilst working papers and supporting evidence were generally of a good standard, there were instances where evidence provided did not satisfy all of the requested audit criteria, which impacted our ability to complete all our planned procedures. Preparations for Local Government Reorganisation will also result in additional work for the finance team over the coming months.
- The Council consider the appointment of an independent member to the Audit & Risk Management Committee to ensure the Committee is operating independently and with the correct skill mix in place to support an effective layer of governance.
 - In December 2024, the Audit & Risk Management Committee rejected the recommendation to appoint an independent member to the Committee. Guidance within the CIPFA Position Statement on Audit Committees in Local Authorities and Police 2022, is that 'the audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation. Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise'. We therefore recommend that the Council reconsider appointing independent members to the Audit & Risk Management Committee.
- The Council should publish the Annual Governance Statement (AGS) by the 30 June 2026.
 - The 2024/25 AGS was published after the 30 June deadline set out in the Audit and Accounts Regulations. The Council have acknowledged their responsibility to publish prior to the accounts publication deadline and will ensure this requirement is met in future years.
- The Council should ensure actions is taken to progress the recommended actions in Internal Audit reports on a timely basis.
 - There are 29 agreed actions from Internal Audit reports that are overdue from 2023/24, including one high-risk action, and two further overdue actions from 2021/22, which also include a high-risk action. This is a significant number of outstanding actions and also indicates potential issues with the capacity of the finance team as well as in the Council more widely.



Governance considerations

Annual Governance Statement

We reviewed the framework for the preparation of the Annual Governance Statement (AGS). The process, as designed, is adequate to enable the Authority to report on the design and operation of arrangements that ensure sound governance, effective resource and risk management, and robust internal controls.

We noted that the 2024/25 AGS was published after the 30 June deadline set out in the Audit and Accounts Regulations. The Council have acknowledged their responsibility to publish prior to the accounts publication deadline and will ensure this requirement is met in future years. We have therefore made a recommendation within this report to ensure that the AGS is published in line with the statutory requirements.

Risk management

The Council has a Corporate Risk Register in place. The Head of ICT, Digital and Resilience has overall responsibility for the Corporate Risk Register. The register is considered at management level and taken to the Audit and Risk Management Committee quarterly, with elevation to full Council meetings for significant risks or issues identified.

The risk register focuses on project, directorate and strategic risks. Significant risks that could impact budgets are identified through the Risk Management Policy and raised as Strategic Risks to the Cabinet for review throughout the year. The Section 151 Officer is assigned the responsibility of setting and monitoring compliance with financial management standards including the securing of key financial controls.

Internal audit arrangements

The Council have a suitable Internal Audit function in place. The Internal Audit Plan for 2024/25 was presented and approved at the March 2024 Audit and Risk Management Committee. Internal Audit present regularly to the Committee throughout the year regarding their progress against the plan and the outcome of their audits, culminating in the Head of Internal Audit Opinion for the financial year, which as noted in the AGS was that of 'Reasonable' assurance. The Internal Audit Opinion was presented at the July 2025 Audit and Risk Management Committee.

Within the Internal Audit Opinion for 2024/25, the Head of Internal Audit noted that there are 20 agreed actions that are overdue in 2024/25, which are all allocated under medium risk. It is therefore crucial that the Council and Internal Audit continue to ensure that all outstanding actions are being monitored with the action owners on a regular basis, and that all overdue actions are reported to management.

There are also 29 agreed actions that are overdue from 2023/24 including a high-risk action, and two further overdue actions from 2021/22 which also comprise of a high-risk action. The 2023/24 high-risk action relates to the continuation of a phishing exercise for cyber security. While the original exercise is complete, a phishing re-check exercise was agreed upon and was still in progress as of the date of the Head of Internal Audit opinion. The 2021/22 overdue high-risk action is in relation to finalisation of formal lease documents. Given the Council failed to identify all leases that were required to be capitalised through the implementation of IFRS 16, it is recommended that the Council finalise this outstanding action in a timely manner so all the Council's leases can be considered ahead of the publication of the 2025/26 draft financial statements. This will also ensure that the Council has the necessary evidence to support the valuation and rights & obligations of their leases.

In light of the number of outstanding Internal Audit actions we have raised a recommendation within this report relating to this issue.



Governance considerations (cont'd)

Internal audit arrangements (cont'd)

Internal audit published two limited assurance reports in 2024/25. These two areas were related to 'Contract Monitoring - Leisure Services' and 'Debtors & Collection Agency'.

In respect of Contract Monitoring, nine medium risk actions were noted from this audit, including substantiation of annual outturns. The failure to substantiate annual outturns could potentially result in a loss of income for the Council, especially if the Council is not accurately reporting the income and expenditure in relation to its leisure centres. The Council should therefore prioritise this action.

Both 'Debtors & Collection Agency' and 'Port Berthings - Special Audit' were given limited assurance by Internal Audit in 2023/24. In the 2024/25 Internal Audit Report, the Port Berthings audit was given reasonable assurance as improvements had been made in respect of the previous recommendations.

For Debtors & Collection Agency however, the 2024/25 audit report still gave only limited assurance, as none of the agreed actions had been fully implemented at the time of follow-up, so the opinion remained unchanged. Since then, steps have been taken to complete these actions, including forming a new debt management group and updating the Debt Management Policy. The remaining actions however are still in progress and are being monitored by Internal Audit.

Whilst we are satisfied there is no significant weakness in arrangements to respond to Internal Audit recommendations in 2024/25, given the budgetary pressures the Council is facing, focus should be given to completing the remaining actions and ensuring the necessary controls are in place to support effective debt collection. Failure to do so may result in the Council losing potential income that it is due, resulting in further use of the Budget Equalisation Reserve to balance the budget.

The offence of failing to prevent fraud, as introduced by the Economic Crime and Corporate Transparency (ECCT) Act 2023, became effective on 1 September 2025. The Home Office has published statutory guidance (most recently updated in October 2025) which organisations must consider. This guidance outlines the core principles for establishing, reviewing, or enhancing anti-fraud procedures.

The Council has reviewed its existing fraud policy and procedures against the latest Home Office guidance to assess whether arrangements in place were sufficient to discharge its responsibilities under the Act. Based on this assessment, officers have concluded that although the Anti Fraud and Corruption Policy has not been amended to include reference to the ECCT Act, they are satisfied the arrangements in place adequately address the requirements. They have however identified some actions to further strengthen arrangements.



Governance considerations (cont'd)

Local Government Reorganisation

Local Government Reorganisation is expected to pose challenges for local authorities over the next year. During this period of change, the Council must maintain essential services and fulfil statutory duties. According to the Ministry of Housing, Communities, and Local Government (MHCLG) guidance issued in July 2025, decisions made by the Council prior to reorganisation regarding ongoing service delivery and the medium-term financial strategy should focus on providing value for money for taxpayers and avoid limiting future decisions or sustainability of new councils.

The government has stated that it will issue directions under section 24 of the 2007 Act after Structural Changes Orders are made, specifying a person authorised to give consent on relevant matters and outlining how this authority should be exercised. MHCLG has noted these directions will follow previous precedents, requiring written consent from the successor council for land disposals and contracts exceeding a specified value.

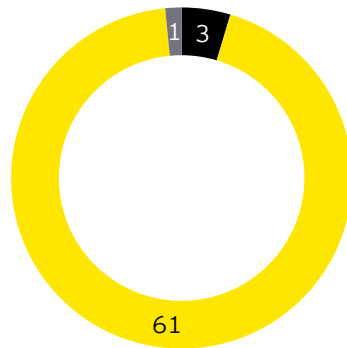
To comply with MHCLG guidance and forthcoming directions, councillors and statutory officers need to be aware of their responsibilities and ensure that appropriate accounting and governance systems are maintained.

Preparations for local government reorganisation will also result in additional work for the Council's finance team. In recent years, as well as the current year, we have reported concerns regarding the capacity of the finance team to prepare good quality accounts on a timely basis and support an effective audit. This is reflected in our assessment included within this report (Page 23), where we have noted a recommendation in relation to capacity of the finance team. With the increasing demands linked to local government reorganisation, it is critical that the Council ensures that it has sufficient skills and capacity to support both of these business-critical activities.



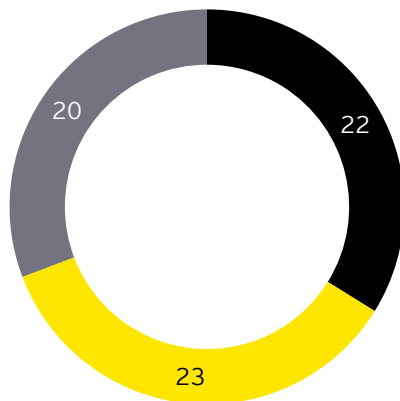
Governance considerations (cont'd)

Exhibit C: Internal audit's follow up of recommendations for 2024/25 noted that 22 of a total 65 were completed as planned, with 20 of recommendations overdue. The Council should ensure that they are addressing any internal audit findings in a suitable timeframe.



Rating of internal audit recommendations:

- High
- Medium
- Low



Progress of internal audit recommendations:

- Complete
- Outstanding
- Overdue



VFM commentary: Improving economy, efficiency and effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the Council evaluates the service it provides to assess performance and identify areas for improvement;
- How the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness. In the prior year, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25 to in prior years.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.



Improving economy, efficiency and effectiveness considerations

Financial and performance information

The Council's is operating in a challenging economic climate, with central government funding reductions. Within this environment the Council has determined not to increase its council tax charge. Over the period from 2018/19 to 2023/24 (adjusted to 2023/24 prices), Fenland's total net service spend per head dropped by 5.6%, reflecting tighter budgets and spending constraints, whilst total reserves as a percentage of net current expenditure increased slightly by 1.2%, and the council tax requirement fell by 12.4%. This indicates a modest strengthening of the financial position. The Council made significant efficiency gains in operations, with management and support service spending as a proportion of total service expenditure decreasing significantly. Overall, total spend per head decreased by 25.8%, highlighting the scale of financial tightening.

Overall, whilst in recent years the Council has managed to maintain or slightly improve its level of reserves, it still faces ongoing challenges from falling income, rising operational costs in some areas, and the need to deliver services with fewer resources.

Procurement and commissioning of services

The Council has a full-time Procurement Manager who reports to the Head of Legal and Governance. Officers are regularly reminded of the Council's procurement policies at management team meetings. The Procurement Manager actively reviews purchase orders to confirm procurement has been undertaken in line with Council policy and statutory requirements.

As noted from the Council's Code of Procurement, the Council have emphasised the importance of identifying the correct level of approval required at the commencement of any procurement exercise. This ensures that contract awards are not delayed and that the Council is fully compliant with its wider governance obligations. The Council's Monitoring Officer is authorised to make amendments as necessary to ensure that this Code is consistent with legislative requirements, best practice guidance issued from central Government and changes to the Council's policies, procedures and personnel.

Partnership working

The Council's most significant partnership is the Anglia Revenues Partnership (ARP) for the provision of the housing benefit service. There is a joint ARP Committee with representatives from each of the five Councils that constitute the Partnership. The Joint Committee meets quarterly and consider performance against key areas, as well as any other items of relevance to their service delivery.



04 Appendices

Appendix A – Recommendations from current year

Recommendations for 2024/25

The table below sets out the recommendations arising from the value for money work for the year 2024/25. All recommendations have been agreed by management.

Issue	Recommendation	Management response
Governance	The Council should review and assess the adequacy of the skills and capacity of the Council's finance team to ensure it is sufficient to support all the Council's business critical activities.	In May 2025, the Chief Accountant of over 40 years retired, and the Council changed the way they worked on the audit. The new Chief Accountant has involved more of the team in the process to help workload and development within the team. This has been successful and as such the finance team are happy with where they now are following this key event. The Chief Accountant and S151 Officer constantly review resources and are looking to develop existing team members through a combination of learning new areas of work and working towards professional qualifications. As S151 Officer I am delighted with the progress of the team and the leading role the Chief Accountant is taking in this exciting process.
Governance	The Council should consider the appointment of an independent member to the Audit & Risk Management Committee to ensure the Committee is operating independently and with the correct skill mix in place to support an effective layer of governance.	Two papers have been taken to the Audit & Risk Management Committee regarding an independent member, and this continues to stay on the current workplan. At present, there is no intention to appoint to this position.
Governance	The Council should publish the Annual Governance Statement (AGS) by the 30 June 2026.	Management have acknowledged their responsibility to publish the AGS prior to the accounts publication deadline and will ensure this requirement is met in future years.
Governance	The Council should ensure actions is taken to progress the recommended actions in Internal Audit reports on a timely basis.	Regular updates are taken to the Audit & Risk Management Committee and are shared internally on a regular basis with CMT and management team colleagues. It is agreed that this should be considered further and we will take action to ensure further progress is made.

Appendix B – Recommendations from previous years

Recommendations brought forward from previous years

The table below sets out the recommendations arising from the value for money work in the prior year, 2023/24, and progress made in the current year. All recommendations have been agreed by management.

Issue	Recommendation	Progress made in 2024/25
Governance	The Council need to continue to re-assess roles, responsibilities and resource requirement for financial reporting, including an assessment of the support required from other functions within the organisation for the financial reporting function to meet its objectives and the requirements of the Audit and Accounts Regulations.	<p>The Council has recognised the need to improve their financial reporting arrangements. This is evidenced by the fact that the Council published their 2024/25 draft financial statements by the 30 June 2025 deadline. There is however still more to be done by the Council to support the production of high quality accounts and an effective and efficient audit, as indicated by the comments in this report.</p> <p>We have included a recommendation within Appendix A related to the need for the Council to review and assess the capacity of their finance team.</p>

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Agenda Item No:	6	
Committee:	Audit and Risk Management Committee	
Date:	24 November 2025	
Report Title:	Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review 2025/26	

Cover sheet:

1 Purpose / Summary

The purpose of this report is to review the Council's Treasury Management activity for the first six months of 2025/26 and to provide members with an update on matters pertinent to future updates to the Council's Treasury Management Strategy.

2 Key issues

- The Chartered Institute of Public Finance and Accountancy is currently consulting local authorities in respect of potential changes to the Codes. At this juncture, the focus seems to primarily be on the non-treasury investment aspects of local authority activity. Officers will provide an update on any material developments/changes in due course.
- The Council has operated within its Treasury Management Strategy Statement (TMSS), Annual Investment Strategy, treasury limits and prudential indicators set by Council for the first six months of 2025/26.
- Forecasts that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.
- Forward projections for PWLB certainty rates are forecast to fall back over the next two to three years as inflation dampens.
- Prudential indicators have been updated to reflect the latest capital programme and borrowing projections.
- The Council temporarily borrowed £5M in May from another local authority to cover cash flow requirements. This temporary loan has now been repaid. It is anticipated that further borrowing will be undertaken during this financial year.
- Investment income received from temporary investments (call accounts and fixed term deposits) for the first six months of 2025/26 was £188k. The 2025/26 budget of £300k is expected to be achieved.
- The Council was invested in two property funds at the start of the financial year. Both funds had large redemption notices served by Trust Unit holders and with respect to Federated Hermes Property Fund (FHPT), Extraordinary General meetings were held that proposed a merger of the fund with Legal and General Management Property Fund. This merger was passed in August and excluded non pension fund unitholders from transferring their funds. Subsequently, the Council's investment was sold and repaid, resulting in a capital loss of £362k.

- With regards to the Patrizia Property Fund, the Trust has initiated a formal consultation and decision-making process regarding its potential wind-down or merger. Either scenario would require formal unitholder approval prior to execution.
- Debt rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

3 Recommendations

It is recommended that Members note the report.

Wards Affected	All
Portfolio Holder(s)	Cllr Chris Boden, Leader and Portfolio Holder, Finance
Report Originator(s)	Peter Catchpole, Chief Finance Officer and Corporate Director Sian Warren, Chief Accountant
Contact Officer(s)	Peter Catchpole, Chief Finance Officer and Corporate Director Sian Warren, Chief Accountant
Background Paper (s)	MUFG Corporate Markets template Council Report - 24 February 2025 - General Fund Budget 2025/26 and Capital Programme 2025-28

Report:

1 Context

- 1.1 The Council's responsibilities in relation to Treasury Management are defined as part of the Local Government Act 2003 ('the Act'). The Act requires the Council to have regard to the Treasury Management Code published by the Chartered Institute of Public Finance and Accountancy, (CIPFA).
- 1.2 Additionally, there is a statutory requirement for the Council to comply with the Prudential Code. There is a close interaction between the Treasury Management Code and the Prudential Code. The Prudential Code establishes a framework for the Council to self-regulate the affordability, prudence and sustainability of its capital expenditure and borrowing plans whilst the Treasury Management Code is concerned with how the Council uses its Treasury Management function to progress the future plans developed with reference to the Prudential Code.
- 1.3 In December 2021, CIPFA issued revised Prudential and Treasury Management Codes. These require local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments.
- 1.4 The Chartered Institute of Public Finance and Accountancy is currently consulting local authorities in respect of potential changes to the Codes. At this juncture, the focus seems to primarily be on the non-treasury investment aspects of local authority activity. Officers will provide an update on any material developments or changes in due course.
- 1.5 The Council's Capital Strategy for 2025/26 was approved by Full Council on the 24 February 2025.

2 Treasury Management

- 2.1 Treasury management is defined as "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks."
- 2.2 The Council complies with the requirements of CIPFA's Code of Practice on Treasury Management (revised 2021).
- 2.3 The primary requirements of the Code applicable to the 2025/26 financial year are as follows:
 - Creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices, which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by Full Council of an annual Treasury Management Strategy Statement, including the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-year Review Report and an Annual Report covering activities during the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

- Delegation by the Council of the role of scrutiny of treasury management strategy and policies (including Mid-year Review Report) to a specific named body. For this Council the delegated body is the Audit and Risk Management Committee.
- 2.4 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management and covers the following:
- an economic update for the first six months of 2025/26 taking account of expert analysis provided by the Council's Treasury Management Advisors, MUFG Corporate Markets;
 - a review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - the Council's Capital Plans;
 - a review of the Council's Investment Portfolio for 2025/26;
 - a report of the Council's Borrowing Strategy for 2025/26;
 - a report of Debt Rescheduling during 2025/26;
 - a review of compliance with Treasury and Prudential Limits for 2025/26.

3 Economic Update

3.1 The first half of 2025/26 saw:

- A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
- A weakening jobs market with payroll employment falling and softer wage pressures.
- CPI inflation has ebbed and flowed but finished September at 3.8%.
- The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.

3.2 The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).

3.3 The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with that of the prevailing market sentiment.

4 Interest Rate Forecast

4.1 The Council's treasury advisor, MUFG Corporate Markets, provided the following interest rate forecasts on 11th August 2025). The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20bps):

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

- 4.2 The latest forecast on 11 August 2025 sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.
- 4.3 PWLB Forecast - At this juncture, MUFG Corporate Markets still forecasts rates to fall back over the next two to three years as inflation dampens, although there is upside risk to all forecasts at present. The CPI measure of inflation is expected to fall below 2% in early 2027 but hit a peak of 4% or higher later in 2025.
- 4.4 The Bank of England announced in September that it would be favouring the short and medium part of the curve for the foreseeable future when issuing gilts, but market reaction to the November Budget is likely to be the decisive factor in future gilt market attractiveness to investors and their willingness to buy UK sovereign debt.

5 Treasury Management Strategy Statement and Annual Investment Strategy Update

- 5.1 The Treasury Management Strategy Statement (TMSS) for 2025/26 was approved by Council on 24 February 2025. There are no policy changes to the TMSS.
- 5.2 Changes are required to some of the prudential indicators as a result of the forecast 2025/26 capital outturn. The following table compares the previous prudential indicators (agreed on 24th February) against the latest revised indicators.

Prudential Indicators	2025/26 Previous £000	2025/26 Revised £000
Capital Programme	17,121	23,611
Capital Financing Requirement	31,821	33,018
Gross Debt	27,255	28,450
Operational Boundary	33,255	29,450
Authorised Limit For External Debt	38,255	34,450

6 The Council's Capital Position

- 6.1 This part of the report is structured to update:
- the Council's capital expenditure plans;
 - how these plans are being financed;
 - the impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
 - compliance with limits in place for borrowing activity.
- 6.2 An update capital programme and the financing of that programme for 2025/26 is to be presented to Cabinet for approval on 15 December 2025. This revised estimate will address amendments to the programme since February, including re-profiling schemes from 2024/25 and the allocation of further capital funds for Fenland Railway projects to be funded from the CPCA funding and a re-assessment of

resources available in the period 2025-28. The tables in this report reflect this updated programme.

- 6.3 The table below compares the revised estimates with the original capital programme which was incorporated into the 2025/26 Treasury Management Strategy Statement (TMSS).

Capital Programme	2025/26 Original Estimate £000	2025/26 Revised Estimate £000
Current Forecast Expenditure	17,121	23,611
Financed by:		
Capital Grants	3,678	8,957
Capital Receipts	250	250
Capital Reserves	200	214
Total Financing (before borrowing)	4,128	9,421
Borrowing Requirement	12,993	14,190

- 6.4 The capital expenditure plans set out above provide a summary of future level of spend. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and the Council's capital strategy.
- 6.5 The Council's projections for borrowings in 2025/26 are summarised below. The following table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement – CFR). The revised estimated CFR is higher than the original budget forecast (see paragraph 5.2 to 5.4 above) due to proposed capital expenditure slippage from 2024/25.

External Debt Projections	2025/26 Original Estimate £000	2025/26 Revised Estimate £000
External Debt at 1 April	14,260	7,800
Prudential Borrowing	12,995	20,650
Gross Debt at 31 March	27,255	28,450
Capital Financing Requirement at 31 March 2026	31,821	33,018
Borrowing Less CFR – 31 March 2026	(4,566)	(4,568)

- 6.6 The Council has made provision to repay all 'borrowing' liabilities through increased Minimum Revenue Provision (MRP) in the General Fund revenue budget.

- 6.7 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need. The policy permits borrowing in advance of need where it is prudent to do so. Members should note that the current limits and estimates set out below have been determined with reference to the existing capital programme.
- 6.8 The operational boundary is the limit beyond which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt.

Operational Boundary	2025/26 Original Estimate £000	2025/26 Revised Estimate £000
Debt	24,555	20,750
Plus Other Long Term Liabilities Finance Leases	1,000	1,000
Commercial Activities/ Non-Financial Investments	7,700	7,700
Operational Boundary for Year	33,255	29,450

- 6.9 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit, which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level for borrowing which, while not desired could be afforded in the short term but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit For External Debt	2025/26 Original Estimate £000	2025/26 Revised Estimate £000
Debt	29,555	25,750
Plus Other Long Term Liabilities Finance Leases	1,000	1,000
Commercial Activities/ Non-Financial Investments	7,700	7,700
Total Borrowing	38,255	34,450

- 6.10 The Corporate Director & Chief Finance Officer reports that no difficulties are envisaged for the current year in complying with the above prudential indicators.

7 Investment Portfolio

- 7.1 In accordance with the Treasury Management Code, it is the Council's priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the Council's risk appetite.
- 7.2 The current forecasts for bank rate are shown in paragraph 3.1 above.
- 7.3 The Council held £11.61m of investments, including property funds at 30th September 2025 (£6.9m at 31st March 2025). The investment portfolio yield from temporary investments (call and fixed term deposits) for the first 6 months of the year was 3.94% (7 day backward looking average Sonia Rate 4.20%).
- 7.4 The Council has achieved investment income of 188k on its temporary investment income to 30th September 2025. The projected income for 2025/26 (£300k) is expected to be achieved.
- 7.5 The Corporate Director and Chief Finance Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2025/26.

8 Property funds

- 8.1 At the start of the financial year the Council's investments, held in the Federated Hermes and Patrizia Hanover managed pooled property funds were valued at £1.643M and £1.91m respectively. £4m was originally invested, split equally, between the two funds.
- 8.2 Investment property funds are intended as a long-term investment (typically 5 years plus) where the value of the Council's underlying investment may increase and decrease over the period the Council maintains invested. The benefit to the Council of investing in property funds is that it receives a quarterly cash distribution reflecting rental income collected by the fund manager from tenants and the potential for capital growth.
- 8.3 Since mid-2022 commercial property markets have had a difficult time in general as property prices fell sharply in response to high inflation, rising interest rates and increased debt costs which result in capital losses which haven't been fully recovered. Income flows to property remained strong and distributions from the fund are not affected by movements in capital value.
- 8.4 A large redemption order of c.22% of the Federated Hermes Trust's net asset value (NAV) was reported at the end of Q2 2024. An Extraordinary General Meeting (EGM) was held in August 2024 requesting support for an additional 12-month period within which to meet the redemptions received prior to the end of Q2 2024 and all other requests to be 'gated', limiting future redemptions to protect capital.
- 8.5 This vote was defeated and in late 2024, early 2025 the trust manager held discussions with unit holders including Fenland and subsequently at an EGM in June 2025 a merger of the Federated Hermes Property Fund and the Legal and General Management Property Fund (LGMPF) was agreed.
- 8.6 The merger excluded non-pension fund holders from transferring their holding to LGMPF and shortly after the completion of the merger on 15 August 2025 paid this Council the NAV price at the merger date of £1,637,058.
- 8.7 This represents a net loss to the Council of £362,498 to be recognised in full in the 2025/26 accounts. This amount will be funded from the Cambridgeshire Horizon Reserve.

- 8.8 In addition, the annual property distribution payment (£65k estimated in 2025/26) will no longer be payable and the projected outturn property fund income reduced to reflect that.
- 8.9 Within the Patrizia Property Fund Q2 fund snapshot report the Council was informed of the following 'As of 14 July 2025, redemption notices have been served on approximately 85% of the Trust's units, equating to £435 million at the prevailing Bid Price. Since this exceeds the threshold of two-thirds of units in issue, the Trust has initiated a formal consultation and decision-making process regarding its potential wind-down or merger'.
- 8.10 Patrizia has since appointed a property investment advisor engaging with unitholders to explore the possibility of merging the Trust into an existing fund within the MSCI Benchmark Index. Should a suitable solution emerge—one that offers necessary liquidity while preserving investment continuity—it will be communicated to unitholders for consideration. Any merger or termination event would require formal Unitholder approval prior to execution.
- 8.11 Officers will continue to keep Members informed of progress.


9 Borrowing Strategy

- 9.1 The Council's estimated CFR for 2025/26 is £33.018m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.
- 9.2 Due to the overall financial position and the underlying need to borrow for capital purposes (the CFR), no new long term external borrowing was undertaken. The capital programme is being kept under regular review due to the effects of on-going budgetary pressures. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.
- 9.3 The Council temporarily borrowed £5M in May from another local authority to cover cash flow requirements. This temporary loan has now been repaid.
- 9.4 It is anticipated that further borrowing will be undertaken during this financial year. Assumptions about the level of external interest payable are included within the budget. Responsibility for deciding when to borrow externally, together with details of the amount to borrow and the term and type of any loan, rests with the Chief Finance Officer. The Chief Finance Officer's decision will be informed by advice from the Council's treasury management advisors and information regarding the progress of schemes set out in the capital programme. Any borrowing decisions will be reported to Cabinet through the annual treasury management report.

10 Debt Rescheduling

- 10.1 Debt rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

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Agenda Item No:	7	
Committee:	Audit and Risk Management Committee	
Date:	24 November 2025	
Report Title:	Internal Audit Plan 2025-26 Progress Report	

Purpose / Summary

- To report progress against the Internal Audit Plan 2025/26 and the work undertaken since the last meeting of Committee, and the resulting level of assurance from the work.
- To advise of any developments within the Internal Audit Team, amendments to the Plan, and any significant internal control or governance issues.
- To provide a tracking information on the implementation of agreed audit actions and further progress and status update on those actions now overdue.

Key issues

- The Council's Internal Audit Plan is produced on an annual basis. It is an estimate of the work planned for the financial year. Potential areas of the Council for audit are prioritised based on a risk assessment, enabling the use of Internal Audit resources to be targeted at areas of emerging corporate importance and risk.
- The format of the plan reflects the Public Sector Internal Audit Standards (PSIAS). It also incorporates the governance and strategic management arrangements of Internal Audit resources. *The new Global Internal Audit Standards (GIAS), launched in January 2024, and the new Application Note for the UK public sector are effective from 1 April 2025 and will replace the PSIAS.*
- Performance Standards of the PSIAS and the new Global IA Standards require the Chief Audit Executive to report to the audit committee on the Internal Audit activity and performance relative to the Plan.
- Audit and Risk Management Committee were presented with a draft Internal Audit Plan 2025/26 in July 2025 but agreed to reconsider it when the resourcing within the team had settled.

- Proactive quarterly monitoring of the Internal Audit plan will enable the Committee to understand the Internal Audit activity which has successfully taken place and the associated assurance level.
- The Standards require that progress tracking and confirmation is carried out and status reports prepared on the implementation of audit recommendations/ agreed actions.

Recommendations

For Members of Audit and Risk Management Committee to consider and note the activity and performance of the Internal Audit function.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Councillor Chris Boden – Leader and Finance Portfolio Holder
Report Originator(s)	Deborah Moss – Head of Internal Audit
Contact Officer(s)	Peter Catchpole - Corporate Director & s151 Officer pcatchpole@fenland.gov.uk 01354 622201 Deborah Moss – Head of Internal Audit dmoss@fenland.gov.uk
Background Paper(s)	Annual Risk-Based Internal Audit Plan 2025/26 Internal Audit Reports Internal Audit's Agreed Actions Spreadsheet

1 Background / Introduction

- 1.1 This report includes details of the Internal Audit activity undertaken since the last reporting to committee in July 2025 and the work for the audit year against the draft Plan.
- 1.2 The annual Internal Audit Plan is formulated in advance, following an assessment of risks inherent to services and systems of the Council based on Internal Audit and Management knowledge at that time. During the period that follows, changes in the control environment may occur due to, for example:
- introduction of new legislation/regulations
 - new risk or issue identified
 - changes of staff
 - changes in software
 - changes in procedures and processes
 - changes in service demand
- 1.3 In respect of Internal Audit resources, the Internal Audit Team is currently resourced at 2.1 FTEs which includes the Head of Internal Audit leaving only 1.1 FTE Auditors. The remaining 0.4 FTE vacancy is currently being considered as to how best it may be used.

2 Monitoring

- 2.1 On completion of each audit a formal report is issued to the relevant Service Manager and Corporate Director. A copy is also sent to the s.151 Officer. Each report contains a management action plan, with action owners and target implementation dates, that has been agreed with the Service Manager/Head of Service to address any observations and recommendations raised by the Internal Auditor. Progress on these actions is monitored on a regular basis.
- 2.2 **Audits completed** (Appendix A): The following audits have been undertaken since the last report:
- Payroll (system implementation review) 24.25
 - Corporate Finance – Supplier data amendment process (Anti-Fraud audit)
 - Corporate Finance - Main Accounting System
 - Disabled Facilities Grant verification
 - Corporate Performance Management – Follow-up
 - Payroll (starters, Amendments & Leavers) 25.26
- 2.3 **Audits In Progress:** The following audits are in progress and will be reported to Committee in future progress reports:
- IT Cyber Security
 - Commercial Waste
 - Contract Management – Streetlights
- 2.4 **Audit Plan changes:** It is suggested the following changes be made to the Audit Plan:
- The Plan is presented in its updated format, having been previously presented as a draft due to staffing/resource unknowns.
 - LATCo audit has been postponed due to considerations given to the future of FFL.

2.5 Overview of the progress against the Internal Audit Plan 2025.26

This table provides the status of the audit engagements in the Audit Plan, and the audit assurance opinion for each of those reviews that have been completed.

Internal Audit Plan 25.26 - Progress Overview						
					Agreed Actions	
	Audit Title (by corporate priorities)	Risk Rating in IA Plan	Status (RAG rated)	Audit Opinion Given	High priority	Medium priority
	Key Financial Systems - Fundamentals					
1	Corporate Finance – Main Accounting System	Medium	Final Report	Reasonable Assurance	0	5
2	Council Tax & Housing Benefits	Medium	Not started			
3	CT & HB – Overpayments	Medium	Not started			
4	NNDR Business Rates	Medium	Scoped			
5	ARP Enforcement	Medium	Scoped			
	Contract					
6	Contract - Streetlights	Medium	In Progress			
7	Contract – Grounds Maintenance	Medium	Not started			
	Risk-based Audits					
8	Supplier Amendments (Anti-fraud)	High	Final Report	Limited	4	0
9	Corporate – Performance Mgt (Follow up)	Medium	Final Report	Reasonable/ Limited		
10	Disabled Facilities Grants verification	Medium	Completed	Reasonable	0	3
11	Payroll (Starters, Amendments, Leavers)	High/Med	Final Report	Reasonable Assurance	0	13
12	Commercial Waste	Medium	In Progress			
13	Cyber Security	High	In Progress			
14	FACT	Medium	Planned			
15	Overtime	High	Not started			

16	Fenland Inspire Projects	High	Not started			
17	Port Management	High	Not started			
18	Corporate - H&S	Medium	Not started			
19	Cemeteries – Follow up	Medium	Not started			
20	Temporary Accommodation	Med/High	Not started			
	Reserve audits:					
	Procurement – Use of Purchase Orders	Medium	Not started			
	Green Waste	Medium	Not started			
	Corporate Governance	Medium	Not started			

2.6 Other audit activities:

- Risk Management Group
- Corporate Governance Group
- Following up outstanding recommendations
- Assurance Mapping of our corporate risks
- Corporate Debt Group
- Governance Assurance questionnaire
- Ad hoc advice to Services
- LGR Workforce Workstream
- NFI annual CT SPD exercise
- NAFN fraud alert work

2.6 Outstanding Audit Issues/Recommendations

Appendix B shows the number of outstanding Audit Actions/issues split by reporting years 2021/22 to 2024/25. Internal Audit is working with Service Managers to ensure that agreed actions are implemented by the agreed target dates or, if not, that adequate progress is being made, and extensions can be justified. Status and progress updates from the action owner have been included to inform committee what action has been taken to date.

Outstanding and overdue actions are reported regularly to Management Team. A database of all agreed actions is accessible to all action owners to enable them to see their actions and to provide their progress updates.

Appendix A – Completed Audits 2025/26

APPENDIX A: Audits completed and agreed actions.

Audit Area	Overall Audit Opinion	Agreed Audit Actions		Agreed Action
		High	Med	
Creditors – Supplier Amendments (Counter Fraud Control)	Limited	4	0	<p><i>This audit was undertaken to gain assurance that appropriate levels of governance, risk management and internal controls for Creditor Supplier amendments. There is a fraud risk that fraudulent requests for changes to standing data (eg a supplier's bank account change) may be received, and appropriate and robust verification checks need to be in place to ensure that only legitimate requests and changes are actioned.</i></p> <p><u>Actions:</u></p> <p>Procedure note/process map is to be developed to include controls and the verification process for supplier amendments, including the supplier amendment request form a where officer verification and approval can be recorded.</p> <p>The new supplier form is to be reviewed to include verification checks and confirmation and details of their completion.</p> <p>Supporting correspondence will now be retained and verification checks formalised and recorded as complete with evidence retained for a complete audit trail.</p> <p>Regular reporting of changes to standing data will be produced and checked by an independent officer.</p>

Appendix A – Completed Audits 2025/26

Corporate Assurance – Performance Management Follow Up	Reasonable	1	10	<p>The audit was a follow up audit to verify the implementation of the agreed audit actions as improvements to the performance process. The audit undertaken last year 24.25 provided a reasonable assurance opinion but also agreed a significant number of actions.</p> <p>This follow up review found that Services had been informed of required changes to be made, but action taken by Services had not been implemented with sufficient depth to say they were now adequate. For example, Services were advised that each PI should have a robust written methodology for data collection, verification and calculation to enhance the overall data integrity and that this should be signed off as sufficiently appropriate by the relevant head of service; whilst basic methodologies may now be in place, the level of detail was not considered sufficient with no reference as to where the data to calculate is obtained from.</p> <p>The review found that the agreed actions were only partially implemented and further work was required.</p>
Payroll – Starters, Leavers & Amendments	Reasonable	0	13	<p><i>This audit was undertaken to gain assurance that there are appropriate levels of governance, risk management and internal controls for Payroll management and processing of starters, leavers and amendments.</i></p> <p><u>Actions:</u></p> <p>Process notes to be written for amendment requests</p> <p>Forms will be amended: Leaver's form to be redesigned to include car loan, electronic loan and educational funding liability within the salary calculation; Digital signatures - forms forwarded by HR to Payroll to include copy of origin email or investigate the possibility of online forms; Intranet forms - consider converting PR/HR forms on intranet to PDF or online forms.</p> <p>Queries to HR to be raised by Payroll via email for evidence trail.</p> <p>Cost centre check spreadsheet shared monthly with Finance.</p> <p>Automatic notification email of Starters/Leavers to be set up in XD for Finance.</p> <p>Pension exceptions report to be run annually to check for employees not enrolled.</p> <p>Trigger for Further Authorisation of outstanding holiday pay to be considered for large amounts.</p>

Appendix A – Completed Audits 2025/26

				<p>Overtime payments – add leavers' overtime check to PR Monthly Task List and Leaver's form.</p> <p>Car Detail Change notification email from PeopleXD to be set up to automatically notify Payroll when an employee changes car details in system, as a prompt to check the Essential Car User allowance is being applied correctly. Biannual HR Update to include message to employees to review & keep car details up to date. Line Managers to be reminded to check car details annually as per staff handbook requirements.</p> <p>System access rights and segregation of duties to be considered.</p> <p>BCP to be updated, current and issued.</p> <p>Data retention - HR to seek further guidance specific to Payroll.</p>
Main Accounting System	Reasonable	0	5	<p><i>This audit was undertaken to gain assurance that there are appropriate levels of governance, risk management and internal controls for the Council's Management Accounting System for income, expenditure and commitments. This includes ensuring the accuracy, completeness, and timeliness of financial records and compliance with relevant regulations and policies.</i></p> <p><u>Actions:</u></p> <p>Procedure notes to be reviewed and developed for all aspects of the management of the Financial Management System Agresso (user maintenance, journal input and authorisation, reconciliation process, suspense account maintenance). They will reflect any changes that will occur as a result of migration to Agresso Cloud.</p> <p>Journal authorisation and authorisers to be reviewed and updated to ensure there is adequate business continuity to cover workload pressures and absence.</p> <p>Investigate and resolve discrepancies with HR/Payroll to reduce the requirement for monthly Payroll amendments, with the potential to eliminate the need completely.</p> <p>Final accounts timetable to be completed regularly as tasks are completed to provide a true and accurate reflection of progress.</p>

Appendix A – Completed Audits 2025/26

				The Finance Business Continuity Plan to be revised and updated.
Disabled Facilities Grants (review and Return)	Reasonable	0	3	<p><i>The review was to support the annual return focusing on verification that grants awarded were only used for specific purpose of funding adaptations for qualified disabled people. During the review of work, some findings and observations were made which resulted in actions agreed to be taken by the Service.</i></p> <p><u>Actions:</u> Cases with client contributions for the last two financial years will be reviewed, the check to include checking contractor invoices for double payment errors.</p> <p>The Action Sheet will be reviewed and updated to provide more detail and enable ease of cross-referencing documents.</p> <p>The carry-forward figure for the year to be easily identified and transparent enable the DFG service to accurately understand their budget position and to support the next audit.</p>

An assurance rating is applied, when a system or process is reviewed, which reflects the effectiveness of the control environment.

The text below is an indication of the different assurance ratings used:

Appendix A – Completed Audits 2025/26

Assurance *	Definition *
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance (previously called Adequate)	There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

In applying the most appropriate level of opinion the internal auditor will use their professional judgement, based on the results of the audit, consideration of risk and consequences of areas of weakness for the organisation.

** The above definitions are based on an analysis of existing practice and common definitions, taking into account the PSIAS definition of internal audit, standard definitions for internal audit assurance over an engagement.*

Appendix B – Audit Actions Status (2021/22 to 2024/25)

Reports on overdue actions are taken to Management Team to support Services to implement and to allow CMT opportunity to challenge progress and provide additional support where needed.

Action owners are asked to provide regular updates on the implementation progress in preparation for this report to Committee.

NB. The above tables do not include the recommendations made in relation to the ARP audits, conducted by partner authorities as they are reported to their respective authorities.

Total Recommendations 2021/22				
	High	Medium	Low	Total
Total Recommendations	6	31	40	77
Implemented/Complete	5	31	39	75
Not Yet Due	0	0	0	0
Overdue	1	1	0	2

Two overdue actions remain:

The outstanding high-risk issue relates to Trading Operations – Port Commercial & Marine where there was no formal agreement with Lincolnshire CC for Cross Keys Marina. provisional agreement has been reached between LCC and Eastern Fisheries as well as FDC re the lease, sub lease and operating agreements for the above facility. Final document reviews are to be signed imminently. These continue to be chased.

The outstanding medium-risk issue relates to the Memorial Safety Inspection Policy is awaiting new software implementation before finalisation. The Policy was updated in September 2025 and inspections have recommenced using a manual approach. However, the asset management software is to be purchased imminently and will cover memorial inspections which will revert to electronic, and the policy may need a slight adjustment before finalised.

Total Recommendations 2022/23				
	High	Medium	Low	Total
Total Recommendations	3	11	9	23
Implemented/Complete	3	11	9	23
Not Yet Due	0	0	0	0
Overdue	0	0	0	0

NB. This table does not include the recommendations made in relation to the ARP audits, conducted by partner authorities as they are reported to their respective authorities at this stage.

All recommended actions for the year 2022/23 have been implemented and closed.

Appendix B – Audit Actions Status (2021/22 to 2024/25)

Total Recommendations 2023/24				
	High	Medium	Low	Total
Total Recommendations	9 * (Less 1)	57	5	71
Implemented/Complete	7 (+ 1 deleted)	36	4	47
Not Yet Due	0	0	0	0
Overdue	1	21	1	23

The high-risk overdue action relates to completion of a cyber action: the original action is complete but is intended to be reperformed again for monitoring.

* In light of the local govt reform, management has decided that the creation of an Asset Management Plan is no longer required and will continue with the previous document.

The remainder of the overdue and open actions are being monitored for completion by Audit.

Of the overdue actions, 2 are on hold due to LGR considerations and 1 has been stated as extended to 31/12/25.

Total Recommendations 2024/25				
	High	Medium	Low	Total
Total Recommendations	4	63	0	66
Implemented/Complete	1	33	0	37
Not Yet Due	1	2	0	3
Overdue	2	25	0	26 *

* Of the overdue actions, 18 are as follows: 7 show that the owner has extended to the end of Nov 25; 2 are “due to LGR on hold pending outcome with no further work at this time”; and 9 actions relate to the Performance Management audit and were found to be still needing further action at our follow up.

The 2 high risk actions relate to the ongoing succession planning for the insurance function; and establishing a policy for the required use of purchase orders for all purchases, which is now instructed and awaiting services action before being closed as implemented.

Total Recommendations 2025/26				
	High	Medium	Low	Total
Total Recommendations	4	21	0	25
Implemented/Complete	3	3	0	6
Not Yet Due	0	17	0	17
Overdue	1	1	0	2

The implementation of all agreed actions continues to be monitored by Internal Audit.

Agenda Item No:	8	
Committee:	Audit and Risk Management Committee	
Date:	24th November 2025	
Report Title:	Corporate Risk Register Review	

1 Purpose / Summary

- 1.1 To provide an update to the Audit and Risk Management Committee on the Council's Corporate Risk Register.

2 Key Issues

- 2.1 The Council's Risk Management Strategy ensures the effective maintenance of a risk management framework by:-
- embedding risk management across core management functions;
 - providing tools to identify and respond to internal and external risk;
 - linking risks to objectives within services and regularly reviewing these.
- 2.2 The Audit and Risk Management Committee has asked that the Council's Corporate Risk Register is reviewed and presented to it quarterly.
- 2.3 The latest Corporate Risk Register (**Appendix A**) is attached to this report.

3 Recommendations

- 3.1 The latest Corporate Risk Register is agreed as attached at Appendix A to this report.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Cllr Chris Boden – Leader and Portfolio Holder for Corporate Governance
Report Originator(s)	Stephen Beacher – Head of ICT, Digital & Resilience
Contact Officer(s)	Paul Medd – Chief Executive Peter Catchpole –Corporate Director & Chief Finance Officer Stephen Beacher – Head of ICT, Digital & Resilience
Background Paper(s)	Previous reviews of the Corporate Risk Register: minutes of Audit and Risk Management Committee

1 Background / Introduction

- 1.1 This is the latest quarterly update in respect of the Corporate Risk register.

2 Considerations

- 2.1 The Council has seven considerations when considering risk:-
- Performance – can we still achieve our objectives?
 - Service delivery – will this be disrupted and how do we ensure it continues?
 - Injury – how do we avoid injuries and harm?
 - Reputation - how is the Council's reputation protected?
 - Environment – how do we avoid and minimise damage to it?
 - Financial – how do we avoid losing money?
 - Legal – how do we reduce the risk of litigation?
- 2.2 Members and Officers share responsibility for managing risk:-
- Members - have regard for risk in making decisions
 - Audit and Risk Management Committee – oversee management of risk
 - Corporate Management Team – maintain strategic risk management framework
 - Risk Management Group – Lead Officers across the Council promote risk management and a consistent approach to it
 - Managers – identify and mitigate new risks, ensure teams manage risk
 - All staff – manage risk in their jobs and work safely.
- 2.3 Risk is scored by impact and likelihood. Each have a score of 1-5 reflecting severity. The overall score then generates a risk score if no action is taken, together with a residual risk score after mitigating action is taken to reduce risk to an acceptable level.
- 2.4 The level of risk the Council deems acceptable is the “risk appetite”. The Council accepts a “medium risk appetite” in that it accepts some risks are inevitable and acceptable whereas others may not be acceptable.
- 2.5 Managers consider risks as part of the annual service planning process. Each service has a risk register with the highest risks being reported at a strategic level, forming the Corporate Risk Register. The Corporate Management Team, supported by the Risk Management Group, ensures that the highest risks are regularly reviewed and mitigating action undertaken.
- 2.6 The Corporate Risk Register is very much a “living document”; the Audit and Risk Management Committee reviews it quarterly.
- 2.7 Where exceptional new risks present themselves, they can be referred to Audit and Risk Management Committee urgently as appropriate.

- 2.8 Risk appetite has been considered. The Council takes a medium risk appetite, accepting that the current climate in Local Government is subject to great change and that some risks are necessary in order for the Council to move forward and continue to deliver high quality, cost-effective services.
- As a result of this, in some instances it is not possible to significantly reduce residual risk. Having said this, some decisions may need to be made in a timely manner and this could increase risk appetite accordingly. The Council's overall risk appetite should be reviewed regularly.
- 2.9 Risk awareness is embedded across the Council and it is important that risk awareness and management is integral to the Council's culture. To achieve this, risk awareness and training are important.
- 2.10 It is important that Members have regard for risk when considering matters and making decisions at Council, Cabinet and Committees. In addition, Audit and Risk Management Committee must take a strategic overview of risk and consider the highest risks to the Council as set out in the Corporate Risk Register.

3 Changes to the Corporate Risk Register

- 3.1 The Risk Register has been reviewed by the Corporate Risk Management Group and Corporate Management Team.
- 3.2 Mitigating actions and progress have been updated.
- 3.3 Commentary regarding all risks and action being taken to ensure current risks are minimised has been updated in the Risk Register.
- 3.4 All updates are highlighted in green.
- 3.5 The register also includes some narrative around the Risk Management Process (at section 2); the Monitoring and Escalation Framework (at section 4); the Risk Appetite and tolerance levels; and a heat map showing all the residual risks at page 28.

4 Next Steps

- 4.1 Officers will continue to bring a reviewed and updated Corporate Risk Register to Audit and Risk Management Committee on a regular basis.

5 Conclusions

- 5.1 The risk management process provides assurance for the Annual Governance Statement, which is substantiated by reports from the Council's External Auditors in their issuance of an unqualified audit opinion.
- 5.2 Regular review (and updating as appropriate) of the Risk Management Strategy and Corporate Risk Register will further build the assurance required above.

APPENDIX A

Corporate Risk Register

Reviewed and updated November 2025

1 Introduction

- 1.1 This is the latest Corporate Risk Register. Please refer to the Council's Corporate Risk Strategy for further information about how the Council approaches risk management. Actions and comments for each risk have been revised and other changes are highlighted in green.

2 Risk Management Process

- 2.1 Risk Management is designed to identify what could affect the achievement of objectives, and to plan a proportionate response.
- 2.2 The Council's approach to Risk Management is documented within the Risk Management Framework. It aims to ensure that risks are identified for both strategic and operational activity. This includes:
- corporate and service priorities;
 - project management;
 - decision-making and policy setting; and
 - financial and performance monitoring and planning.
- 2.3 The Risk Management Framework provides tools to manage risks for the different types of system and control environment, such as the Corporate Risk Register to capture and summarise significant and strategic risks; team risk registers which help inform service planning and actions; risk and hazard identification documents are shared with management as appropriate during audit reviews; and health and safety risk assessments which are updated annually by teams.
- 2.4 The frequency and mechanism for monitoring risks reflects the type of monitoring system, and the pace of changing circumstances, for example:
- Project risks will be recorded in project risk registers and are reviewed frequently throughout the project's life.
 - Operational risks are identified through audit and inspection work and are assigned dates and ownership.
 - Operational risks are identified through service planning and are linked to the service plan actions. These are typically monitored monthly through team meetings as part of the Councils Performance Management framework.
- 2.5 The Annual Governance Statement records governance actions, which are reviewed biannually as good practice. The Corporate Risk Register comprises strategic and significant risks. The register can both inform and reflect risks recorded in other risk management systems. It may refer to more detailed analysis of risks, presented to committees, such as the Medium-Term Financial Strategy. Appropriately, mitigation may be linked to specific actions recorded and monitored through service plans, or committee forward plans.
- 2.6 Risks are categorised and scored according to their impact and likelihood. This activity allows managers, to prioritise resources to mitigate them. Strategic and significant risks are defined by the Councils risk appetite.
- 2.7 The outcomes of this process are reported to the Audit and Risk Management Committee at least twice each year in the form of the attached Corporate Risk Register.
- 2.8 The review of the Risk Management Framework, Policy and Strategy, will be reported to the Audit and Risk Management Committee at least annually. The Risk Management process, and register, will provide assurance for the Annual Governance Statement.

3. How Risks Are Scored

- 3.1 The Council has adopted a consistent scoring mechanism for all risk identification, as it enables risks identified from other systems to be escalated to the Corporate Risk Register.
- 3.2 The probability - “likelihood”, and effect - “impact”, of each risk must be identified in order to help assess the significance of the risk and the subsequent effort put into managing it.
- 3.3 The risk score is calculated by multiplying the impact score by the likelihood score:

IMPACT	
Score	Classification
1	Insignificant
2	Minor
3	Moderate
4	Major
5	Catastrophic



LIKELIHOOD	
Score	Classification
1	Highly unlikely
2	Unlikely
3	Possible
4	Probable
5	Very likely

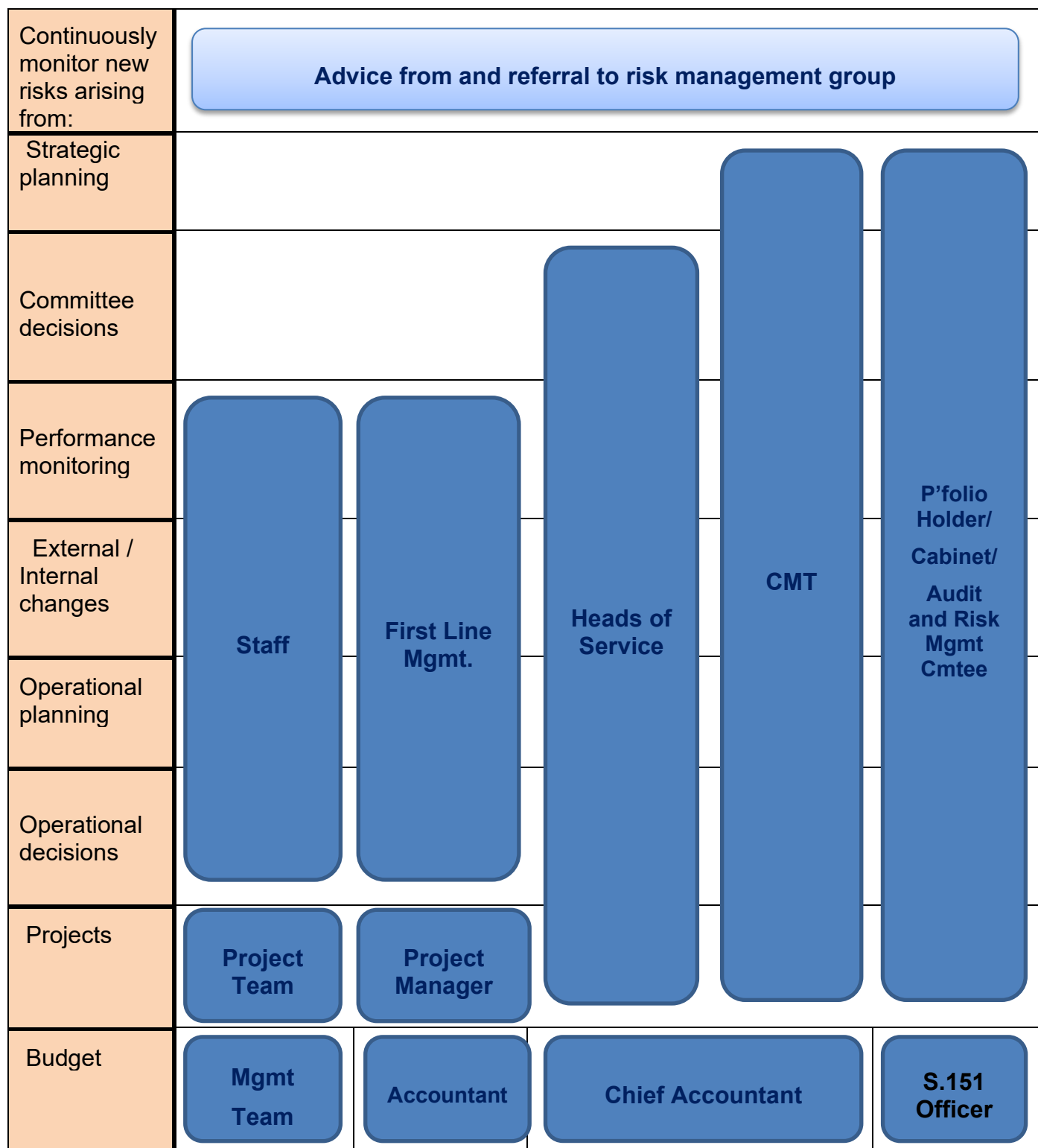
IMPACT x LIKELIHOOD = RISK SCORE

3.4 The impact and likelihood of risks is scored with regards the below levels:-

Score	1	2	3	4	5
Criteria	Insignificant impact	Minor impact	Moderate Impact	Major Impact	Catastrophic Impact
Performance	Objectives still achieved with minimum extra cost or inconvenience	Partial achievement of objectives with compensating action taken or reallocation of resources.	Additional costs required and or time delays to achieve objectives – adverse impact on PIs and targets.	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities.	Unable to achieve corporate objectives and/or corporate obligations.
Service Delivery	Insignificant disruption on internal business – no loss of customer service.	Some disruption on internal business only – no loss of customer service.	Noticeable disruption affecting customers. Loss of service up to 48 hours.	Major disruption affecting customers. Loss of service for more than 48 hours.	Loss of service delivery for more than seven days.
Physical	No injury/claims.	Minor injury/claims (first aid treatment).	Violence or threat or serious injury/claims (medical treatment required).	Extensive multiple injuries/claims.	Loss of life.
Reputation	No reputational damage.	Minimal coverage in local media.	Sustained coverage in local media.	Coverage in national media.	Extensive coverage in National Media.
Environmental	Insignificant environmental damage.	Minor damage to local environmental.	Moderate local environmental damage.	Major damage to local environment.	Significant environmental damage attracting national and or international concern.
Financial	Financial loss < £200,000	Financial loss >£200,000 <£600,000	Financial loss >£600,000 <£1,000,000	Financial loss >£1,000,000 <£4,000,000	Financial loss >£4,000,000
Legal	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges

4. Monitoring and Escalation Framework

4.1 The following diagram illustrates the key stakeholders for different classification of risk management:



5.0 Risk Appetite and Tolerance Levels

- 5.1 Risk appetite and tolerance is the amount of risk an organisation is prepared to accept, or be exposed to at any point in time. It can indicate where action is required to reduce risk to an acceptable level, plus opportunities for positive outcomes which can be monitored.
- 5.2 The Council has adopted the approach and definitions used by CIPFA and the Institute of Risk Management:

Risk Appetite

“The amount of risk an organisation is willing to seek or accept in the pursuit of its long-term objectives”.

An example may be consideration of the funds or resources that an organisation is prepared to invest in a venture where success is not guaranteed but that would yield benefits.

Risk Tolerance

“The boundaries of risk taking outside which the organisation is not prepared to venture in the pursuit of its long-term objectives”.

An example may be a Treasury Management Strategy that rules out certain types of investment options.

- 5.3 Typically an individual’s perception of an acceptable risk is the same irrespective of which definition is used. Differences may occur where risks cannot be controlled or completely eliminated. For example, political and legislative change is an external driver which cannot be fully mitigated. In this instance the risk tolerance, and ability to manage the risk, may be greater than risk appetite.
- 5.4 It is recognised that the tolerance or appetite is subjective, and may change according to the environment, internal and external drivers. Consequently, it is important, regardless of the terms used, that everyone has a consistent approach to risk taking to prioritise resources effectively.
- 5.5 The Councils risk appetite is set by the Corporate Management Team (CMT) and is reviewed periodically. This provides guidance to everyone on acceptable levels of risk taking, to encourage a consistent approach to risk management.
- 5.6 Different risk appetites can be illustrated on a five-by-five matrix as three levels: high, medium and low. The Council is risk aware and the current level is determined by CMT as medium. This provides guidance that any inherent risk scored at 15 or greater is to be considered for the Corporate Risk Register.
- 5.7 Once controls are in operation the risks can be scored again to illustrate the residual risk.

6. The Corporate Risk Register at a Glance

6.1 Please see below for a summary of current risks and their scores. More detail follows in section 7 of this document, in which the individual risks are ordered by severity of current risk, in descending order.

Ref	Risk	Risk if no action			Change	Current risk			Change	Page in register
		Impact	Likelihood	Score		Impact	Likelihood	Score		
25	Financial Impact due to External Factors (Funding changes which make the Council unsustainable / failure of external investment institutions)	5	5	25	↔	4	5	20	↔	9
27	Natural Disaster / Pandemic (The Council's ability to cope with a natural disaster / pandemic)	5	5	25	↔	4	4	16	↔	10
26	Financial Management (Failure to achieve savings targets / capital funding strategy / the Council's commercialisation and investment strategy)	5	5	25	↔	4	4	16	↔	11
24	Change in Government Priorities or Legislation (New or amended legislation / change of priorities)	5	5	25	↔	4	4	16	↔	12
3	Procurement & Contract Management (Failure of contractors/suppliers working on the Council's behalf)	4	4	16	↔	4	3	12	↔	13
6	Cyber Resilience (Loss of ICT provision)	5	5	25	↔	4	3	12	↔	14
23	Business Continuity / Disaster Recovery (Response to a localised operational issue)	5	5	25	↔	4	3	12	↔	15

22	Resourcing (Service provision affected by organisational change / insufficient staff)	4	5	20	↔	3	4	12	↔	16
1	Local Government Reorganisation (LGR)	5	3	15	↔	4	3	12	↔	17
10	Health & Safety (Major health and safety incident)	4	4	16	↔	3	3	9	↔	18
11	Fraud (Fraud and error committed against the Council)	5	4	20	↔	3	3	9	↔	19
13	Partnership Working (Failure of Governance in major partners, or in the Council, as a result of partnership working)	4	5	20	↔	3	3	9	↔	20
19	Communication & Engagement (Poor communications with stakeholders)	4	5	20	↔	3	3	9	↔	21
20	Commercial & Investment Strategy (Failure of the Council's commercialisation and investment strategy)	5	4	20	↔	3	3	9	↔	22
15	Project Management (Over-run of major Council projects in time or cost)	4	5	20	↔	3	2	6	↔	23

7 Corporate Risk Register

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
25 – Peter Catchpole (SW)	<p>Financial Impact due to External Factors (Funding changes which make the Council unsustainable / Failure of External Investment Institutions)</p> <p>Risks:</p> <ul style="list-style-type: none"> Funding changes make Council unsustainable. Failure of external investment institutions. The current impact of inflation and how this may present additional pressures to the Council's overall finances. <p>Effects:</p> <ul style="list-style-type: none"> Economic changes, imposed savings requirements, changes to local government funding systems. Financial management of NNDR, CTS leads to change in income /spending making Council unsustainable. Failure of external investment institutions affecting availability of funds or return on investment reducing cash flow and resource availability. 	5	5	25	<p>Financial Regulations & Standing Orders; Appropriately trained staff; Professional economic forecasts; Community consultation on service priorities; Council for the Future programme; Political decisions linked to budget strategies; Executive steer of service /capital priorities; Review fees & changes; Reserves; Budget monitoring; Policy for maximum investment / borrowing levels limits liability; Credit ratings; Financial management; Insurance; Treasury Management Strategy; Using intelligence to model and plan for future changes and risks and move away from reliance on Govt funding to balance our budget; Regular monitoring of current position and reporting to Members; Inclusion in national working groups, modelling and lobbying for funding system; Sharing Council's Efficiency Plan with the Government allows guaranteed multi-year grant settlement raising funding certainty; Partnership working; Pursuing opportunities for external funding; Robust auditing of processes and policies.</p> <p>We closely monitor information received from government and relevant interest groups and sector representatives regarding anticipated changes in the financing of local government. Our Medium-Term Financial Plan articulates the key risks to the Council arising from potential changes in the current arrangements. The MTFP forecasts the gap between the cost of delivering Council services and the resources available, including any planned use of Council reserves.</p> <p>The Council has an agreed Commercialisation and Investment Strategy which will enable the Council to generate additional income. This provides a framework to determine which investment opportunities can be taken forward. Some income-generating investments have been made. However, the challenging economic outlook, particularly in respect of inflation and rising financing costs, is likely to reduce, at least in the short-term, the commercial viability of some planned investments.</p> <p>Each service is required to review and identify any opportunities for transformation, commercialisation and efficiency. The Council has now delivered Phase 2 of the 'Modernising Council Services' programme which is on target to deliver significant savings over the Council's current MTFP period. We have now started delivering the next phase of this transformation programme.</p> <p>It is unclear to what extent government will be able and willing to provide any level of financial support in response to the current economic challenges. To mitigate against significant rises in IDB levies additional funding has been received for 2024-25.</p> <p>The Treasury Management Strategy is subject to review by the Audit and Risk Management Committee prior to being considered and approved by Cabinet and Full Council in February each year. An annual report and a mid-year report are produced during the year for members' consideration in accordance with reporting requirements set out by CIPFA and the Council's treasury management position is regularly reviewed. The Council complies with relevant sector best practice.</p> <p>Defra has yet to set the levels of agreed revenue support for either Food Waste Transitional Funding or Extended Producer Responsibilities (EPR) making budget setting and resource management difficult. Capital funding for food waste implementation in 2026 has been received but raises concerns that it will be sufficient for the transition to weekly food waste collections.</p> <p>The scope of the Transformation team is being reviewed to include support for Local Government Reorganisation and Inspire projects.</p> <p>The General Fund Budget Estimates and Medium-Term Financial Strategy (MTFS) Report, agreed by Cabinet and Council in February, projects a financial shortfall for 2025/26 of £1.432m increasing year on year amounting to around £3.4m by 2027/28. Although there are currently many uncertainties regarding the budget for 2025/26 and the MTFS, there remains a significant structural deficit which the Council will need to address.</p>	4	5	20	<p>The new burdens funding from Defra (Department for Environment, Food & Rural Affairs) may not be sufficient to cover the new food waste initiative.</p> <p>Extended Producer Responsibility Payment (pEPR) delivered £1.5m income for FDC in 2025/26. There remains a lack of transparency over how this will be calculated and there is the risk that this important income will reduce with overall recycling changing.</p>

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
27 – CMT (SB)	<p>Natural Disaster / Pandemic (The Council's ability to cope with a natural disaster / pandemic)</p> <p>Risks:</p> <ul style="list-style-type: none"> The Council's ability to cope with a natural disaster, or a pandemic / infectious disease situation. Failure to maintain robust emergency planning procedures. <p>Effect: Natural disaster: malicious or accidental incident affects support required by civilians or disrupts existing Council services.</p>	5	5	25	<p>Business Continuity and Emergency Planning procedures; Regular exercises and joint public sector workshops; Emergency Planning communications strategy; Review of approach with partner organisations as a result of lessons learned; Local Resilience Forum; Working with key partner agencies (Public Health, CPLRF, ARP etc.); Agile working, all relevant staff are enabled to work remotely; Ensure key emergency planning staff attend regular liaison meetings and training.</p> <p>Internal Audit carried out reviews of our Business Continuity and Emergency Planning processes during 2024.</p> <p>The Council retain the use of our four leisure centres for use as rest centre locations.</p> <p>The Council has a rota for 'on-call' senior officers at Gold (strategic), Silver (tactical) and Bronze (operational) levels to respond in the event of an incident. The Council's response to any such situation will complement, and support, that of the CPLRF.</p>	4	4	16	<p>Relevant staff have taken part in the first two phases of Exercise Pegasus. This is the largest ever simulation of a pandemic and involves participation from every government department. The government have committed to communicating the findings and lessons of this exercise, as recommended by the Covid-19 inquiry, and a post-exercise report will be delivered in due course. A pandemic remains the top risk of the UK's national risk register.</p>

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
26 – Peter Catchpole (SW)	<p>Financial Management (Failure to achieve saving targets / capital funding strategy / the Council's commercialisation and investment strategy)</p> <p>Risks:</p> <ul style="list-style-type: none"> • Failure to achieve required saving targets. • Capital funding strategy failure. <p>Effects:</p> <ul style="list-style-type: none"> • Failure to achieve efficiency savings, or to maximise income. • Failure to achieve performance targets may result in greater than budgeted costs and potential risk of Council not being able to set a balanced budget. • Financial risks of capital funding shortfalls leading to increased burden to the Council. • Potential for marginal deficit in capital programme if future funding is not realised. 	5	5	25	<p>Heightened analysis of budgets; Implementing service transformation; Implementing procurement strategy; Corporate plan; Pursue action to increase income streams; Performance Management Framework; Robust workforce planning; Project management; Council for the Future programme; Corporate Asset Team; Monitoring of capital receipts and effect on capital programme; Additional funding opportunities identified and pursued; Project lead monitors site valuations; Marketing and identification of potential land purchases; Flexibility of planning guidance; Robust control of Corporate Transformation Plan; Regular progress reports and assurance to Members; Forward planning and horizon scanning; Asset Management Plan; Asset Disposal Strategy.</p> <p>Delivery of Council Efficiency targets continue including delivering planned savings in the Council's annual budget and medium-term financial strategy.</p> <p>The Council has delivered the TA2 transformation programme which delivered savings over the Council's current MTFP period.</p> <p>A further specific challenge relates to future costs concerning the Port infrastructure and backlog maintenance of the property portfolio. Members are aware that whilst the associated costs are not yet factored into the capital programme and medium-term financial plan the impact is likely to be significant. The options for cost-avoidance and reduction will depend on significant strategic decisions to be taken as part of the budget-setting process.</p> <p>With the Council currently showing an in-year deficit position, we need to focus on all feasible interventions to bring this down considerably. These will include: limiting service budget expenditure to essential items only, withdrawing support for certain overtime and agency worker arrangements, suspending recruitment for certain unfilled roles on the establishment. The Council have a Savings Tracker which includes a list of deficit reduction issues for CMT/MT to consider and agree a way forward at each meeting.</p> <p>Management Team will need to continue putting our efforts behind the following priority areas (not exhaustive): Homelessness; Port; Planning; Transformation/Operating Model (Applications); Staff costs; Environment Act Obligations; Capital Pressures; Debt,</p> <p>The updating of the Financial Regulations will be reviewed, and any changes will have to go through Cabinet and Full Council for approval before publishing.</p> <p>The final budget report for 2025/26 was agreed by Cabinet and Council on 24th February 2025.</p> <p>Members are reviewing priorities since the announcement of LGR. The Investment Strategy is reviewed annually by ARMC. The Accommodation project is currently on hold, awaiting the outcome of Local Government Reorganisation.</p> <p>The General Fund Budget Estimates and Medium-Term Financial Strategy (MTFS) Report, agreed by Cabinet and Council in February, projects a financial shortfall for 2025/26 of £1.432m increasing year on year amounting to around £3.4m by 2027/28. Although there are currently many uncertainties regarding the budget for 2025/26 and the MTFS, there remains a significant structural deficit which the Council will need to address.</p> <p>The financial outturn for the financial year 2024/25 resulted in a surplus. A tracker has been created to evidence the potential benefits and costs savings from the transformation programme. It also tracks savings realised. An Additional Resource Authorisation Form has been introduced to approve resource by Finance and CMT. An updated debt management policy has been delivered.</p>	4	4	16	<p>The Finance team are actively encouraging the wider use of 'No PO, No Pay', which is a process within our financial management system which will deliver improved financial management.</p>

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
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24 – CMT (PM/AB)	<p>Change in Government Priorities or Legislation (New or amended legislation / change of priorities)</p> <p>Risks:</p> <ul style="list-style-type: none"> • Change in legislation. • Change in government priorities. • Significant legal challenge. • Risk of GDPR breach and ICO sanction / fine. • Risk of administrative, or other challenge in relation to the Council's overall governance / acts / omissions. <p>Effect: Changes in national political priorities may result in immediate changes that require additional resource to achieve and fail to reflect priorities determined by consultation.</p>	5	5	25	<p>Monitoring Officer; Horizon scanning by Legal / CMT / Management Team; Financial & workforce planning; Membership of professional / Local Govt. bodies aids horizon scanning; Management of change approach to mitigate significant impact to the organisation; Detailed project plans to change implementation; Respond to consultations on new legislation; Insurance; Cabinet reports; Clear corporate planning and regular performance monitoring; Effective service/ financial planning; Respond to national consultation on key policy change; Membership of LGA as a Council Outside Body; Use intelligence to identify impending changes and their effects; Ensure staff trained and procedures changed; Use professional networking to identify best practice for responding to change; We respond to government consultations on changes to legislation / policy to influence its development; Operate in accordance with best practice; Seek specialist external legal advice, where required; Effective working with other local authorities; Understanding and acting on intelligence from LGA, CIPFA, and other local government sources; Resources identified, approved, and implemented without delay; Horizon scanning via professional bodies; Joint/collaborative working.</p> <p>The likelihood of legislative change remains high. We are keeping a watching brief as any changes are announced. We are monitoring expected legislative changes which may arise after the introduction of the Procurement Act which will replace the current EU law-based procurement regulations and lay down new rules and procedures for selecting suppliers and awarding contracts.</p> <p>The Council has in-house senior legal advice as well as through its links with external organisations, such as EM Lawshare and PCC Legal. Specialist external advice will be sought in relation to complex / technically challenging matters, as appropriate.</p> <p>The Elections Bill 2021 includes additional requirements relating to: Voter identification; Postal and Proxy voting measures; Clarification of undue influence; Accessibility of Polls; Overseas Electors; EU Voting and Candidacy Rights; The Electoral Commission; Notional Expenditure; Political Finance; Intimidation: New Electoral sanction; and Digital Imprints.</p> <p>The Government have announced that they will facilitate a programme of local government reorganisation for two-tier areas. They will invite proposals for reorganisation, and take a phased approach to delivery, considering where reorganisation can unlock devolution, where areas are keen to move quickly or where it can help address wider failings. New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis. Members are reviewing priorities since the announcement of LGR as reported to O&S.</p> <p>The Procurement Act has now come into force. Refresher training has been developed and will be rolled out shortly.</p> <p>The new Employment Bill being proposed by the Government is currently going through the House of Lords. The Bill intends to make provision to amend the law relating to employment rights; to make provision about procedure for handling redundancies; to make provision about the treatment of workers involved in the supply of services under certain public contracts; to provide for duties to be imposed on employers in relation to equality; to amend the definition of "employment business" in the Employment Agencies Act 1973; to provide for the establishment of the School Support Staff Negotiating Body and the Social Care Negotiating Bodies; to amend the Seafarers' Wages Act 2023; to make provision for the implementation of international agreements relating to maritime employment; to make provision about trade unions, industrial action, employers' associations and the functions of the Certification Officer; to make provision about the enforcement of legislation relating to the labour market; and for connected purposes. The impact of its implementation is likely to have a significant on all employers, and will require a review of all associated policies, Codes of Practices, procedures and some additional management training.</p> <p>The Environment Act require weekly food waste collections from all properties from April 2026. The council has a project team delivering these changes. The act also includes changes to waste collection and treatment. Funding for recycling collections through Extended Producer Responsibility, delivery of weekly food waste and Deposit Return Scheme all represent a significant change and present a risk to the authority.</p>	4	4	16	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
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3 – CMT (All Managers)	Procurement & Contract Management Risk: Failure of contractors / suppliers working on the Council's behalf. Effect: Failure of contractor or partners to deliver services or meet agreed performance objectives leads to additional costs or failed objectives.	4	4	16	<p>Procurement processes, including financial aspects, contract standing orders, and equality standards; Creation of robust contracts; Accountability and risk ownership; Service Level Agreements; Contract monitoring; Trained / skilled staff; Project management; Relationship Management; Business Continuity plans; Ensuring contracts have risk registers and mitigation in event of contract failure; Ensuring all contractors have reviewed their business continuity plans; Individual Council services share their own contingency to cover for contractor failure, which forms part of the Business Continuity Plan for each service area; Potential contractors and suppliers are always checked for financial stability and business continuity by the Accountancy / Procurement teams before contracts are let.</p> <p>FDC has arrangements in place to manage / monitor the performance of the Tivoli Grounds Maintenance contract and the Freedom Leisure contract. All other contracts have a full review and governance process in place to ensure ongoing delivery and performance standards.</p> <p>The cost of living and energy crises form a significant challenge to the leisure business. Freedom Leisure and FDC are monitoring the situation closely and are working together to mitigate impact on the services provided to the local community in Fenland.</p> <p>A Contract Management Policy and associated standards and guidance toolkit will be considered to ensure that all contracts are managed in a consistent and compliant manner. This should be available to all contract managers.</p> <p>The Procurement Act has now come into force. Refresher training has been developed and rolled out to all staff. The Code of Procurement was agreed by Full Council in December 2024, and the Procurement Strategy was agreed at Full Council in February 2025.</p> <p>Alternative arrangements for the bulking and transfer of recyclable material are now in place.</p> <p>Following an audit of our Contracts Register in February 2025, the actions identified to be followed up during an audit of procurement have now been completed.</p> <p>An Audit of our preparation for the Procurement Act was completed in 2024/25. This produced a Reasonable Assurance Opinion with 6 Actions.</p>	4	3	12	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
6 – Peter Catchpole (SB/AB)	Cyber Resilience (Loss of ICT provision) Risk: Breach of ICT security, ICT failure, or cyber-attack, causing loss of service. Effects: <ul style="list-style-type: none"> Major ICT hardware / software failure, or attack (such as viruses, hacking, or malware) causes disruption to services, or a breach of security. Financial penalties due to data loss. Reputational damage. 	5	5	25	<p>Anti-virus software; Firewalls; Geographically distributed servers; Exercised Disaster Recovery plan; Data backed-up and stored off-site; Redundant power supplies; Clustered / virtual servers; Revised security policies; Service business continuity plans; All staff undertake cyber-security training annually; Effective auditing of systems; Regular penetration testing; Network monitoring.</p> <p>The Council subscribes to the National Cyber Security Centre's (NCSC) Web Check service that helps public sector organisations identify website threats. This service scans public sector websites to check if they are secure.</p> <p>Council ICT systems and website are as secure as possible with current anti-malware software and processes up to date. When vulnerabilities are made known by software vendors, software is promptly updated to reduce the risk of malicious attack.</p> <p>Our ICT infrastructure and processes are accredited against the PSN Code of Connection, PCI DSS, and Cyber Essentials Plus certification.</p> <p>Independent internal and external penetration testing is carried out annually to demonstrate our processes and security stance are adequate.</p> <p>A mandatory on-line cyber training course is completed by all staff annually.</p> <p>A presentation was delivered to members of Audit & Risk Management Committee in February 2025 detailing the cyber threats, the authority's cyber defences, and how we would respond to an incident. This was to increase Members' awareness and understanding before receiving assurance or making challenge.</p> <p>An internal audit of our preparedness to protect our systems and data was carried out in 2024 and recommendations from this have now been implemented.</p>	3	4	12	<p>Another internal audit is currently taking place looking at the council's cyber resilience. Cyber security is a rapidly evolving field, making regular audits a recommended best practice.</p>

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		Impact	Likelihood	Total		Impact	Likelihood	Total	
23 – Peter Catchpole (SB/MG/AB)	<p>Business Continuity / Disaster Recovery (Response to a localised operational issue)</p> <p>Risks:</p> <ul style="list-style-type: none"> Lack of access to Council premises preventing service delivery. Failure of ICT systems. Resources become unavailable. <p>Effects:</p> <ul style="list-style-type: none"> Disruption of service provision. The Council has undertaken a condition survey of Fenland Hall and significant repairs are needed. Failure to secure and manage data leads to loss / corruption / inaccuracy of data, resulting in disruption to services and breaches of security. 	5	5	25	<p>Alarm and security systems; Fire drills; Business continuity plans; ICT disaster recovery plan; Geographically distributed sites; Remote working; Statutory building inspection and checks; Carrying out necessary works to rectify urgent issues; Effective auditing of systems and data held; Data backed-up securely off-site; Regular penetration testing; ICT Disaster Recovery procedures regularly tested; Additional ICT resource has been recruited; Provision of 'drop down' facilities for staff: Resilient internet feed to Fenland Hall; Resilience built into ICT infrastructure, where appropriate; Consideration given when a new system is procured or replaced as to whether it would be more appropriate to host this within the cloud in terms of resilience, capacity, performance, and cost.</p> <p>The Council has an Information Asset Register of all records it holds in both paper and electronic form. Worked with IT system suppliers and conducted a staff awareness campaign to ensure that staff understand and are compliant with GDPR; Majority of information held by the Council is held with a legal basis for holding (e.g. Elections and Council Tax records); All staff undergo GDPR training.</p> <p>The likelihood score reflects the global increase of cyber-crime; All Council employees undertake cyber security training; Improved ICT systems provide better/increased opportunities for remote/agile working; Where necessary, staff have the necessary equipment to be able to work away from the office with access to Council systems.</p> <p>All key / priority services have individual business continuity measures in place to maintain service delivery; The Council has implemented Pay Point, which has enabled our residents to pay their bills (by cash or card) in a much greater number locations across the district.</p> <p>Service business continuity plans are currently being updated and reviewed.</p>	4	3	12	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
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22 – CMT (SK/All Managers)	<p>Resourcing (Service provision affected by organisational change / insufficient staff)</p> <p>Risks:</p> <ul style="list-style-type: none"> Service provision affected by organisational change, or insufficient staff, to provide Council services. Increased competition from other employers within the same workforce pool. Insufficient leadership and/or management capacity. <p>Effects:</p> <ul style="list-style-type: none"> Constraints to effective workforce planning may lead to poor standards of service, or disruption to service. Service transformation can help build resilience but could also lead to a loss of qualified and knowledgeable staff exposing the council to risk of service failure or legal challenge. Service provision, or performance, affected by organisational change, industrial action, or staff sickness resulting in complaints, poor performance, or possible further costs. 	4	5	20	<p>Learning & development framework / training; Working environment / culture; Staff Committee; Flexible working; Established suite of people policies & procedures; Business continuity plans; Management training; 121s / Springboards / staff development; Service planning process; Access to interim staff; Effective sickness management; Effective governance structures; Audit & Risk Management Committee; Consultation with Management, Trade Union and Staff Partnership group (MTSP); Robust HR management procedures; Regular performance monitoring; Project management processes; Ensure all services have effective workforce plans, which ensure all work is prioritised; Effective succession planning; Effective use of project management approaches / principles when delivering priorities / strategies; Robust management of all organisational change; Culture of council remains effective; Comprehensive programme of health surveillance for groups of employees who work in certain service areas; Trained Mental Health First Aiders; Stress awareness / resilience training; Staff engagement and consultation processes.</p> <p>All services are required to publish service plans, learning requirements and workforce plans to ensure teams are staffed according to current establishment and to take account of priorities and longer-term trends. All service business continuity plans have been updated to ensure that key, priority and statutory services can be maintained in the event of a significant loss of staff through illness or absence.</p> <p>Where necessary, staff have the necessary equipment to be able to work away from the office with access to Council systems. Upskilling our managers to assist in the management of a remote workforce and support the wellbeing of their teams.</p> <p>Even with mitigation in place the challenges of attracting, recruiting and retaining staff is becoming increasingly difficult. As part of the Transformation programme, individual service reviews have commenced and will consider this issue as part of the process.</p> <p>All organisational changes must be supported by a full rationale and business cases and are considered by senior management; Proposed changes are subject to a consultation process, and then progressed by a wider project group to ensure all service provision issues are considered and managed. This project management approach is maintained for all such changes/programmes, and is supported by communication, engagement and training support for staff groups affected.</p> <p>The Council has a health and wellbeing programme in place which supports the existing suite of policies, codes of practices and processes, this includes a wide range of support to help promote and encourage their good health and wellbeing.</p> <p>Actions agreed from the most recent wellbeing survey include:</p> <ul style="list-style-type: none"> All managers will be invited to attend a two-day Mental Health First Aid course. All employees will be invited to a half-day Mental Health Awareness course. All new employees will be required to attend the training as part of their induction to the Council. <p>With the announcement of Local Government Reorganisation, it is envisaged that recruitment of vacant posts may be more difficult to fill, and retention of staff may prove to be more of a challenge. This will be closely monitored going forward.</p>	3	4	12	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
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1 - CMT	Local Government Reorganisation (LGR) Programme of local government reorganisation for two-tier areas and neighbouring unitary councils. Risks: <ul style="list-style-type: none"> • Disruption due to cancellation of LGR programme. • Difficulty recruiting new staff. • Difficulty retaining current staff. • Financial issues if LGR is cancelled or delayed. • Procurement challenges. • Normal control and procedures not being followed. • Impact on partnership arrangements. Effects: <ul style="list-style-type: none"> • Reduced workforce. • Budgetary challenges. Reduced ability to negotiate contracts.	5	3	15	<p>The Government have announced that they will facilitate a programme of local government reorganisation for two-tier areas. They will invite proposals for reorganisation, and take a phased approach to delivery, considering where reorganisation can unlock devolution, where areas are keen to move quickly or where it can help address wider failings. New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis. Members have begun reviewing priorities since the announcement of LGR.</p> <p>FDC is working in collaboration with partner authorities. A 'workforce' workstream has been created to consider all staffing issues.</p> <p>Reduced contract lengths could increase costs. The need to negotiate novation clauses in contracts.</p> <p>The General Fund Budget Estimates and Medium-Term Financial Strategy (MTFS) Report, agreed by Cabinet and Council in February, projects a financial shortfall for 2025/26 of £1.432m increasing year on year amounting to around £3.4m by 2027/28. Although there are currently many uncertainties regarding the budget for 2025/26 and the MTFS, there remains a significant structural deficit which the Council will need to address.</p>	4	3	12	

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10 – CMT (SK)	Health & Safety (Major health and safety incident) Risk: Major health and safety incident. Effect: Major health and safety incident at leads to costs for inquiry, disruption to service, and possible prosecution.	4	4	16	<p>Health and Safety Policy / Codes of Practice; Quarterly meetings of Council Health & Safety (H&S) Panel; H&S Management System based on HSG65 (Plan, Do, Check, Act); H&S audits in all services; Specialist H&S Advisor; Corporate wide H&S training; Insurance; Aligned Port health and safety arrangements; Port Management Group and annual independent audit; Robust sickness management processes; Health and safety standing item on relevant team meetings; All services represented on H&S Panel meetings; Ensure equipment inventory and inspections are up to date; Collation of all Service Risk Assessment Registers; All high-risk areas have increased systems of management in place, e.g. Port Safety Management Group; Statutory building / equipment inspection programmes in place. Port Annual External Audit. External independent investigations into certain incidents.</p> <p>For all major contracts we ensure providers meet all statutory requirements.</p> <p>A thorough Health and Safety regime at the Council ensures that the residual risk remains carefully managed.</p> <p>Programme of targeted health and safety refresher training is in place as per service specification.</p> <p>Health and safety e-learning courses developed and rolled out on the Council e-learning platform.</p> <p>Health and Safety performance is monitored regularly.</p> <p>Flu jabs are being provided for employees, and we also provide a Health Cash Plan scheme for staff (at no cost to the Council).</p>	3	3	9	

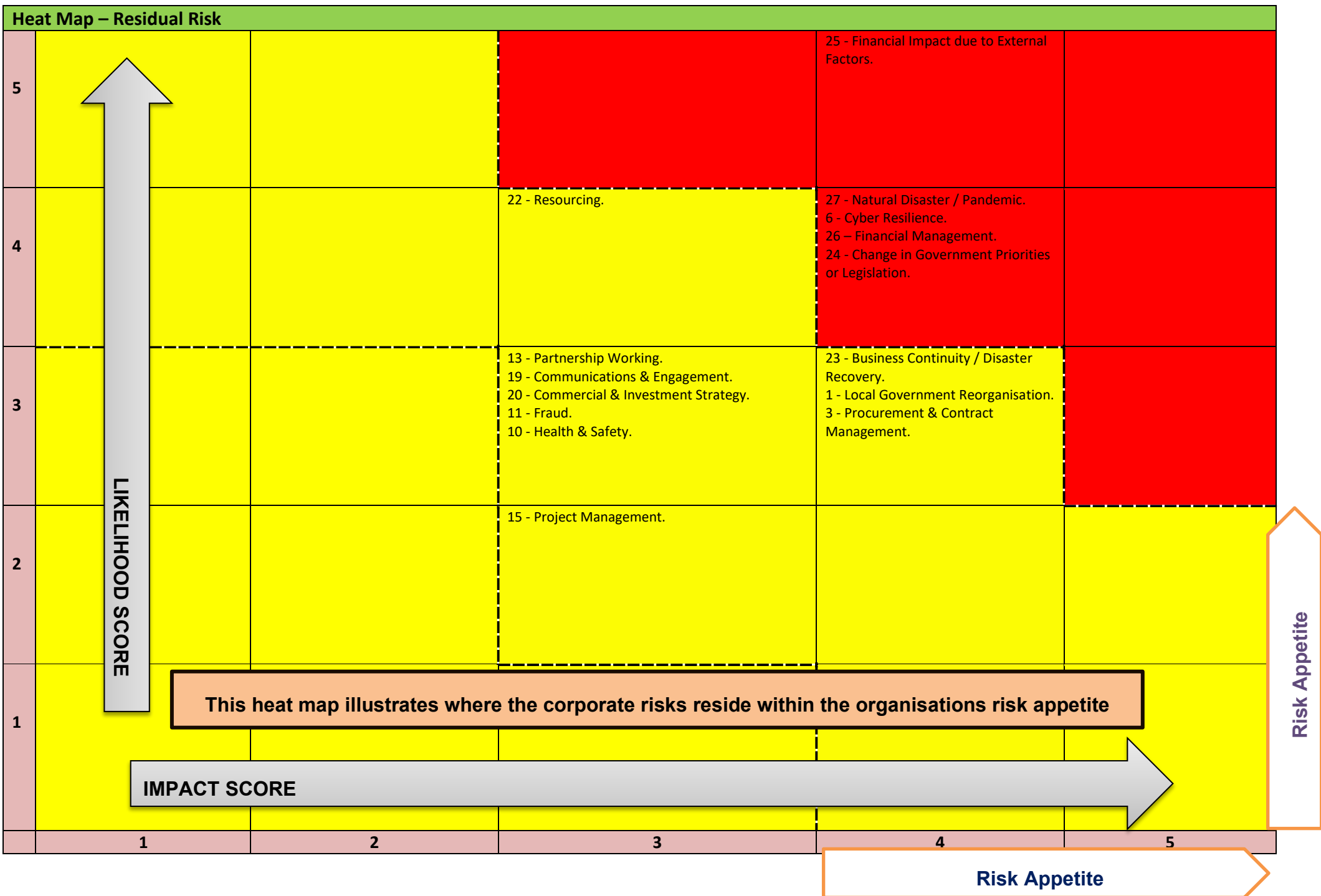
Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
11 – Peter Catchpole / Carol Pilson	<p>Fraud (Fraud and error committed against the Council)</p> <p>Risk: Fraud and error committed against the Council.</p> <p>Effects:</p> <ul style="list-style-type: none"> • Potential for fraud, corruption, malpractice, or error, by internal or external threats. • Immediate financial loss which could harm reputation, and lead to additional costs or penalties. 	4	4	16	<p>Anti-fraud & corruption policy / strategy; Financial regulations / Standing orders; Codes of conduct; Appropriately trained staff; Appropriate culture and risk awareness; Segregation of duties; Supported financial management system; Budget monitoring regime; Internal Audit review of systems and controls; Bribery & corruption / fraud risk assessments; Indemnity insurance; Whistle-blowing procedure; Annual Governance Statement; ARP fraud resource; National Fraud Initiative; Increased staff vigilance; Fraud awareness training for managers; Raised profile internally and externally for successful prosecutions.</p> <p>The Council has assisted with each bi-annual NFI, cross-matching information with records held nationally.</p> <p>The Fraud team within the Anglia Revenues Partnership (ARP) continue to work on this subject.</p> <p>Financial regulations will be reviewed to ensure they are up to date and available to all staff.</p> <p>An updated training programme including fraud awareness is now available to all staff. The Procurement Act has now come into force, and refresher training has been developed and rolled out.</p> <p>The current code of practice for registering outside interests has been reviewed by Internal Audit in light of the changes within the new Procurement Act.</p> <p>There will be a new 'due diligence' review for each major procurement carried out (to include conflicts of interest check).</p> <p>NAFN fraud alerts are shared with FDC for awareness and action, allowing us to be alert to a potential known fraud and to put prevention in place.</p> <p>An Internal Audit has been undertaken on Declarations of Interest and improvement actions are underway to improve the declarations and register process.</p> <p>Mandatory on-line training courses have been introduced for all employees and include Anti-Bribery training and a Bribery Refresher course.</p>	3	3	9	

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13 – Carol Pilson / Peter Catchpole (All Managers)	Partnership Working (Failure of Governance in major partners, or in the Council, as a result of partnership working) Risk: Failure of governance in major partners, or in the Council, as a result of partnership working. Effect: Partnership governance not adopted or followed leading to unachieved priorities or poor performance by major partner agencies (Cambs. and Peterborough Combined Authority, Anglia Revenues Partnership, CNC Building Control, CCTV).	4	5	20	Cabinet and Overview & Scrutiny; ARP Joint Committee and Operational Improvement Board; Joint risk registers and performance indicators; CNC Joint Members Board; Project plans / performance monitoring; Shared risk registers; PCCA Membership; Assurance that governance models correctly followed, and in the Council's interests; Support Members in governance of partnership bodies; Ensure that the Council's interests are protected as Members of the Combined Authority and as Officers working on joint projects; Ensure all partners have robust business continuity plans in place; GDPR compliance; Robust ICT governance processes; Data protection impact assessments. The Annual Governance Statement being reported to Audit & Risk Management Committee shows the Council is in a strong governance position. Scrutiny of key partners and contract monitoring takes place on an annual basis at O&S and Cabinet members sit on boards to ensure the effective delivery of partnership arrangements.	3	3	9	

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19 – CMT (DW/SK)	Communication & Engagement (Poor communication with stakeholders) Risk: Poor communications with stakeholders. Effects: <ul style="list-style-type: none"> • Poor communication with stakeholders, or staff, leads to poorly informed direction of resources, or lack of support for change. • Reputational damage. • Staff turnover. • Increased sickness absence. 	4	5	20	Regular internal and external publications; Staff and management meetings; Regular staff communication from the Chief Executive; Key stakeholder networks for consultation; Forums for perceived hard to reach groups; Co-ordinated press releases; Comments, Compliments and Complaints monitoring and reporting procedure; Customer Service Excellence accreditation; Consultation strategy; MTSP; Customer Service Excellence (CSE) Action Plan; Staff survey; Wellbeing survey; Public consultations on key issues; 3CS refresher training; “What’s Breaking” communication and Vlog updates from the Chief Executive to all staff; Use of social media; Fully updated website. All change projects are supported by a robust project management approach, which includes a communication programme to ensure that stakeholders are fully informed. Regular Chief Executive’s vlog to provide staff with updates on Council projects, share information about the organisation and its day-to-day business, and to be used as an opportunity to answer questions.	3	3	9	Another round of staff briefings will take place during November to provide updates. Three dates have been arranged to ensure all staff have the opportunity to attend.

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20 – CMT (PC/SW/DH/AG)	Commercial & Investment Strategy (Failure of the Council's commercialisation and investment strategy) Risk: Commercial uncertainties associated with decisions taken as part of the Council's Commercial and Investment Strategy. Effects: <ul style="list-style-type: none"> • Reputational damage. • Financial loss. • Impact on services, staff, or community. 	5	4	20	<p>Robust oversight and governance arrangements; Expert professional advice; Robust budget management; Thorough project management and business cases process; All governance requirements have been put in place; Fenland Future Ltd (FFL) has been constituted, with all appropriate governance requirements in place; Dedicated external expert resources are identified and procured to support where required; Annual audit on all governance arrangements.</p> <p>This risk is closely monitored to enable any new actions for mitigation to be identified and put in place.</p> <p>The Council's Commercial and Investment Strategy has a scoring matrix to inform all potential investment opportunities, which are considered fully by the Investment Board before they are ratified.</p> <p>Full business cases for all identified opportunities are taken to the Investment Board for consideration. This includes deciding on the delivery methodology. i.e. FDC or FFL and resource required to deliver each project.</p> <p>FFL's Business Plan is updated each year and approved by the Council's Investment Board in accordance with the articles of association. Project plans setting out the preferred delivery routes for each of FFL's major projects have been prepared and the two sites now have outline planning permission. Work has progressed on the delivery models needed to develop them.</p>	3	3	9	

Number – Owner	Risk and Effects	Inherent Scores			Mitigation	Residual Scores			Comments / Actions since Last Review
		Impact	Likelihood	Total		Impact	Likelihood	Total	
15 – CMT	Project Management (Over-run of major Council projects in time or cost) Risk: Over-run of major Council projects in terms of time or cost. Effects: <ul style="list-style-type: none"> • Failure to manage projects effectively leads to over-runs of time, or cost, or failure to achieve project aims. • Reputational damage. 	4	5	20	<p>Project Management methodology; Contract standing orders & financial regulations; Service plans; Budgetary control; Management, Cabinet and Portfolio Holder oversight; Forecasting; Horizon scanning; Amended ways of working; Robust project management; Effective risk registers for projects; All projects have a CMT sponsor with experienced management membership; Project management board meetings and oversight; Legal due diligence around grant agreements.</p> <p>Effective project management remains a Council priority.</p> <p>Major projects are closely monitored by CMT and Cabinet members and progress is reported to Council via Portfolio Holder briefings.</p> <p>The Council has now delivered Phase 2 of the Transformation programme which is on target to deliver significant savings over the Council's current MTFP period. We have now started delivering the next phase of this transformation programme.</p> <p>Governance arrangements around project management have been reviewed and rolled out.</p> <p>New project management software has been introduced to help manage major projects.</p> <p>13 officers undertook training on APM Fundamentals Qualification, and a Microsoft Project training module has been delivered across the Council.</p>	3	2	6	A course has been arranged for a further 8 officers to undertake project management training and the APM Fundamentals Qualification.



FENLAND DISTRICT COUNCIL
AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME 2025/26

Meeting	Item	Frequency	Presented by	Description
12 May 2025	External Audit Plan 2024/25	Annual	External Audit	To discuss the External Audit Plan for 2024/25
	Corporate Debt Policy	4 Yearly and as required	Sian Warren/Peter Catchpole	To agree proposed changes/updates to the Corporate Debt Policy
	Risk-Based Internal Audit Plan 2025/26	Annual	Deborah Moss	To approve the internal audit plan and resources for the forthcoming year
	Risk Management Policy & Strategy Review	Annual	Stephen Beacher	To provide an update to the Audit and Risk Management Committee on the latest Risk Management Policy and Strategy. To consider and note the annual review of risk management and corporate risk register.
	Risk Register – Quarterly update	Quarterly	Stephen Beacher	To review and approve the quarterly risk register.
	RIPA Annual Update	Annual	Amy Brown	To review the Council's use of the Regulation of Investigatory Power Act 2000 (RIPA).
	Audit and Risk Management Committee Work Programme proposed for 2025/26	Quarterly	Chair	Proposal for 2025/26
28 July 2025	Mandatory Training – verbal update		Sam Anthony	As requested by the Committee, a verbal update on the mandatory training position including the procedure for monitoring.
	Risk Register – Quarterly update	Quarterly	Sam Anthony (on behalf of Stephen Beacher)	To review and approve the quarterly risk register.
	Local Code of Governance	Annual	Peter Catchpole Deborah Moss	To review and approve the updated Local Code of Governance.

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	Draft Annual Governance Statement 2024/25	Annual	Peter Catchpole Deborah Moss	To review and approve the draft annual AGS for publication. Regulation 6(1) of the Accounts and Audit Regulations 2015 requires the Council to conduct an annual review of the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS). The CIPFA Finance Advisory Network has issued detailed practical guidance for meeting the requirements of the Accounts and Audit Regulations
	Internal Audit Annual Report and Opinion 2024/25	Annual	Deborah Moss	To provide the Audit and Risk Management Committee with an overview of the work undertaken by Internal Audit during 2024/25. To provide the Head of Internal Audit's annual opinion on the system of internal control. To consider the effectiveness of Internal Audit.
	Audit and Risk Management Committee Annual Report 2024/25	Annual	Chair	To review the report of Committee to Full Council on the commitment and effectiveness of the Audit and Risk Management Committee's work from April 2024 to March 2025.
	Audit and Risk Management Committee Work Programme	Quarterly	Chair / Peter Catchpole	Information Purposes
29 September 2025 - cancelled				
24 November 2025	Draft – Auditor's Annual Report 2024.25	Annual	External Auditors	To receive the draft Auditor's Annual Report on the 2024/25 external audit.
	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year review	6 monthly	Sian Warren	To review the activity for first 6 months of the year and to provide members with an update on matters pertinent to the Councils Treasury Management

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				Strategy.
	Internal Audit Plan 2025/26 – Quarterly Update	Progress report	Deborah Moss	To approve the updated internal audit plan and resources for the year. To consider and note the activity and performance of the Internal Audit function. To consider the implementation of audit actions.
	Risk Register – Quarterly update	Quarterly	Deborah Moss on behalf of Stephen Beacher	To provide an update to the Audit and Risk Management Committee on the Council's Corporate Risk Register.
	Audit and Risk Management Committee Work Programme	Quarterly	Chair	Information Purposes.
09 February 2026 (date to be confirmed)	Annual Audit Letter 2024/25	Annual	External Audit	To note the independent external auditors, Ernst & Young (EY), Annual Audit Letter
	Audit Results/Completion Report 2024/25	Annual	External Audit	To receive the Audit Results Report on the 2024/25 external audit
	Letter of Representation 2024/25	Annual	Peter Catchpole/Sian Warren	To approve and sign the Letter of Representation for 2024/25
	Final Statement of Accounts 2024/25	Annual	Sian Warren	To approve the final Statement of Accounts for 2024/25
	Value for Money Report 2024/25	Annual	Sian Warren	To receive the VFM report for 2024/25
	Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2026/27	Annual	Mark Saunders	To endorse the strategy to be included in the final budget report
	NEW Corporate Debt Write-Off Policy	4 Yearly and as required	Sian Warren/ Peter Catchpole	To agree proposed new Policy.
	NEW Payment Policy	4 Yearly and as required	Sian Warren/ Peter Catchpole	To agree proposed Policy.

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	Risk Register – Quarterly update	Quarterly	Stephen Beacher	To review and approve the quarterly risk register.
	Whistleblowing Policy and Annual Whistleblowing Update.	Annual	Sam Anthony	To review and approve the Policy and receive an annual update on whistleblowing activity.
	Internal Audit Plan 2025/26 Progress report Q3	Quarterly	Deborah Moss	To consider and note the activity and performance of the Internal Audit function
	Audit and Risk Management Committee Work Programme	Quarterly	Chair	Information Purposes
16 March 2026	Risk-Based Internal Audit Plan 2026/27	Quarterly	Deborah Moss	To approve the internal audit plan and resources for the forthcoming year
	Annual Governance Statement Update 2024/25		Deborah Moss	To review and note the progress on the Annual Governance Statement action plan arising from 2024/25.
	Risk Management Policy & Strategy Review and Corporate Risk Register	Annual	Stephen Beacher	To provide an update to the Audit and Risk Management Committee on the latest Risk Management Policy and Strategy. To consider and note the annual review of risk management and corporate risk register.
	RIPA Annual Update			To review the Council's use of the Regulation of Investigatory Power Act 2000 (RIPA).
	Audit and Risk Management Committee Work Programme proposed for 2026/27.	Quarterly	Chair	Proposal for 2026/27.

FENLAND DISTRICT COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME 2025/26

Cyclical Items (*not due this year unless policy or legislation changes require amendments prior to review date*)

- External Auditor Appointment Process Dec – Feb 2027
- Corporate Debt Policy (4 Years) February 2028
- Anti-Fraud & Corruption Policy and Strategy (4 Years) July 2027
- Anti-Money Laundering Policy (4 Years) November 2027
- Internal Audit Charter (3 years) July 2026
- Whistleblowing Policy frequency of review to be determined
- Risk Management Policy & Strategy Review March 2025

Annual Items

- RIPA Policy and Annual Update Annual
- Treasury Management Strategy Statement and Annual Investment Strategy Annual and Mid-year Review
- Internal Audit Annual Plan Annual
- Internal Audit Annual Report and Annual Opinion Annual
- ARMC Annual Report Annual
- Audit Results Report Annual
- Statement of Accounts Annual
- Letter of Representation Annual
- Annual Governance Statement Annual
- External Auditor's Report Annual
- Provisional External Audit Plan Annual
- Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy
- Annual Governance Statement Update Annual
- Treasury Management Annual Review Annual

Quarterly Items (each meeting)

FENLAND DISTRICT COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME 2025/26

- Internal Audit Progress Report Quarterly
- Corporate Risk Register Update Quarterly

Audit and Risk Management Committee Training sessions 2024

- Statement of Accounts – Mark Saunders TBC
- Risk Register – Stephen Beacher TBC
- Cyber Security Planned 10/02/25

Audit and Risk Management Committee Action Plan

Title	Comments	Due by	RAG
Committee Training	Committee Members to discuss training requirements and provide officers with suggested training topics for future meetings.	Ongoing	
Report on Independent Member	A paper had previously been brought to committee but is now requested to be brought again for discussion and consideration of whether an independent member is desired and recommendation to Council.	Report taken Dec 24	Completed
Cyber Resilience	Committee to be given more information on our cyber resilience – to take place by the Head of ICT in a closed session with Committee.	Training session planned for 10/02/25	Completed
Corporate Training	Committee asked for an update on the training provision.	Verbal update due at Feb 25.	Completed

AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME 2024/25

Abbreviations Used in Audit & Risk Management Committee

AGS	Annual Governance Statement
ARG	Additional Restrictions Grant
ARP	Anglia Revenue Partnerships
BCP	Business Continuity Planning
BEIS	The Department for Business, Energy and Industrial Strategy
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CIS	Commercial Investment Strategy
CMT	Corporate Management Team
CNC	CNC Building Control
CPCA	Cambridgeshire & Peterborough Combined Authority
CPE	Civil Parking Enforcement
CPLRF	Cambridgeshire & Peterborough Local Resilience Forum
CTS	Council Tax Support
DFG	Disabled Facilities Grants
DPA	Data Protection Act
CSR	Comprehensive Spending Review
FFL	Fenland Future Ltd
GDPR	General Data Protection Regulations
GIAS	Global Internal Audit Standards (<i>replaced the PSIAS from April 2025</i>)
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
LGA	Local Government Association
LGR	Local Government Reform
LGSS	Local Government Shared Services
LRSG	Local Restrictions Support Grants
MHCLG	Ministry of Housing Communities and Local Government
MoU	Memorandum of Understanding
MRP	Minimum Revenue Provision
MTFP	Medium Term Financial Plan
MTSP	Management, Trade Union & Staff Partnership
NFI	National Fraud Initiative
NNDR	National Non-Domestic Rates
OIB	Operational Improvement Board (ARP)
OLTL	Other Long-Term Liabilities
PPA	Post Payment Assurance
PSAA	Public Sector Auditor Appointments
PSIAS	Public Sector Internal Audit Standards (<i>replaced by Global Internal Audit Standards from April 2025</i>)
PWLB	Public Works Loan Board
RIPA	Regulation of Investigative Powers

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