The Arc
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S43 4JY

To: Chair & Members of the Audit Committee

Wednesday 8th July 2026

Contact: Alison Bluff
Senior Governance Officer
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Dear Councillor

AUDIT COMMITTEE

You are hereby summoned to attend a meeting of the Audit Committee of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Thursday 16th July 2026 at 14:00 hours.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 3.

Yours faithfully

J. S. Fieldend

Solicitor to the Council & Monitoring Officer

Equalities Statement

Bolsover District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community.

The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Access for All statement

You can request this document or information in another format such as large print or **language** or contact us by:

- **Phone:** 01246 242424
- **Email:** enquiries@bolsover.gov.uk
- **BSL Video Call:** A three-way video call with us and a BSL interpreter. It is free to call Bolsover District Council with Sign Solutions; you just need Wi-Fi or mobile data to make the video call or call into one of our Contact Centres.
- Call with Relay UK - a free phone service provided by BT for anyone who has difficulty hearing or speaking. It's a way to have a real-time conversation with us by text.
- **Visiting** one of our offices at Clowne, Bolsover, Shirebrook and South Normanton

AUDIT COMMITTEE
AGENDA

Thursday 16th July 2026 at 14:00 hours taking place in the Council Chamber, The Arc, Clowne

Item No.		Page No.(s)
1.	**Apologies For Absence**	
2.	**Urgent Items of Business** To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.	
3.	**Declarations of Interest** Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.	
4.	**Minutes** To consider the minutes of the last meeting held on 9th April 2026	4 - 10
	REPORTS OF THE INTERNAL AUDIT CONSORTIUM MANAGER	
5.	**Summary of Progress on the 2025/26 and 2026/27 Internal Audit Plans**	11 - 35
6.	**Internal Audit Consortium Annual Report 2025/26**	36 - 70
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AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne, on Thursday 9th April 2026 at 1000 hours.

PRESENT:-

Members:-

Councillor Catherine Tite in the Chair

Councillors:- Steve Fritchley, Cathy Jeffery, Tom Kirkham, and Mrs Ruth Jaffray (Coopted Member).

Officers:- Karen Hanson (Chief Executive), Theresa Fletcher (Section 151 Officer), Jim Fieldsend (Monitoring Officer), Jenny Williams (Head of Internal Audit Consortium), Katie Walters (Property Services Manager) (to Minute No. AUD44-25/26), and Alison Bluff (Senior Governance Officer).

Also in attendance at the meeting was James Collins (MAZARS) (via Teams), Councillor Clive Moesby (Portfolio Holder for Resources) and Natalie Richards (Auditor).

AUD38-25/26. APOLOGIES FOR ABSENCE

An apology for absence was received on behalf of Councillor Rob Hiney-Saunders.

AUD39-25/26. URGENT ITEM OF BUSINESS – INTERNAL AUDIT CHARTER

The Chair consented to an urgent item of business to be considered which was the Internal Audit Charter; this item would be discussed after Agenda Item 11; Summary of Progress on the 2025/2026 Internal Audit Plan.

AUD40-25/26. DECLARATIONS OF INTEREST

There were no declarations of interest.

AUD41-25/26. MINUTES – 29TH JANUARY 2026

Moved by Councillor Catherine Tite and seconded by Councillor Tom Kirkham
RESOLVED that the Minutes of an Audit Committee held on 29th January 2026 be approved as a true record.

AUD42-25/26. EXTRAORDINARY MINUTES – 26TH FEBRUARY 2026

Moved by Councillor Catherine Tite and seconded by Councillor Tom Kirkham
RESOLVED that the Minutes of an Audit Committee held on 26th February 2026 be approved as a true record.

AUD43-25/26. COMPLIANCE AUDIT ANNUAL REPORT 2025/26 FOR 17UC BOLSOVER DISTRICT COUNCIL

Committee considered a detailed report presented by the Property Services Manager which advised Members of the outcome of an audit carried out in relation to compliance with funding requirements by Homes England, for Bolsover Homes new build properties, at Woburn Close, Blackwell and Moorfield Lane, Whaley Thorns. A site plan was attached at Appendix 1 to the report.

Homes England had awarded the Council £97,240 in funding to enable the completion of two Bolsover Homes properties at Moorfield Lane, Whaley Thorns, and £3,149,719 to enable the completion of 43 Bolsover Homes properties at Woburn Close, Blackwell.

The funding terms contained provisions that Homes England could audit how the funding had been spent to ensure that it met the grant requirements and the above two sites were selected for audit.

The audit carried out had resulted in a 'green grade' being awarded to the Council which meant the funding had met the requirements and was also the highest grade awarded. The audit report was attached at Appendix 2 to the report for Members information.

To conclude the audit there was a requirement to notify the Council that the audit had taken place and the result of the outcome.

Councillor Fritchley congratulated the Property Services Manager and the Council on the success of the two sites and the award from Homes England; the buildings were excellent and a credit to the Council.

Moved by Councillor Steve Fritchley and seconded by Councillor Tom Kirkham
RESOLVED that the report be noted.

The Property Services Manager left the meeting.

AUD44-25/26. UPDATE ON RISK MANAGEMENT

The Chief Executive provided a verbal update to the meeting in relation to the work of the Risk Management Group (RMG).

The Chief Executive noted that the meetings were well attended by officers; the latest meeting had taken place in February, and key items had been discussed and assessed, in particular;

- Project Eiffel Tower which was the returning of Dragonfly services and staff back into the Council; an appraisal of this positive work would been carried out and presented to Risk Management Group at a future meeting.

- Assets and asset management had been discussed at length, and it was being looked at to develop an asset management strategy and also to undertake a piece of work to ensure that the Council's assets were in the best position possible before Local Government Reorganisation (LGR), so as to leave a good legacy at a parish and district level.

- An update on LGR was given at the meeting; senior Government officers were looking at the proposal the Council had put forward back in November 2025, and meetings were taking place regarding this. The Chief Executive was attending weekly meetings with Derbyshire Chief Executives, and some Council officers were also involved in meetings across various themes. A framework had been set up to carry out work between now and the Government's decision in the summer. Following the Government's decision, there would be a draft structural changes order to look at in terms of how the framework, and the arrangements would be set up before vesting day, and the elections in May 2027, for the shadow unitary authority.

- The meetings received regular updates provided by the Council's Insurance Officer on insurance policies and emerging trends.

- The Internal Audit team had audited the risk management processes and procedures, and a report with substantial assurance had been given which was positive and welcomed by the RMG.

- The Council held a lot of vehicles in its fleet providing essential and statutory services such as waste collection and the latest issues regarding rising fuel prices and supply of fuel was being monitored by the Director of Strategic Services who was keeping the RMG up to date and it was noted that services had been unaffected. This had an impact on budgets which the Section 151 Officer was monitoring.

Members welcomed the update.

The Portfolio Holder for Resources thanked officers and the Chief Executive for the risk management work that was carried out and that he was pleased with the substantial assurance audit report.

Move by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery.
RESOLVED that the verbal update be noted.

Report of the Council's External Auditor Mazars

AUD45-25/26. AUDIT PROGRESS REPORT 2025/26

Committee considered a detailed report, presented by James Collins from Mazars, the Council's External Auditors, in relation to their progress on the 2025/26 audit.

Mazars had completed work and had issued their audit opinion for the year ended 31st March 2025, on 26th February 2026; this was ahead of the statutory deadline of 27th February 2026. Mazars opinion on the statement of accounts was qualified. Mazars had identified no significant weaknesses in the Council's arrangements for securing Value for Money.

Mazars had not yet received confirmation from the NAO that the group audit of the Whole of Government Accounts had been completed and that no further work was required from Mazars. Once this confirmation had been received, Mazars could issue the audit certificate and formally conclude the audit.

Progress on the 2025/26 audit was detailed in the report, along with the audit scope, approach and timeline. James informed Committee of a change to the CIPFA code around indexation of property assets and noted that conversations had taken place with relevant officers in relation to this. Mazars would present their formal Audit Strategy Memorandum in Spring 2026 and continue to keep Committee updated with progress.

In response to a Member's query, James provided detail regarding the change to the CIPFA code and how this would be applied. He assured Members that work with officers was on track regarding this.

Moved by Councillor Catherine Tite and seconded by Councillor Steve Fritchley
RESOLVED that the report be noted.

Reports of the Head of Internal Audit

AUD46-25/26. INTERNAL AUDIT PLAN 2026/2027

Committee considered a detailed report, presented by the Head of Internal Audit Consortium, which sought Members approval for the 2026/27 Internal Audit Plan, which was appended to the report.

The plan had been prepared taking into account a number of factors which were set out in the report including the need to comply with the Global Internal Audit Standards and to ensure that the annual internal audit opinion could provide assurance in respect of the Council's governance, risk and control arrangements.

An annual report summarising the outcome of the 2025/26 internal audit plan would be presented to the Audit Committee at its meeting in July 2026.

Two of the areas within the 2025/26 plan had been carried forward to 2026/27. A summary of the plan for 2026/27 was shown in detail at Appendix 1 to the report. It was noted that the Plan had been reviewed by the Section 151 Officer and Senior Leadership Team.

Resource availability had been based on the Consortium Business Plan that was approved by the Joint Board on 25th March 2026, and a total of 483 days were allocated. The plan was ambitious and reliant upon a fully trained and full staffing complement . It was noted that the Internal Audit Consortium is currently fully staffed.

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery

RESOLVED that 1) the internal audit plan for 2026/27 be agreed,

2) it be noted that the plan was provisional and may need adjusting and prioritising in the light of any changes in the Council's business, risk operations, programs, systems, controls and organisational culture. Any significant changes to the plan would be brought back to Audit Committee for approval.

AUD47-25/26. INTERNAL AUDIT STRATEGY 2026/2027

Committee considered a detailed report, presented by the Head of Internal Audit Consortium, which sought Members approval for the Internal Audit Strategy 2026-2028 which was appended to the report.

To comply with the Global Internal Audit Standards in the UK Public Sector the Head of Internal Audit must develop and maintain an Internal Audit Strategy.

The Strategy included a vision, strategic objectives and supporting initiatives for the internal audit function. The annual report in July will include an improvement plan and this would contain further detail on how the supportive initiatives would be implemented.

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery
RESOLVED that the Internal Audit Strategy 2026/2027 be approved.

AUD48-25/26. SUMMARY OF PROGRESS ON THE 2025/2026 INTERNAL AUDIT PLAN

Committee considered a detailed report, presented by the Head of Internal Audit Consortium, in relation to progress on the 2025/26 Internal Audit Plan, which was appended to the report.

The Global Internal Audit Standards required the Head of the Internal Audit Consortium reported periodically to the Audit Committee in respect of performance against the audit plan, including any significant risk and control issues.

No issues arising relating to fraud were identified.

Appendix 1 to the report was a summary of reports issued to date and showed for each report the level of assurance given and the number of recommendations made / agreed where a full response had been received. This provided an overall assessment of the system's ability to meet its objectives and manage risk. The definitions of the assurance levels used could be seen in a table in the report.

In the period, five reports had been issued; two with substantial assurance, two with reasonable assurance, and one with limited assurance. The limited assurance report related to asset management and the main reasons for this were detailed in the report. As per Members' request, a full copy of the limited assurance report could be found at Appendix 2.

Appendix 3 provided the progress to date in respect of the completion of the 2025/26 Internal Audit Plan which showed the majority of the plan would be completed with just two areas rolled forward to 2026/27.

In response to a Member's query regarding the deadline for spending the Bolsover Regeneration Fund monies, the Chief Executive advised that the date was 31st March 2028 which fitted in closely with Local Government Reorganisation (LGR). The funding and projects were being closely monitored by the Council's Strategic Commissioning Board.

A Member referred to the audit of the Housing Revenue Account (HRA) Business Plan, which had been deferred to 26/27, and requested a full report on the HRA at a future meeting as this was a major asset of the Council. The Section 151 Officer advised that Housing had carried out a procurement exercise in relation to a new housing system which would be used for the survey information received from Savills regarding reprofiling the Council's residential properties.

In relation to asset management, the Portfolio Holder for Resources advised that an Asset Management Strategy had been drafted and would be presented to a future Executive meeting for approval.

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery
RESOLVED that the report be noted.

AUD49-25/26. INTERNAL AUDIT CHARTER

Committee considered a detailed report, presented by the Head of Internal Audit Consortium, which sought Members approval for the results of a review of the Internal Audit Charter, which was appended to the report.

In accordance with the Global Internal Audit Standards in the UK Public Sector, the Head of Internal Audit must develop and maintain an Internal Audit Charter that specified, as a minimum, the internal audit functions; the purpose of internal auditing, commitment to adhering to the Global Internal Audit Standards in the UK Public Sector, mandate, including scope and types of service to be provided, and the Audit Committee's responsibilities and expectations regarding management's support of the internal audit function, also, organisational position and reporting relationships.

It was agreed that the Internal Audit Charter would be reviewed every year to ensure that it was kept up to date and in accordance with CIPFA recommended practice. The Charter was last formally approved by the Committee in July 2025.

There had been no updates to the Global Internal Audit Standards in the UK Public Sector since the last review of the Charter. The current Internal Audit Charter had been reviewed, and it was felt that it was still fit for purpose. *(The only addition was in respect of including Rykneld Homes Ltd, as the Internal Audit Consortium were the appointed auditors for North East Derbyshire District Council's company).*

Moved by Councillor Steve Fritchley and seconded by Councillor Tom Kirkham
RESOLVED that 1) the Internal Audit Charter be agreed,

2) the agreed Internal Audit Charter be reviewed annually or sooner than that in the event of any significant changes to the Internal Audit function or the Global Internal Audit Standards in the UK Public Sector.

AUD50-25/26. LOCAL GOVERNMENT REORGANISATION FINANCE ESSENTIALS: ACCOUNTS AND AUDIT REQUIREMENTS THROUGH THE LGR PROCESS

Committee considered a document received from the Local Government Association (LGA), which provided information regarding account and audit requirements, through the Local Government Reform (LGR) process.

This was the second finance guidance note and focused on the importance of maintaining comprehensive and accurate financial records through LGR.

The Section 151 Officer highlighted the parts of the document which related and would relate to the Council and the Audit Committee going forward up to vesting day. Four Audit Committee meetings would be held up to the end of April 2027, and specific information would be presented to Members at those meetings. The new unitary authority would establish a new Audit Committee early on in the process of LGA.

In response to a Member's question, the Section 151 Officer advised that it would be up to the new unitary authority to train Members in audit committee related matters.
The Chief Executive noted that the document was really useful especially in relation to the setting up of a Programme Board and theme leads regarding LGR, and the responsibilities around finance.

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery
RESOLVED that the report be noted.

The meeting concluded at 1045 hours

Bolsover District Council

Meeting of the Audit Committee on 16th July 2026

Summary of Progress on the 2025/26 and 2026/27 Internal Audit Plans

Report of the Head of the Internal Audit Consortium

Classification	This report is public
Contact Officer	Head of the Internal Audit Consortium

PURPOSE/SUMMARY OF REPORT

To present, for members' information, the final progress report in respect of the 2025/26 Internal Audit Plan and the first progress report in respect of the 2026/27 Internal Audit Plan.

REPORT DETAILS

1. Background

1.1 The Global Internal Audit Standards in the UK Public Sector require that the Head of the Internal Audit Consortium reports periodically to the Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

2. Details of Proposal or Information

2.1 Appendix 1 is a summary of reports issued to date in respect of the 2025/26 and 2026/27 Internal Audit Plans.

2.2 The Appendix shows for each report the level of assurance given and the number of recommendations made / agreed where a full response has been received. This provides an overall assessment of the system's ability to meet its objectives and manage risk. The definitions of the assurance levels used can be seen in the table below.

Assurance Level	Internal Audit Definition	Risk Register Link
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.	Minor / negligible impact
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.	Minor / moderate
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.	Moderate / Severe Impact
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.	Catastrophic Impact

2.3 In this period 6 reports have been issued 2 with substantial 3 with reasonable and 1 with limited assurance.

2.4 As Members have previously requested, a full copy of the limited assurance Disclosure and Barring Service (DBS) report has been attached as Appendix 2.

The reasons for a limited assurance report were: -

- 6 casual leisure employees and a leisure supervisor had out of date DBS checks.
- 1 employee who joined leisure in July 2025 has still not provided a DBS check to the Council.

2.5 It should be noted that since the last audit, HR has implemented a clear role-by-role DBS register within the HR system, automated weekly reporting and a reminder and escalation process to service managers. Each week, reports are run centrally, employees are reminded in advance of expiry, managers are notified where renewal does not take place, and escalation occurs where there is no response.

2.6 Although the front end of the process is now working well, the audit identified that there was still a failure in the renewal process at service manager level.

2.7 As a result of the report management have strengthened the way the policy is applied in practice. This includes making explicit within communications and management instructions that failure to maintain a valid DBS will result in immediate suspension from regulated duties and that such non-compliance will be managed through the disciplinary framework where appropriate.

2.8 Internal Audit will undertake a follow up in the summer to ensure that the above action is being taken promptly and consistently.

2.9 No issues arising relating to fraud were identified.

2.10 Appendix 3 provides the progress to date in respect of the completion of the 2025/26 Internal Audit Plan. Most of the plan will be completed with just 2 areas being rolled forward to 2026/27. The procurement audit is nearing completion the results of which will be reported at the committee's next meeting.

2.11 Appendix 4 provides progress to date on the completion of the 2026/27 Internal Audit plan. Progress is as would be expected for this time of year.

3. Reasons for Recommendation

3.1 To inform Members of progress on the 2025/26 and 2026/27 Internal Audit Plans and to provide details of the Audit Reports issued to date.

3.2 To comply with the requirements of the Global Internal Audit Standards in the UK Public Sector.

4 Alternative Options and Reasons for Rejection

4.1 N/A

RECOMMENDATION

That the report be noted.

IMPLICATIONS:

Finance and Risk **Yes☐** **No ☒** **Details:** Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained. On behalf of the Section 151 Officer

Legal (including Data Protection) **Yes☐** **No ☒** **Details:** The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance". On behalf of the Solicitor to the Council
Staffing **Yes☐** **No ☒** **Details:** On behalf of the Head of Paid Service
Equality and Diversity, and Consultation **Yes☐** **No ☒** **Details: N/A**
Environment **Yes☐** **No ☒** Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment. **Details: N/A**

DECISION INFORMATION

☒ ***Please indicate which threshold applies:***	
Is the decision a Key Decision? A Key Decision is an Executive decision which has a significant impact on two or more wards in the District or which results in income or expenditure to the Council above the following thresholds:	**Yes☐** **No ☒**
Revenue (a) Results in the Council making Revenue Savings of £75,000 or more or **(b)** Results in the Council incurring Revenue Expenditure of £75,000 or more.	**(a)** ☐ **(b)** ☐
Capital (a) Results in the Council making Capital Income of £150,000 or more or **(b)** Results in the Council incurring Capital Expenditure of £150,000 or more.	**(a)** ☐ **(b)** ☐
District Wards Significantly Affected: *(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)* Please state below which wards are affected or tick **All** if all wards are affected:	**All** ☐

Is the decision subject to Call-In? (*Only Key Decisions are subject to Call-In*) If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? ***(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)*** **Consultation carried out:** *(this is any consultation carried out prior to the report being presented for approval)* **Leader ☐ Deputy Leader ☐ Executive ☐ SLT ☐** **Relevant Service Manager ☐ Members ☐ Public ☐** **Other ☐**	**Yes☐ No ☐** **Yes☐ No ☐** **Yes☐ No ☐**

Links to Council Ambition: Customers, Economy, Environment, Housing
Internal audit reviews help to ensure that the Council is delivering high quality, cost effective services.

DOCUMENT INFORMATION	
Appendix No	**Title**
1	Summary of Internal Audit reports issued in respect of the 2025/26 and 2026/27 Internal Audit Plans.
2	Disclosure and Barring Service (DBS) Report
3	Progress on the 2025/26 Internal Audit Plan
4	Progress on the 2026/27 Internal Audit Plan

Background Papers
(*These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).*

BOLSOVER DISTRICT COUNCIL

Internal Audit Consortium - Report to Audit Committee

Summary of Internal Audit Reports Issued April - June 2026

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
	2025/26						
B017	Domestic Waste Collection	To review the processes in place including in relation to the new food collection service	Substantial	21/4/26	13/05/26	2L	2
B018	Damp and Mould	To ensure that the Council is meeting its obligations to investigate and remedy damp and mould hazards within its council housing stock	Reasonable	30/4/26	22/5/26	4 (2M 2L)	4
B019	IT Inventory and Disposal	To ensure that there is an accurate IT inventory in place and that any items disposed of are done so appropriately	Reasonable	15/05/26	8/06/26	5 (2M 3L)	4

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B020	Transport	To review the operation of and to ensure legislative requirements are met in terms of Transport, Vehicles and Fuel.	Substantial	11/6/26	2/7/26	1L	1
	2026/27						
B001	Disclosure and Barring Service checks (DBS)	To ensure that all DBS checks are up to date with processes in place to take prompt and appropriate action for checks that are out of date.	Limited	6/5/26	28/5/26	1H	1

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B002	Safeguarding (excluding DBS checks)	To ensure that the council is meeting its duty of care to protect and promote the welfare of children and vulnerable adults including ensuring that there are adequate policies and training in place.	Reasonable	21/5/26	12/6/26	4 (3M 1L)	4

H = High Risk M = Medium Risk L = Low Risk

Bolsover, Chesterfield and North East Derbyshire District Councils'

Internal Audit Consortium

Internal Audit Report

Authority:	**Bolsover District Council**
Subject:	**Disclosure and Barring Service (DBS) Checks**
Date of Issue:	**6th May 2026**
Assurance Level	**Limited Assurance**
Report Distribution:	**HR and Payroll Manager, Strategic Director Legal, Governance and Monitoring Officer, Strategic Director of Services, Director of Finance & S151 Officer, Chief Executive.**

Introduction

In accordance with the 2026/27 annual audit plan a review of the processes and controls in respect of DBS Checks has been undertaken. DBS checks were identified as an area for review in 2026/27 due to the Limited Assurance opinion provided in respect of the weakness of procedures in place identified during the Lifeline Scheme audit in August 2025.

The Council has a responsibility to safeguard the welfare of individuals using its services and a statutory duty of care towards vulnerable members of the community under the Safeguarding Vulnerable Groups Act 2006, as amended by the Protection of Freedoms Act 2012 and the Rehabilitation of Offenders Act 1974 (as amended in 2013). This duty must also be fulfilled in compliance with other relevant legislation, including the Data Protection Act 2018, the Human Rights Act 1998, and the General Data Protection Regulation (GDPR).

The DBS checks are part of fulfilling safeguarding responsibilities. DBS checks are required for individuals working with vulnerable groups (children or adults), in healthcare, leisure, education, or sensitive roles like finance and law. They are mandatory for specific jobs to ensure suitability, often requiring an enhanced check for positions involving direct, unsupervised care.

Internal audit work and reporting has been carried out in line with the requirements of the Global Internal Audit Standards in the UK Public Sector.

Executive Summary

Assurance Opinion	
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.

Appendices

For a full list of Assurance definitions linked to risk see Appendix 1. For definitions of High, Medium and Low risk recommendations see Appendix 2. For definitions of Root Cause Analysis see Appendix 3. For the Management Action Plan see Appendix 4.

Summary of Key Findings
Except for DBS renewals important controls are in place and are operating effectively. Fundamental control weaknesses were identified in respect of the DBS renewal process. 6 casual leisure employees and a leisure supervisor had out of date DBS checks.1 employee who joined leisure in July 2025 has still not provided a DBS check to the Council. 1 High Risk recommendation has been made. Reasons for renewals not taking place include, failing to subscribe to the update service and bank details having changed so the renewal application is rejected as payment cannot be taken. It should be noted that since the last audit, HR has implemented a clear role-by-role DBS register within the HR system, automated weekly reporting and a reminder and escalation process to service managers. Each week, reports are run centrally, employees are reminded

in advance of expiry, managers are notified where renewal does not take place, and escalation occurs where there is no response.

Although the front end of the process is now working well, there is still a failure in the renewal process at service manager level.

Scope, Objectives and Risks

1 Key objectives and risks were identified with management during the scoping of the audit and by review of the strategic and relevant operational risk register. The processes and controls in place have been assessed to provide assurance that risks are being managed effectively. If risks are not well managed, then the achievement of services objective/s may be threatened.

2 The risks considered are: -

- Failure to identify required renewal checks where employee changes bank details.
- Data security having regard to significant paper-based element in processing checks.
- Securing a replacement Umbrella DBS provider following termination by North East Derbyshire District Council

3 These risks have been considered within all areas of audit testing, as noted within the scope and objectives below. Recommendations mitigating these risks have been made within the relevant sections of this report.

4 The scope and objectives of the audit were to ensure that: -

- Previous recommendations have been implemented
- Arrangements are in place to ensure that DBS checks are undertaken for posts where required.
- Arrangements are in place to ensure that DBS checks are undertaken for new posts and starters.
- There is a system in place to ensure that DBS checks that require renewal are identified and renewed before the expiry of the current check.
- Data protection and storage security arrangements are in place.

Acknowledgements

5 The help and assistance of the HR and Payroll Manager and HR Business Partner was much appreciated during the review.

Effective Governance / Risk / Control Arrangements in Place

6 The following areas were identified as operating effectively: -

- The recruitment policy outlines clear recruitment procedures, including the requirement to determine the appropriate level of DBS check needed for each post.

- DBS check requirements for new starters are clearly defined in the DBS policy (the DBS policy is out of date (2019) however a new policy is out for consultation with the trade unions and then will go on to Council for approval).
- An up-to-date record of each role and its corresponding level of security clearance (i.e., basic or enhanced DBS) is maintained within CHRIS21, the HR system.
- A replacement for North East Derbyshire District Council as the Umbrella Provider for DBS Update Service has been secured.
- DBS storage arrangements are in place for the secure recording, storage, and retention of DBS information including the paper-based elements.

Matters Arising and Recommendations

DBS Renewals

7 All employees requiring an enhanced DBS check were examined to ensure that timely renewals were taking place, testing revealed: -

- One employee who joined Leisure in July 2025 without a DBS and had not signed up for DBS update service as required by the DBS policy. In this instance the service area agreed with HR to engage the employee subject to supervision and management whilst the DBS was obtained and subscription to the update service took place. Despite a first reminder in August 2025 and subsequent reminders from HR to service area managers, it is still not clear whether the employee has a valid DBS check or has signed up to the update service. At the time DBS certificates were sent to the employee's home address. This employee may now have a valid DBS but has failed to provide it. In view of this, it has been decided that in future, no employee will be allowed to start until a valid DBS is obtained and a subscription to the update service is in place.
- One employee was using the manual submission as they could not sign up for the update service.
- Ten postholders (8 Casual Workers in Leisure, a Supervisor in Leisure and a Scheme Manager in Housing) did not have in date DBS checks in place. This can be attributed to various reasons including the change of banking details by employees (if bank details have changed the renewal application will be rejected as payment cannot be taken).
- On the 18th February 2026, BDC were notified by North East Derbyshire District Council that they would no longer be able to provide DBS umbrella services, with immediate effect. This created an unavoidable gap while an alternative provider was sourced and implemented. Two of the expired DBS checks referenced below are directly attributable to this abrupt termination.
- Analysis of the cause was undertaken with findings as follows.

1 Casual Worker in Leisure	Employee is on extended leave and not expected to return for another 12 months.

	Check will be established on return to work - satisfactory.
1 Casual Worker in Leisure	DBS expired in March 2026. Delay unavoidable due to sourcing a replacement Umbrella DBS provider following termination by North East Derbyshire District Council.
6 Casual Workers in Leisure	Failure in the update service. Reason not clear but most likely to be non-payment for update service. Service Management have been reminded by HR on multiple occasions and asked to intervene, but no action is evident DBS expiry time from a reference point of 31 March 2026 is: Less than 30 days 1 120-150 days 2 240-270 days 1 300-330 days 1 Greater than 330 days 1
Supervisor in Leisure	The DBS expired in December 2024. Appears to have failed to pay for the DBS update service. Service Management have been reminded by HR and asked to intervene, but no action is evident.
Scheme Manager in Housing	DBS expired in January 2026. Delay unavoidable due to sourcing a replacement Umbrella DBS provider following termination by North East Derbyshire District Council.

8 HR are taking all reasonable action to ensure that renewals take place on a timely basis but rely upon service managers to take action when a DBS has expired and an employee has not taken the steps necessary to facilitate renewal including but not limited to failing to subscribe to the update service.

Recommendation	
R1	Out of date DBS checks and employees not subscribed to the update service must be escalated to the relevant Director for immediate appropriate action now and moving forward. **Risk: High**
Root Cause	**Process and procedures-:** the extent to which established processes are operating effectively and are supported by defined procedures.

Appendix 1

Assurance Level	Internal Audit Definition	Risk Register Link
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.	Minor / negligible impact
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.	Minor / moderate
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.	Moderate / Severe Impact
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.	Catastrophic Impact

Appendix 2

Indicative Definitions of High Medium and Low Recommendations

Risk	Definition
High	Risks that can have a catastrophic / severe impact on the operation of the Council or service - Must take action to mitigate or terminate if not possible to do so: - • Death, extensive injury, major permanent harm • Unable to function without government or other agency intervention • Significant impact on service objectives • Inability to fulfil obligations • Short to medium term impairment to service capability • Adverse national publicity, highly damaging, loss of public confidence • Major adverse local publicity • High risk of fraud being able to occur e.g., key internal controls are not operating or are missing • Direct link to a strategic risk occurring • A serious breach of legislation/ legal requirements leading to substantial financial penalties or severe breach of data protection (report to ICO) • Substantial loss or damage to Council assets/or information
Medium	Risks which have a noticeable impact on the service provided, will cause a degree of disruption to service provision / impinge on the budget - Check current controls and consider if others are required: - • Medical treatment required, semi-permanent harm up to 1 year • Short term disruption to service capability • Significant financial loss • Some adverse publicity, needs careful public relations • Isolated personal details compromised • Risk of fraud being able to occur • Direct link to identified operational risks occurring • A serious breach of organisational policies and procedures • A breach of legislation / legal requirements leading to a moderate financial impact • Loss or damage to Council assets, information • Previously agreed medium internal audit recommendations remain outstanding

Low	Risks where the impact and any associated losses will be minor • First Aid treatment, non- permanent harm up to 1 month, no obvious harm or injury • Minor / negligible impact on service objectives • Financial loss that can be accommodated at service level / minimal • Some public embarrassment, no damage to reputation, unlikely to cause any adverse publicity / internal only • Minimal risk of fraud • No direct link to operational or strategic risks • A minor breach of organisations policies and procedures • A minor breach of Legislation / legal requirements • Low risk of loss or damage to Council assets

Appendix 3

ROOT CAUSE ANALYSIS DEFINITIONS

Resources, Competencies and Training

Definition: the extent to which the service has sufficient resources and competent (trained, experienced or qualified) staff, enabling it to carry out all aspects of its operational duties efficiently and effectively.

Examples: functions that have been carried out by a now non-existent post(s) have fallen through the gaps; services have only enough resources to carry out key aspects of operational delivery, meaning some lower priority tasks are not executed, lack of or ineffective training, poor recruitment; poor training materials / guidance.

ICT Systems

Definition: the extent to which ICT systems are fit-for-purpose and support the service to carry out its operations effectively.

Examples: system capabilities are ineffective, resulting in discrepancies or workarounds to get the required outcome, system processes are circumvented or duplicated manually. Processes are carried out manually where ICT system processes would be more efficient.

Governance, Accountability, Standards and Policies

Definition: the extent to which the service is governed by a clear structure that sets out the roles and responsibilities of officers, and the service is supported by appropriate policy, strategy, risk management and control systems.

Examples: lack of assigned responsibility and accountability; failure to act / ignorance; intentional misleading by management to protect themselves; underqualified / trained Board members, no policy / procedure to follow, policy / strategy out of date and / or not reviewed regularly.

Process & Procedures

Definition: the extent to which established processes are operating effectively and are supported by defined procedures.

Examples: failure to follow set procedures (take care re materiality/proportionality); lack of separation of duties; controls being bypassed.

Assurance & Monitoring

Definition: the extent to which internal and/or external checking controls exist to monitor the effectiveness of, and provide assurance to, the service.

Examples: unclear responsibility; not identifying and/or taking action on recurring problems; checking the wrong things; under-sampling.

Human Error

Definition: relating to people and their actions, error caused by stress, fatigue, carelessness, communication breakdown, accidental, forgetfulness.

Examples: Spreadsheet formulas are wrong, figures transposed / typed in wrong, data taken from or entered in the wrong fields.

Appendix 4

Management Action Plan

Report Title:	Disclosure and Barring Service (DBS) Checks	Report Date: 6th May 2026
		Response Due By Date: 28th May 2026

	Findings and Risk identified	Recommendations	Risk (High, Medium, Low)	Agreed	To be Implemented By:		Comments
					Officer	Date	
R1	Testing undertaken revealed that not all employees had a current DBS check in place. **Risk** Failure to ensure that employees hold valid and in-date DBS checks exposes the Council to a significant safeguarding risk. Individuals without the appropriate level of clearance may undertake regulated activity, potentially placing vulnerable service users at risk of harm and	Out of date DBS checks and employees not subscribed to the update service must be escalated to the relevant Director for immediate appropriate action now and moving forward.	**High**	Y	Oliver Fishburn	Immediate	We are strengthening the way the policy is applied in practice. This includes making explicit within communications and management instructions that failure to maintain a valid DBS will result in immediate suspension from regulated duties and that such non-compliance will be managed through the disciplinary framework where

	Findings and Risk identified	Recommendations	Risk (High, Medium, Low)	Agreed	To be Implemented By:		Comments
					Officer	Date	
	resulting in legal, financial, and reputational consequences for the Council.						appropriate. This approach strengthens enforcement, removes reliance on informal local discretion, and directly addresses the root cause identified by the audit.

Please tick the appropriate response (✓) and give comments for all recommendations not agreed.

Signed Head of Service:		Date:	

Note: In respect of any High Risk recommendations please forward evidence of their implementation to the Internal Audit team as soon as possible.

Bolsover District Council and Dragonfly Ltd Internal Audit Plan 2025/26

410 Days Bolsover 85% 73 Days Dragonfly 15% (based on Payroll numbers)

Complete
Ongoing (not a specific audit)
Deferred
In Progress

	Risk	Strategic Risk	BDC 2025/26 Days	Dragonfly 2025/26 Days
Main Financial Systems				
Payroll	M	SR3	22	5
Council Tax (carry fwd)	M	SR3	20	
Housing Rents	M	SR3/12	20	
HRA Business Plan	H	SR3	10	
Total Main Financial Systems			**72**	**5**
Corporate / Cross Cutting				
Business Continuity / Emergency Planning - DCC	M	SR6/11	12	2
Bolsover Regeneration Fund	M	SR5	14	4
Corporate Governance / Assurance Statement	N/A	SR8	2	
Complaints procedures	M		8	2
Data Protection	M	SR3	13	3
Ethical Governance	M	SR8	15	
Financial Advice / working Groups	N/A		20	
Procurement	H		15	4
Risk Management	M	SR8	12	5
UK Shared prosperity Grant – Grant Compliance	M	SR5	12	Scheme finished
Total Cross Cutting			**123**	**20**
Other Operational Audits				

	Risk	Strategic Risk	BDC 2025/26 Days	Dragonfly 2025/26 Days
Asset Management (carry fwd)	M		10	5
Careline / Supporting people	L		12	
Clowne Leisure Activities	M	SR12	20	
Damp and Mould Programme	M			12
Domestic / household waste	M		12	
Flytipping (Joint NEDDC)	L		8	
Housing Allocations and Lettings	M		13	
Private Sector Housing Disrepairs (joint NEDDC)	M		8	
Pleasley Mills Property Rents	M			13
Tangent Property Rents	M			13
Taxi Licensing (Joint NEDDC)	M	SR9	10	
Social Media / facebook/ Bolsover TV (carry fwd)	L		12	
Transport, Fuel, licences	M		15	
Total Operational Areas			**120**	**43**
IT Related				
IT Inventory / disposal of Equipment (joint NEDDC)	L		10	
Total IT			**10**	**0**
Special Investigations / Contingency/ emerging risks			**40**	**5**
Apprenticeships / training			**30**	
Audit Committee / Client Liaison/Board Meetings			**15**	
Grand Total			**410**	**73**

Bolsover District Council Internal Audit Plan 2026/27

Complete
Ongoing (not a specific audit)
In Progress
Not started

	Risk	Strategic Risk	2026/27 Days
Main Financial Systems			
Main Accounting/Budgetary Control	M	STR2	15
Creditor Payments	M	STR2	20
Debtors	H	STR2	18
Treasury Management	M	STR2	18
National Non Domestic Rates	M	STR2	20
HRA Business Plan	H	SR3	12
Total Main Financial Systems			**103**
Corporate / Cross Cutting			
Corporate Governance / Assurance Statement	N/A	SR8	2
Data Protection	H	SR3	14
DBS Procedures (follow up)	H	SR9	6
Financial Advice / working Groups	N/A		20
Asset Management follow up			10
Local Government Reorganisation	N/A		10
Safeguarding	M	SR9	12
Total Cross Cutting			**74**

	Risk	Strategic Risk	2026/27 Days
Other Operational Audits			
Bolsover Regeneration Fund	H		12
Crematorium	H		12
Food Hygiene (joint NEDDC)	M		10
Land charges	L		10
Landlord Compliance Hsg – Legionella, asbestos	M		12
Landlord Compliance Hsg – fire Safety and lift maintenance	M		12
Landlord Compliance Hsg follow up previous recs for Gas Safety and Electrical Testing	M		8
Leaseholder Charges	L		10
Partnership Working Arrangements (partnerships & Leisure)	L		12
Pest Control (joint NEDDC)	L		5
Planning fees and appeals	M		12
Pleasley Vale Outdoor Centre	M		12
Commercial Property Compliance - Asbestos, legionella, lift maintenance, Fire risk assessments, gas and electrical safety	H		15
Recruitment and Selection	M		12
Stores	M		12
Street Cleaning	L		10
VAT	M		10
Voids	M		20
Total Operational Areas			**206**
IT Related			
IT Audit (TBC)	H		15
Total IT			**15**
Special Investigations / Contingency/ emerging risks			**40**

	Risk	Strategic Risk	2026/27 Days
Apprenticeships / training			**30**
Audit Committee / Client Liaison/Board Meetings			**15**
Grand Total			**483**

Reserve Areas

Health & Safety
Homelessness

Bolsover District Council

Meeting of the Audit Committee on 16th July 2026

Internal Audit Consortium Annual Report 2025/26

Report of the Head of the Internal Audit Consortium

Classification	This report is public
Contact Officer	Head of Internal Audit

PURPOSE/SUMMARY OF REPORT

The purpose of this report is to: -

- Present the 2025/26 Internal Audit Consortium Annual Report for Bolsover District Council and the Head of Internal Audit's conclusion on the adequacy of the Council's arrangements for governance, risk management and control.
- The report enables the Audit Committee to obtain necessary assurances on the overall arrangements of governance, risk management and control systems.

REPORT DETAILS

1. Background

1.1 The Head of the Internal Audit Consortium is required to deliver an annual internal audit conclusion and report that can be used by the organisation to inform its Annual Governance Statement.

2. Details of Proposal or Information

2.1 The 2025/26 Internal Audit Consortium Annual Report that includes the audit conclusion for Bolsover District Council is attached at Appendix A.

2.2 The annual internal audit conclusion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control. The work of internal audit over the year allows the Head of Internal Audit to form the annual internal audit conclusion. The conclusion is also derived from other assurances such as the work of the Risk Management Group, external audit, the Social Housing Regulator and Public Sector Network compliance.

2.3 The Head of Internal Audit's conclusion for 2025/26 set out in the attached annual report is that: -

Reasonable assurance can be provided on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control for the year ended 2025/26. Reasonable assurance can also be provided for Dragonfly Management (Bolsover) Ltd. In respect of Dragonfly Development Ltd the Council is placing reliance on the assurance received from the company's external auditors. The governance arrangements between the Council and the companies have not been assessed by internal audit during the year as the Council commissioned a review by the Local Partnerships that took place in April 2025.

In this context "reasonable assurance" means that arrangements are in place to manage key risks and to meet good governance principles but there are some areas where improvements are required. Assurance can never be absolute.

2.4 The annual report also provides a summary of the work undertaken by Internal Audit in 2025/26, information on the performance of the Internal Audit service, an assessment of conformance against the Global Internal Audit Standards in the UK Public Sector and a Quality Assurance and Improvement Programme (QAIP).

3. Reasons for Recommendation

3.1 To present to Members the annual report for the Internal Audit Consortium in respect of Bolsover District Council for 2025/26.

3.2 To provide an annual conclusion on the overall adequacy and effectiveness of the Council's governance, risk and control arrangements including any qualifications to that conclusion.

4 Alternative Options and Reasons for Rejection

5.1 Alternative options are not applicable, the GIAS in the UK Public Sector require that an annual report is produced including a conclusion on the Council's governance, risk and control arrangements.

RECOMMENDATION

That the 2025/26 Internal Audit Consortium Annual Report for Bolsover District Council and the overall assurance conclusion on the Council's governance, risk management and control arrangements be accepted.

IMPLICATIONS;

Finance and Risk: **Yes☐** **No ☒**
Details:

The annual report provides assurance to the Audit Committee on the governance, risk management and control arrangements in place.

On behalf of the Section 151 Officer

Legal (including Data Protection): **Yes☐** **No ☒**
Details:

The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance".

On behalf of the Solicitor to the Council

Environment:
Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.
Details:

Whilst there are not considered to be any direct environmental impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council's Ambition.

Staffing: **Yes☐** **No ☒**
Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: **Revenue - £75,000 ☐ Capital - £150,000 ☐** ☒ *Please indicate which threshold applies*	No
Is the decision subject to Call-In? (*Only Key Decisions are subject to Call-In*)	No
District Wards Significantly Affected	None
Consultation: **Leader / Deputy Leader ☐ Executive ☐** **SLT ☐ Relevant Service Manager ☒** **Members ☐ Public ☐ Other ☐**	Details:

Links to Council Ambition: Customers, Economy and Environment.
The Head of Internal Audit's annual conclusion helps to provide assurance that the council's resources and priorities are focused on achieving the objectives within the Ambition Statement and that there are appropriate governance, risk and control arrangements in place.

DOCUMENT INFORMATION	
Appendix No	**Title**
A	Internal Audit Consortium Annual Report 2025/26 for Bolsover District Council.

Background Papers
(*These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).*

Annual Report of the

Internal Audit Consortium

2025/26

Bolsover District Council

Contents

Introduction and Background

1.1 For the year 2025/26 Auditors must follow the requirements of the Global Internal Audit Standards (GIAS) in the UK Public Sector.

1.2 The GIAS in the UK Public Sector require that: -

- The Chief Audit Executive (Head of the Internal Audit Consortium) must prepare an annual conclusion that encompasses governance, risk management and control that can be used by the organisation to inform its annual governance statement.

- The Head of the Internal Audit Consortium must also report annually on the results of the quality assessment carried out including progress against action plans to address instances of non-conformance.

1.3 The Code of Practice for the Governance of Internal Audit in UK Local Government requires that the Audit Committee review the Head of Internal audit's annual report, including the conclusion on governance, risk management and control and internal audit's performance against its objectives

1.4 The above requirements have been met through this annual report.

Summary of Work Undertaken

2.1 Appendix 1 details the audit reports issued in respect of audits included in the 2025/26 internal audit plan. The appendix shows for each report the overall assurance level provided on the reliability of the internal controls and the assurance level given at the last audit. The report opinions can be summarised as follows: -

Assurance Level	2024/25 Number	2024/25 %	2025/26 Number	2025/26 %
Substantial	10	56	11	55
Reasonable	6	33	6	30
Limited	2	11	3	15
Inadequate	0	0	0	0
Total	**18**	**100**	**20**	**100**

2.2 A definition of the above assurance levels is shown at the bottom of Appendix 1.

2.3 No fraud was identified.

Performance of the Internal Audit Consortium

3.1 The following table summarises the performance indicators for the Internal Audit Consortium.

Description	2025/26		2026/27
	Plan	Actual	Plan
Cost per Audit Day	£366	£381*	£384
Percentage of Plan Completed (BDC)	75%	86%**	75%
Sickness Absence (Average Days per Employee)	8.0	5.6	8.0
Customer Satisfaction Score (BDC)	85%	92%	85%
To issue internal audit reports within 10 days of the close out meeting	90%	100%	90%
Quarterly reporting to Audit Committee	100%	100%	100%

*cost exceeded budget due to the use of an agency auditor for 6 months
**This does not include the procurement audit that is nearly completed

Audit Conclusion 2025/26

4.1 The Head of the Internal Audit Consortium is responsible for the delivery of an annual audit conclusion that can be used by the council to inform its governance system. The annual

conclusion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

"*In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control for the year ended 2025/26. In terms of Dragonfly Management (Bolsover) Ltd reasonable assurance can also be provided. In respect of Dragonfly Development Ltd the Council is placing reliance on the assurance received from the company's external auditors. The governance arrangements between the Council and the companies have not been assessed by internal audit during the year as the Council commissioned a review by the Local Partnerships that took place in April 2025".*

In this context "reasonable assurance" means that arrangements are in place to manage key risks and to meet good governance principles but there are some areas where improvements are required. Assurance can never be absolute.

4.2 The conclusion does not imply that Internal Audit have reviewed all risks and assurances relating to the organisation. The conclusion is substantially derived from the conduct of risk-based plans. An internal audit plan for 2025/26 was developed with the intention of being able to provide independent assurance on the adequacy and effectiveness of systems of governance, risk and control across a range of financial and organisational areas.

4.3 As well as internal audit work assurance has also been gained from previous years' work, the work of the Risk Management Group, Public Sector Network compliance, external audit and the work of the Social Housing Regulator.

4.4 Overall, 85% of the areas audited received Substantial or Reasonable Assurance demonstrating that in the main there are effective systems of governance, risk management and control in place.

Issues for Inclusion in the Annual Governance Statement

5.1 The internal control issues arising from audits completed in the year and outstanding internal audit recommendations

have been considered during the preparation of the Annual Governance Statement.

5.2 The three limited assurance internal audit reports have all been included in the Annual Governance Statement as significant issues that will be addressed in 2026/27.

Comparison of Planned work to Actual Work Undertaken

6.1 The Internal Audit Plan for 2025/26 was approved by the Audit Committee on the 7th July 2025. 86% of the Internal Audit Plan has been completed with the remaining audits being scheduled into the 2026/27 Internal Audit Plan. Appendix 2 details the audits completed and those deferred.

Root Cause Analysis

7.1 This year, every audit recommendation has been assigned a root cause. The table below summarises the root causes identified over the audits undertaken this year. For root cause analysis definitions see Appendix 3.

Root Cause	**Number of Recommendations**	**%**
Resources	1	1
Competencies and Training	4	6
Systems	5	7
Motivation and Incentives	0	0
Standards and Policies	13	19
Governance	8	12
Process and Procedures	28	40
Accountability	0	0
Assurance & Monitoring	10	14
Human Error	1	1
Total	**70**	**99**

Compliance with the Global Internal Audit Standards in the UK Public Sector (CIPFA Application note) / Code of Ethics / Code of Practice for the Governance of Internal Audit in UK Local Government

8.1 From a self- assessment against the Global Internal Audit Standards in the UK Public Sector in November 2024 and the implementation of the arising action plan, the Head of Internal Audit's opinion is that the Consortium generally conforms with the GIAS in the UK Public Sector. A further self- assessment is underway in preparation for the external review of internal audit. it can also be confirmed that the Internal Audit Consortium comply with the Code of Ethics and the Code of Practice for the Governance of Internal Audit in UK Local Government.

Quality Assurance Improvement Programme (QAIP)

9.1 The Head of the Internal Audit Consortium, must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The Internal Audit Consortium's QAIP is shown at Appendix 3. The procedures and processes documented within the QAIP are designed to ensure compliance with the GIAS in the UK Public Sector and Code of Ethics. The QAIP includes an update on the improvement plan for the 2025/26 financial year and a new improvement plan that is centred around achieving the objectives in the Internal Audit Strategy that was approved in April 2026.

Confirmation of Independence

10.1 It can be confirmed that the internal audit activity is organisationally independent. Internal audit reports directly to the Strategic Director Finance but has a direct and unrestricted access to the Chief Executive and the Audit Committee. The Head of Internal Audit attends every Audit Committee meeting.

10.2 During the 2025/26 financial year, all Auditors have acted with integrity and objectivity and at no point has their independence been compromised. Annually each Auditor

completes a declaration of interests form to identify any potential conflicts of interest. Where declarations are made, work is allocated to ensure a conflict does not occur.

Review of performance against the Internal Audit Charter

11.1 The Audit Charter was reported to and approved by the Audit Committee in July 2025 and again in April 2026, the Charter complies with the GIAS in the UK Public Sector.

11.2 Based on the information provided in this report on the completion of the 2025/26 internal audit plan, it is considered that the requirements of the Charter were met during the year.

Appendix 1

Bolsover District Council – Internal Audit Reports Issued 2025/26

Ref	Report Title	Overall Opinion/ Assurance	
		2025/26	Previous Audit
B001	Lifeline Scheme	Limited	Substantial
B002	Payroll	Reasonable	Reasonable
B003	Data Protection	Limited	Substantial
B004	Business Continuity & Emergency Planning	Substantial	Substantial
B005	Housing Rents	Reasonable	Reasonable
B006	Private Sector Housing Disrepairs	Substantial	New
B007	Fly tipping	Substantial	Reasonable
B008	Clowne Leisure Centre	Substantial	Reasonable
B009	Council Tax	Substantial	Substantial
B010	Housing Allocations and Lettings	Substantial	Substantial
B011	Complaints Procedures	Substantial	New
B012	Use of social media	Reasonable	Reasonable
B013	Taxi Licensing	Substantial	Reasonable
B014	Ethical Governance	Reasonable	Reasonable
B015	Asset Management	Limited	Substantial
B016	Risk Management	Substantial	Reasonable
B017	Domestic Waste Collection	Substantial	Substantial
B018	Damp & Mould	Reasonable	New
B019	IT Inventory	Reasonable	Reasonable
B020	Transport	Substantial	Substantial

Internal Audit Assurance Level Definitions

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

Appendix 2

Comparison of Planned work to Completed Work

Complete
In Progress
Ongoing (not a specific audit)
Deferred

	Risk	Strategic Risk	BDC 2025/26 Days	Dragonfly 2025/26 Days
Main Financial Systems				
Payroll	M	SR3	22	5
Council Tax (carry fwd)	M	SR3	20	
Housing Rents	M	SR3/12	20	
HRA Business Plan	H	SR3	10	
Total Main Financial Systems			**72**	**5**
Corporate / Cross Cutting				
Business Continuity / Emergency Planning - DCC	M	SR6/11	12	2
Bolsover Regeneration Fund	M	SR5	14	4
Corporate Governance / Assurance Statement	N/A	SR8	2	
Complaints procedures	M		8	2
Data Protection	M	SR3	13	3
Ethical Governance	M	SR8	15	
Financial Advice / working Groups	N/A		20	
Procurement	H		15	4
Risk Management	M	SR8	12	5
UK Shared prosperity Grant – Grant Compliance	M	SR5	12	Scheme finished
Total Cross Cutting			**123**	**20**

	Risk	Strategic Risk	BDC 2025/26 Days	Dragonfly 2025/26 Days
Other Operational Audits				
Asset Management (carry fwd)	M		10	5
Careline / Supporting people	L		12	
Clowne Leisure Activities	M	SR12	20	
Damp and Mould Programme	M			12
Domestic / household waste	M		12	
Flytipping (Joint NEDDC)	L		8	
Housing Allocations and Lettings	M		13	
Private Sector Housing Disrepairs (joint NEDDC)	M		8	
Pleasley Mills Property Rents	M			13
Tangent Property Rents	M			13
Taxi Licensing (Joint NEDDC)	M	SR9	10	
Social Media / facebook/ Bolsover TV (carry fwd)	L		12	
Transport, Fuel, licences	M		15	
Total Operational Areas			**120**	**43**
IT Related				
IT Inventory / disposal of Equipment (joint NEDDC)	L		10	
Total IT			**10**	**0**
Special Investigations / Contingency/ emerging risks			**40**	**5**
Apprenticeships / training			**30**	
Audit Committee / Client Liaison/Board Meetings			**15**	
Grand Total			**410**	**73**

Appendix 3

Root Cause Analysis Definitions

Resources

Definition: the extent to which the service has sufficient, capable resources, enabling it to carry out all aspects of its operational duties efficiently and effectively.

Examples: functions that had been carried out by a now non-existent post have fallen through the gaps; services have only enough resources to carry out key aspects of operational delivery, meaning some lower priority tasks are not executed.

Competencies & Training

Definition: the extent to which staff are appropriately qualified, trained or experienced to carry out their role.

Examples: lack of training; inappropriate training; ineffective training plans; poor recruitment; poor training material

Systems

Definition: the extent to which systems are fit-for-purpose and support the service to carry out its operations effectively.

Examples: system processes are not available or are not effective, resulting in discrepancies or workarounds to get the required outcome, system processes are circumvented or duplicated manually. Processes are carried out manually where systems processes would be more efficient.

Motivation & Incentives

Definition: the extent to which factors such as organisational or personnel change have impacted on staff desire to carry out their role efficiently and effectively.

Examples: staff are feeling demotivated by a recent restructuring and removal of some posts, and do not feel that they should be taking on new responsibilities.

Standards & Policies

Definition: the extent to which expected standards have been made clear to staff and the necessary policies are in place to support these standards.

Examples: there is no policy/procedure in place; policies/procedures are out of date; policies/procedures have not been reviewed within appropriate timescales; policies etc. are difficult to locate/access; links in policies either do not work or are out of date.

Governance

Definition: the extent to which the service is governed by a clear structure that sets out the roles and responsibilities of officers, and the service is supported by appropriate risk management and control systems.

Examples: lack of assigned responsibility and accountability; failure to act / ignorance; intentional misleading by management to protect themselves; underqualified / trained Board members.

Process & Procedures

Definition: the extent to which established processes are operating effectively and are supported by defined procedures.

Examples: failure to follow set procedures (take care re materiality/proportionality); lack of separation of duties; controls being bypassed.

Accountability

Definition: the extent to which roles and responsibilities for decision-making have been defined and are accepted and acted on by all parties.

Examples: unclear expectations; avoiding responsibility; lack of management oversight; poor communication.

Assurance & Monitoring

Definition: the extent to which internal and/or external checking controls exist to monitor the effectiveness of, and provide assurance to, the service.

Examples: unclear responsibility; not identifying and/or taking action on recurring problems; checking the wrong things; under-sampling.

Human Error

Definition: relating to people and their actions, error caused by accident, forgetfulness, stress, fatigue, carelessness, communication breakdown.

Examples: Spreadsheet formulas are wrong, figures transposed / typed in wrong, data taken from or entered in the wrong fields.

Appendix 4

Internal Audit Consortium

Quality Assurance and Improvement Programme (QAIP)

Introduction

Under the Global Internal Audit Standards, the Head of Internal Audit is required to demonstrate continuous improvement. This QAIP covers all aspects of the internal audit activity.

This quality assurance and improvement programme (QAIP) is designed to enable an evaluation of the internal audit activity's conformance with the Global Internal Audit Standards in the UK Public Sector and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

This QAIP covers: -

1) Internal Assessments
2) External Assessments
3) Staff qualifications / experience
4) Training
5) Working Practices
6) 2025/26 Improvement Plan update
7) 2026/27 Improvement Plan

1) Internal Assessments

Internal assessments consist of the following: -

- An annual assessment against the Global Internal Audit Standards in the UK Public Sector by the Head of the Internal Audit Consortium. The assessment was undertaken in November 2024 and is in the process of being undertaken again.
- Reviews of working papers – All audit working papers are reviewed by the Head of Internal Audit or a Senior Auditor to ensure that they meet required standards and support the findings of the review. These reviews are documented.
- Review of audit reports – The Head of Internal Audit reviews all reports for quality and consistency before they are formally issued.

- Key performance indicators – these are reported to each Audit Committee in the annual report.
- Customer feedback – Customer satisfaction surveys are issued with every report and the results monitored. Based on the customer satisfaction survey forms returned the average score was 92% for customer satisfaction during 2025/26.
- All staff complete an annual declaration of personal interests statement with the last one being completed in September 2025.

2) External Assessments

An external review of internal audit took place in May 2021 the results of which concluded "Current services are assessed to "generally conform" with the PSIAS and compare favourably with peers, there are no areas where the service does not comply with the Standards".

The results of the external assessment were fully reported to each Audit Committee and to the Joint Board.

From April 2025 the Global Internal Audit Standards in the UK public Sector are applicable to the Internal Audit Consortium. An external review against these Standards is due to take place later in 2026.

3) Audit Staff Qualifications / Experience

The table below summarises the qualifications and experience of the Internal Audit Consortium staff as of May 2026.

Post	Qualification	Experience
Head of Internal Audit	CIPFA	25 plus years
Senior Auditor NEDDC	-	15 years plus
Senior Auditor BDC	ACCA	25 years plus
Senior Auditor CBC	AAT	4 years
Auditor BDC	-	2 years 8 months
Part time Auditor BDC	Vacant	

Auditor NEDDC	-	3 years 3 months
Part time Auditor NEDDC	AAT level 3	5 months
Part time Auditor CBC	-	7 years
Auditor CBC	-	8 months

Training Undertaken in 2025/26

Training records are maintained to monitor both professional and ad hoc training received by staff.

Training is delivered via webinars, team meetings, professional journals etc. All staff undertake Continuous Professional Development.

During 2025/26 training included: -

- CIPFA'S weekly "bitesize" training topics
- New auditors all attend a 2 day webinar "introduction to Internal audit"
- Team building day – Root Cause Analysis
- Team building day – Corporate Governance
- Principles of risk assessment
- Ethics
- Various LGR preparation webinars
- Code of Practice for the Golden Triangle
- Local Authority Chief Auditors Network Conference
- Failure to prevent fraud in the public sector
- Business Continuity workshop
- The Procurement Act 2023 pitfalls and insights
- Various Artificial Intelligence webinars
- NFI future plans and developments
- Simpler recycling – food in focus
- Local Partnerships 'What to do next when assessing climate risks'
- Advanced risk based auditing

In addition to this the Internal Consortium are members of the Midlands Audit Group, The Notts Audit Group and the Local

Authority Chief Auditors network. These groups share ideas and best practice.

Working Practices

- All staff have Valuing Individuals and Performance reviews. These reviews set and monitor the achievement of objectives and identify any training requirements.
- 1:1's – All staff have 1:1 meetings with their manager at least monthly.
- The Internal Audit Manual is a comprehensive record of audit procedures and requirements and has been updated to reflect the Global Internal Audit Standards in the UK Public Sector.
- Declarations of Business Interest – Staff are required to complete a declaration of business interests form on an annual basis and cannot undertake audits where there is a potential conflict of interest.
- Team meetings – regular team meetings are held which discuss points of practice, audit findings, information sharing and include elements of training and brainstorming.

Progress on the 2025/26 Improvement Plan

Domain	Principle	Standard	Standard Description	Action	Progress
11	1	1.1	Internal Auditors must perform their work with honesty and professional courage.	To include ethics training annually on a team meeting agenda	Complete
11	1	1.3	Internal Auditors must not engage in or be party to any activity that is illegal or discreditable to the organisation or the profession of internal auditing or that may harm the organisation or its employees.	To include training in laws, regulations, ethical and professional behaviour on team meeting agenda annually	Complete
11	2	2.1 & 2.2	Internal Auditors must maintain professional objectivity when performing all aspects of internal audit services	Objectivity training to be undertaken in team meetings annually	Complete
11	4	4.1	The Internal Audit functions methodologies	The Internal Audit Manual requires updating to reflect the	Complete

Domain	Principle	Standard	Standard Description	Action	Progress
			must be established, documented and maintained in alignment with the standards.	Global Standards and principles instead of the Public Sector Internal Audit Standards	
11	4	4.2	Internal auditors must exercise due professional care by assessing the nature, circumstances and requirements of the services to be provided.	Due professional care to be discussed annually at team meetings	Complete
111	6	6.1 & 6.2	The Head of the Internal Audit Consortium must provide the Audit Committee and Senior management with the necessary information to establish the internal audit mandate. The Internal Audit Charter must include the legal requirements of the mandate.	Internal Audit Charter to be updated to specifically record the Internal Audit Mandate i.e. Accounts and Audit Regulations 2015. Review of the current Internal Audit Charter to ensure that it reflects the requirements of the Global Internal Audit Standards e.g. a specific sentence must be included committing to adhering to the Global Standards	Complete

Domain	Principle	Standard	Standard Description	Action	Progress
111	6	6.3 & 7.1	The Audit Committee should meet periodically with Internal Audit without the presence of Senior Management	To be arranged as and when required but at least annually	Complete
11	6	6.3 & 7.1	The Audit Committee should provide input to support senior management in the performance evaluation of the Head of the Internal Audit Consortium	The Audit Committee to be consulted by the Director of Finance on the performance of the Head of the Internal Audit Consortium and to feedback to the Service Director Finance at CBC for inclusion in the Head of audits performance review.	To be completed by July 2026
1V 60	9	9.2	The Head of the Internal Audit Consortium must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation and aligns with the expectations of	Develop an internal audit strategy including vision, strategic objectives and supporting initiatives	Complete

Domain	Principle	Standard	Standard Description	Action	Progress
			the Audit Committee, senior management and other key stakeholders.		
1V	9	9.3	The Head of the Internal Audit Consortium must establish methodologies to guide the internal audit function in a systematic and disciplined manner to implement the internal audit strategy, develop the internal audit plan and conform with the standards.	There is a comprehensive internal audit manual however this requires updating to reflect the Global Standards citing specific standards rather than the PSIAS Standards at present and reference to the Strategy once written.	Complete
1V	9	9.5	When the Internal Audit Function relies on the work of other assurance providers, the Head of the Internal Audit Consortium must document the basis for that reliance and is still responsible for the	Other assurances that we are aware of are already documented. For the assurances that we rely on, the basis for reliance will be documented e.g. PSN certification, external audit, Derby City Internal Auditors re the operation of the Building	Complete

Domain	Principle	Standard	Standard Description	Action	Progress
			conclusions reached by the internal audit function	Control partnership and Social Housing Regulator reviews.	
1V	10	10.3	The Head of the Internal Audit Consortium must strive to ensure that the internal audit function has technology to support the Internal Audit Process	Sections of the internal audit strategy should describe current or planned initiatives for using technology to advance the internal audit functions objectives. Development of AI to be kept under review for potential use by the Consortium.	Complete
1V	11	11.1	The Head of the Internal Audit Consortium must promote formal and informal communication between the internal audit function and its stakeholders	A Guide to Internal audit is on the intranet but this was written some years ago and requires updating / refreshing.	Complete
1V	2	11.2	The Head of the Internal Audit Consortium must establish and implement methodologies to promote accurate,	Recorded in the audit manual however this will be supplemented with a days training - Communication skills	Complete

Domain	Principle	Standard	Standard Description	Action	Progress
			objective, clear, concise, constructive, complete and timely internal audit communications	for internal auditors - training day arranged for February 25	
v	14	14.3 & 14.4	When evaluating potential engagement findings internal auditors must collaborate with management to identify the root causes when possible.	Test schedule conclusion for each test where there is a finding to be updated to include the root causes of an issue	Now to be commenced for 26/27 audits
v	15	15.1	When internal auditors become aware that management has initiated or completed actions to address a finding before the final communication, the actions must be acknowledged in the communication	Reports to reflect more consistently when actions have already been taken during audits to address the risks identified.	Complete

Additional Requirements of the Application note and The Code of Practice for the Governance of Internal Audit in UK Local Government

Requirement	Action	When by
When expressing conformance with Standards, Auditors must be clear that they are conforming to the GIAS subject to the Application note, and must refer to this as Conformance with Global Internal Audit Standards in the UK Public Sector	To be included in revised Charter and annual report 2025/25 onwards.	Complete
Auditors must confirm adherence to the Application note and note any non -conformance	To be included in the Annual Report 2025/26	Complete
The Authority should explain how it complies with the Code of Practice for the Governance of Internal Audit in UK Local Government in its Annual Governance Statement	To be included in the 2025/26 Annual Governance Statement	Complete
The Code must be included in the Head of the Internal Audit Consortium's annual internal quality assessment and used in external assessments	Used for November 2024 self-assessment. Next external review due May 26	Complete
The Audit Committee must satisfy itself on the effectiveness of Internal Audit taking into account conformance with the Standards, interactions with the Committee, performance and feedback from Senior Management. Their conclusions should be reported to those charged with Governance e.g. as	BDC & NEDDC section 151 Officer already takes a report to Audit Committee annually assessing the effectiveness of IA – to also be done by CBC & DDDC 151 Officers.	To be completed July 2026

part of the Standards and Audit Committee annual report.		
The Internal Audit Charter should reflect internal audits role – Championing good practice in governance through assurance, advice and contributing to the authority's annual governance review.	To ensure included in the Internal Audit Charter	Complete

Improvement Plan 2026/2027

The improvement plan is based around the strategic objectives included in the Internal Audit Strategy: -

1) Developing our staff.
2) Providing timely assurance on governance, risk and internal control arrangements.
3) Continually improving the quality of our service.

Developing our staff		
Action	**Who By**	**When By**
Encouraging and supporting staff training and Continuing Professional Development.	Head of Internal Audit and Senior Auditors	Ongoing
Identify any skill gaps and develop a team training plan to address	Head of Internal Audit and Senior Auditors	March 2027

Use of webinars / online training / internal / external training and on the job training. • Ensuring newer Auditors undertake a wide variety of audits, across varying Council services to build knowledge and experience. • Joint audits between Auditors and Senior Auditors to be used as a training tool.	Internal Audit Consortium	Ongoing
Team-building training on appropriate topics such as risk management, root cause analysis, ethics, and governance.	Head of Internal Audit and Senior Auditors	Throughout the year

Providing timely assurance on governance, risk and control arrangements		
Action	**Who By**	**When By**
Ensuring all auditors have or receive the necessary audit skills to enable them to review and report on internal control, risk management and governance issues.	Head of Internal Audit and Senior Auditors	Throughout the year
Promoting the ethics, behaviour and standards of each Council. Through V.I.P's and team meetings	Head of Internal Audit and Senior Auditors	Throughout the year
Supporting a risk aware culture by discussing risks with managers at the start of each audit and attendance at risk management groups.	Internal audit Consortium staff	Throughout the year
Further develop risk-based auditing.	Senior Auditor	May 2026

• Senior Auditor to attend advanced risk based training 2 day webinar		
Build on links to the Regulator of Social Housing Consumer Standards for housing-based audits.	Senior Auditors	Housing Audits in 2026/27
Continually Improving the quality of our service		
Action	**<u>Who By</u>**	**<u>When By</u>**
Implement any actions arising from the external review of internal audit in order to achieve full compliance with the Global Internal Audit Standards in the UK Public Sector	Internal Audit Consortium	March 2027
Evaluating and making better use of technology such as Artificial Intelligence to create efficiencies in the audit process. • AI Webinars • In house training	Internal Audit Consortium	Ongoing throughout the year

• Explore external training opportunities		

Bolsover District Council

Meeting of the Audit Committee on 16th July 2026

ANTI-FRAUD, BRIBERY, AND CORRUPTION POLICY

Report of the Director of Finance & Section 151 Officer

Classification	This report is public.
Contact Officer	Director of Finance & Section 151 Officer

PURPOSE / SUMMARY

To enable the Committee to consider the Anti-Fraud, Bribery, and Corruption Policy attached at **Appendix 1,** before recommending it to Executive on the 27th of July 2026.

REPORT DETAILS

1 Background

1.1 The Council is opposed to all forms of fraud and corruption and wishes to promote a culture of openness and honesty consistent with the principles for conduct identified by the committee for Standards in Public Life and expects all those who work for and with the Council, to adopt the highest standards of propriety and accountability.

1.2 The Anti-Fraud, Bribery, and Corruption policy aims to help employees (including temporary and agency workers), Elected Members and Co-opted Members on the Council's committees, to understand their roles in the Council regarding fraud, bribery, and corruption. Employees must ensure they adhere to legal and contractual requirements and ensure that all procedures and practices remain above reproach.

1.3 The policy also aims to help partners, contractors, suppliers, voluntary organisations, and members of the public to understand how and when to contact the Council with their concerns.

1.4 The policy refers to the following legislation:

- The Fraud Act 2006 – which refers to there being 3 ways fraud can be committed,
- The Bribery Act 2010 - introduced to update and enhance UK Law on bribery, it introduced a new strict liability offence for companies and partnerships of failing to prevent bribery. This includes local authorities.
- The Criminal Finance Act 2017 – introduced 2 new criminal offences relating to tax evasion.

- The Economic Crime and Corporate Transparency Act 2023, which created the new offence of failing to prevent fraud. This also applies to local authorities.

1.5 The policy sets out appropriate and proportionate safeguards and reporting arrangements, designed to detect and avoid involvement in the crimes described in the above legislation.

1.6 The policy has been reviewed for new legislation and updated for changes to job titles since the approval in August 2022. The updated policy was presented to the Senior Leadership Team meeting on the 9th of April 2026.

2 Reasons for Recommendation

2.1 The Anti-Fraud, Bribery, and Corruption Policy has been updated to take account of all legislative and operational changes to ensure it remains fit for purpose. Once approved, refresher training will be provided for Officers and Members.

4 Alternative Options and Reasons for Rejection

4.1 No alternatives found – the Council is required to have a policy and this ensures we set the standard at a sufficiently high level to send a clear message that fraud, bribery, or corruption, will not be tolerated, that all reported or identified instances will be dealt with in a professional and timely manner, that we are committed to preventing and detecting fraud, bribery, or corruption, and that those perpetrating the aforementioned acts will be dealt with swiftly and firmly, and be prosecuted using all the sanctions available to the Council.

RECOMMENDATIONS

1. That the Audit Committee considers the Anti-Fraud, Bribery, and Corruption Policy at **Appendix 1** to this report and recommends it to Executive for approval on the 27th of July 2026.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

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IMPLICATIONS.

Finance and Risk: **Yes☐** **No ☒**

Details:

Financial issues are covered in the Policy which is attached at Appendix 1 to this report.

There are no financial implications arising directly from this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): **Yes☐** **No ☒**

Details:

Legal implications are covered throughout the Policy but there are no new ones arising specifically from the report.

There are no data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Staffing: **Yes☐** **No ☒**

Details:

There are no human resource implications arising directly from this report.

On behalf of the Head of Paid Service

Equality and Diversity, and Consultation: **Yes☐** **No ☒**

Details:

Not applicable to this report

Environment: **Yes☐** **No ☒**

Details:

Not applicable to this report

DECISION INFORMATION

☒ ***Please indicate which threshold applies:***	
Is the decision a Key Decision? A Key Decision is an Executive decision which has a significant impact on two or more wards in the District, or which results in income or expenditure to the Council above the following thresholds:	**Yes☐** **No ☒**
Revenue (a) Results in the Council making Revenue Savings of £75,000 or more or **(b)** Results in the Council incurring Revenue Expenditure of £75,000 or more.	**(a)** ☐ **(b)** ☐
Capital (a) Results in the Council making Capital Income of £150,000 or more or **(b)** Results in the Council incurring Capital Expenditure of £150,000 or more.	**(a)** ☐ **(b)** ☐
District Wards Significantly Affected: *(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)* Please state below which wards are affected or tick **All** if all wards are affected:	**All** ☐

Is the decision subject to Call-In? (*Only Key Decisions are subject to Call-In*)	**Yes☐ No ☒**
If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? ***(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)***	**Yes☐ No ☒**
Consultation carried out: *(this is any consultation carried out prior to the report being presented for approval)*	**Yes☐ No ☐**
Leader ☐ Deputy Leader ☐ Executive ☐ SLT ☒ **Relevant Service Manager ☐ Members ☐ Public ☐** **Other ☐**	Portfolio Holder for Resources

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	**Title**
1	Anti-Fraud, Bribery, and Corruption Policy

Background Papers
(*These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).*
None

Appendix 1

ANTI-FRAUD, BRIBERY, AND CORRUPTION POLICY

(March 2026)

Bolsover District Council

We speak your language

Polish

Mówimy Twoim językiem

Slovak

Rozprávame Vaším jazykom

Chinese

我们会说你的语言

If you require this publication in **large print** or another format please call us on 01246 242424

CONTROL SHEET FOR ANTI-FRAUD, BRIBERY + CORRUPTION POLICY

Policy Details	Comments / Confirmation (To be updated as the document progresses)
Policy title	Anti-Fraud, Bribery and Corruption Policy
Current status – i.e. first draft, version 2, or final version	Approved version
Policy author (post title only)	Director of Finance & Section 151 Officer
Location of policy (whilst in development)	S/Drive
Relevant Cabinet Member (if applicable)	Portfolio Holder for Resources
Equality Impact Assessment approval date	n/a
Partnership involvement (if applicable)	n/a
Final policy approval route i.e. Executive/ Council	Executive
Date policy approved	
Date policy due for review (maximum three years)	2029
Date policy forwarded to Performance & Communications (to include on Extranet and Internet if applicable to the public)	

Contents Page

1. Introduction

1.1 Bolsover District Council has a responsibility for the provision of effective and efficient services and to ensure the protection of the public purse. The Council recognises that failure to implement effective anti-fraud measures can undermine the standards of our public services.

1.2 The Council does not, and will not, engage indirectly in or otherwise encourage bribery, nor does it wish to be associated with any organisations that does or has done so. This extends to all third parties whether such conduct is associated with business on behalf of the Council or not.

2. Scope of the Policy

2.1 This policy aims to help employees (including temporary and agency workers), Elected Members and Co-opted Members on the Council's committees, to understand their roles in the Council regarding fraud, bribery, and corruption. Employees must ensure they adhere to legal and contractual requirements and ensure that all procedures and practices remain above reproach.

2.2 This policy also aims to help partners, contractors, suppliers, voluntary organisations, and members of the public to understand how and when to contact the Council with their concerns.

2.3 In adopting this Policy the Council is setting the standard at a sufficiently high level and is sending a clear message that:

- Fraud, bribery, or corruption will not be tolerated.
- All reported or identified instances will be dealt with in a professional and timely manner.
- It is committed to preventing and detecting fraud, bribery, or corruption.
- Those perpetrating fraud, bribery or corruption will be dealt with swiftly and firmly and be prosecuted using all the sanctions available.

2.4 The Council acknowledges that the vast majority of local government employees and those that work with them act with honesty and integrity at all times to safeguard the public resources they are responsible for. However, there are a few people who may not act in this way.

2.5 Consequently, any allegations involving this Council (received in any way, including those made anonymously), will be taken seriously and be investigated in an appropriate manner. There is a need to ensure that allegations are not frivolous or vexatious, as in the case of reporting employees this could result in disciplinary action.

2.6 When fraud, bribery or corruption has occurred because of a breakdown in the Council's systems or procedures, senior management will ensure that appropriate improvements in controls are implemented to avoid recurrence.

2.7 To assist all employees and Members in their awareness of this approach to fraud, management will ensure:

- Participation in training and awareness programmes covering fraud detection and prevention.

- Ensure employees understand internal controls are designed and intended to prevent and detect fraud.

- Encourage employees to report suspected fraud directly to those responsible for investigations without fear of disclosure or retribution – as set out in the Council's Whistleblowing Policy.

3. Failure to Prevent Fraud

3.1 The Council will not commit the offence of failing to prevent fraud which was a new offence created by the Economic Crime and Corporate Transparency Act 2023, provided that we can show we have adequate procedures in place to prevent it. We have put in place a fraud prevention framework which is informed by the following six principles:

- **Top Level Commitment** – Continued support from the Senior Leadership Team fosters a culture of integrity where fraud is unacceptable. With support from Members and the Senior Leadership Team we can promote a zero-tolerance culture and ensure that we make sure that our staff understand that bribery and fraud are not tolerated and to take the necessary action to address any risks.

- **Risk Assessment** – Risk management is all about managing the Council's threats and opportunities. By managing the Council's threats effectively, we will be in a stronger position to deliver the Council's objectives. It is acknowledged that risk is a feature of all business activity and is an attribute of the more creative of its strategic developments. The Council accepts the need to take proportionate risk to achieve its strategic objectives but expects that these are properly identified and managed. By managing these opportunities in a structured process, the Council will be in a better position to provide improved services and better value for money.

- **Proportionate Risk-based Prevention Procedures** – Adequate fraud prevention procedures are proportionate to the risks that the Council faces. The procedures and policies of the Council are put in place to prevent fraud and are designed to mitigate identified risks as well as to prevent deliberate unethical conduct on the part of associated persons.

- **Due Diligence** – We need to know exactly who we deal with in the Council and to protect our organisation from taking on people who are less trustworthy. The Council conducts due diligence checks on all third parties that they form a partnership with. It is encouraged that if there are material changes to the

business relationship, due diligence is re-evaluated to ascertain if the relationship and its risk level have changed.

- **Communication (including training)** – The Council seeks to ensure that its fraud prevention policies and procedures are embedded and understood throughout the organisation through internal training, that is proportionate to the risks it faces. The Council will ensure that all levels of employees are aware of this policy via internal processes. We ensure that fraud and bribery awareness training is conducted with new staff, existing staff, and Members.

- **Monitoring and review** – We face the risk of the effectiveness of our procedures, and these may change over time. We will measure the level of fraud and corruption across the Council and introduce and maintain measures ensuring that policies and procedures are kept up to date with any changes, by utilising the full range of integrated actions available to prevent, detect, sanction, and seek redress for fraud, bribery, and corruption. We ensure that policies and procedures designed to prevent and deter fraud, bribery, and corruption are adopted and consistently implemented across the Council.

4. Definitions

4.1 Fraud and Corruption

According to the Fraud Act 2006, fraud can be committed in the following three ways:

- Fraud by False Representation - A person commits an offence when they dishonestly make a false representation, and intend, by making the representation to make a gain for themselves or another, or cause loss to another person or expose another to a risk of loss. A representation is false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading.

- Fraud by Failing to Disclose Information - An offence is committed where a person dishonestly fails to disclose to another person, information which they are under a legal duty to disclose and intends, by failing to disclose the information to make a gain for themselves or another, or cause loss to another or expose another person to a risk of loss.

- Fraud by Abuse of Position - An offence is committed where a person occupies a position in which they are expected to safeguard, or not to act against, the financial interests of another person, dishonesty abuses that position, and intends, by means of the abuse of that position to make a gain for themselves or another, or cause loss to another person or expose another to a risk of loss.

4.2 The term fraud is generally used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusions. This list is not intended to be exhaustive, merely an exemplification of possible frauds.

4.3 This policy therefore covers all financial impropriety including theft or corruption, which is described in more detail below:

- According to the 1968 Theft Act, “a person shall be guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it.”

- Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the audited body, its Members, or employees.

4.4 Actions constituting fraud or corruption may include, but are not limited to:

- Any dishonest or fraudulent act against the Council.

- Forgery or alteration of any record or account belonging to the Council.

- Forgery or alteration of a cheque or any other financial document.

- Misappropriation of funds, securities, supplies, or other assets.

- Impropriety in the handling or reporting of money or financial transactions.

- Profiteering as a result of insider knowledge of Council activities.

- Disclosing confidential and proprietary information to outside parties.

- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.

- Failure to declare an interest.

4.5 **Bribery**

The Bribery Act 2010 was introduced to update and enhance UK law on bribery including foreign bribery. Notably, it introduced a new strict liability offence for companies and partnerships of failing to prevent bribery. The introduction of this new corporate criminal offence places a burden of proof on local authorities to show they have adequate procedures in place to prevent bribery.

4.6 The Council could be guilty of an offence if an ‘associated person’ carries out an act of bribery in connection with its business. A person will be ‘associated’ where that person performs services for or on behalf of the Council and could include contractors and sub-contractors. The Bribery Act also provides for strict penalties for active and passive bribery by individuals as well as companies.

4.7 Bribery can be described as the receiving of an inducement for an action which is illegal, unethical or in breach of trust. Inducements can take the form of gifts, fees, rewards, or other advantages such as retaining business.

4.8 The Bribery Act created four prime offences:

- Two general offences covering the offering, promising, or giving of a bribe, and the requesting, agreeing to receive or accepting a bribe.

- A discrete offence of bribery of a foreign public official.

- A new offence of a commercial organisation failing to prevent a bribe being paid.

4.9 A statutory defence to the strict liability offence of 'failing to prevent bribery' is the introduction of internal adequate procedures. The Council provides for such arrangements through this policy and associated documents, the appointment of the Council's Monitoring Officer to deal with all matters relating to bribery and corruption, management's commitment to a zero-tolerance culture and training of relevant employees.

4.10 **Tax Evasion**

4.11 The Criminal Finance Act 2017 introduced two new criminal offences; one relating to UK tax evasion and one relating to foreign tax evasion. The new offences are designed to help the Government counter circumstances where a body's employees facilitate tax evasion by their customers or suppliers. Although tax evasion does not have a direct impact on the Council, under the new legislation there is a strict liability for failing to prevent the facilitation of tax evasion by one of its associates, such as an employee or contractor. This could arise, for example, if a Council employee conspired with a supplier to falsify the amount paid on an invoice so that the supplier evaded paying income or corporate taxes.

4.12 There are three tests that must be passed before an offence is committed:

- Criminal tax evasion by a taxpayer (either an individual or a legal entity).

- Criminal facilitation of the offence by a person associated with the body, by taking steps with a view to being knowingly concerned in; or aiding, abetting, counselling, or procuring the tax evasion by the taxpayer and

- The body not preventing a person associated with it from committing the criminal facilitation.

4.13 Similar to the Bribery Act 2010, there is a statutory defence of having 'reasonable prevention procedures' in place. HMRC has issued guidance on this setting out six risk principles that all organisations are expected to consider when reviewing whether they have proportionate and reasonable risk protocols in place.

5. Corporate Framework

5.1 The Council has a wide range of interrelated policies and procedures that provide an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption. These have been formulated in line with appropriate legislative requirements, and it is important that all employees and Members know about them. The Council's 'Plans and Strategies Control Log' ensures the documents are regularly reviewed and updated.

5.2 They include:

- The Council's Constitution
- Financial Regulations and Contract Procurement Rules
- Local Codes of Conduct for Members and Officers
- Local Code of Corporate Governance
- Confidential Reporting Policy – Contractors, Sub-Contractors, and Agency Workers
- Accounting procedures and records
- Sound internal control systems
- Effective internal audit
- Effective recruitment and selection procedures
- Disciplinary Procedure
- Grievance Procedure
- Confidential Reporting Policy - Employees
- The Whistleblowing Policy
- Anti-Money Laundering Policy
- Overt Surveillance Use Policy
- Corporate Enforcement Policy
- Planning Protocol

5.3 Managers must ensure that all employees have access to the relevant rules and regulations and receive suitable training.

5.4 Members and employees must ensure that they read and understand the rules and regulations that apply to them and act in accordance with them.

6. The Policy Statement

6.1 Bolsover District Council wishes to promote a culture of openness and honesty consistent with the principles for conduct identified by the Committee for Standards in Public Life and expects all those who work for and with the Council to adopt the highest standards of propriety and accountability.

6.2 The Council has in place a clear network of systems and procedures to assist it in the prevention and investigation of fraud, bribery, and corruption. The Council is committed to ensuring that these arrangements keep pace with future developments, in both preventative and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

7. Identifying the Risk of Fraud, Bribery, or Corruption and Risk Mitigation

7.1 In having a risk management strategy, which includes risk mitigation measures, the Council aims to detect fraud, bribery or corruption and deter potential perpetrators of such activity. This policy sets out exactly what steps to take on suspecting fraud, bribery, or corruption.

7.2 In having a continuous programme of awareness and regular updates and training for new and existing employees, and in referring to this Policy in its quotation/tender

documents with suppliers and its procurement guide, the Council aims to mitigate the risk of fraud, bribery or corruption taking place.

8. Responsibilities

8.1 The primary responsibility for the prevention, detection and investigation of fraud, bribery, or corruption rests with senior management, who are also responsible for managing the risk of such occurrences. However, the Council requires all employees and Elected Members to act honestly and with integrity at all times and to guard the resources for which they are responsible. Fraud and corruption can pose a significant threat to these resources and must therefore also be their concern.

8.2 In doing so, and having regard for the Council's codes of conduct, there is a requirement for all employees and Elected Members or persons acting on behalf of the Council to notify the Council immediately of any financial or accounting irregularity, or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including those affecting cash, stores, property, remuneration or allowances.

8.3 The purpose of this Policy document is to also set out specific responsibilities with regards to the prevention and detection of fraud, bribery and corruption as follows:

8.4 **Monitoring Officer** (Director of Governance & Legal Services) is responsible for:

- Preparing a report to Council where it appears that the authority has or is about to do anything which would be in contravention of the law or which would constitute maladministration.
- Promoting good governance in the Council.
- The maintenance and operation of the Council's Whistleblowing Policy.

8.5 **Chief Financial Officer** (Director of Finance & Section 151 Officer) is responsible for:

- Ensuring proper arrangements are made for the Council's financial affairs.
- Ensuring the Council implements appropriate measures to prevent and detect fraud, bribery, and corruption, and protect the Council's assets from fraud and loss.
- Ensuring that the Council has put in place effective arrangements for internal audit and that it is adequately resourced and maintained.
- Supporting the Council's internal audit arrangements and ensuring that the Audit Committee receives the necessary advice and information, to ensure it operates effectively.
- Ensuring that this Policy is current.

- The maintenance and operation of this Policy.

- The maintenance and operation of the Council's Anti-Money Laundering Policy.

8.6 The **Monitoring Officer** and/or the **Chief Financial Officer** shall be responsible for initiating action if fraud, bribery, or corruption may have been identified.

8.7 **Directors, Assistant Directors** and **Service Managers** are responsible for:

- Ensuring that adequate systems of internal control exist within their areas of responsibility, and that such controls, checks and supervision operate in such a way as to prevent or detect fraudulent activity.

- Ensuring that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention being built into the process (separation of duties). This is considered a fundamental control in systems, particularly within financial procedures and when involving significant transactions.

- Regularly assessing the types of risks and scope for potential fraud associated with the operations in their area.

- Ensuring all employees receive fraud awareness training. The level and extent of this will depend on the work that individual employees carry out.

- Reminding employees, who are an integral part of the control framework, of fraud and risk issues.

- Implementing audit recommendations promptly.

- Responding to reports of possible financial impropriety in accordance with the Council's Whistleblowing Policy, this Policy, and the Anti-Money Laundering Policy.

8.8 **Employees** are responsible for:

- A duty to act if they believe there is a possibility of fraud, bribery, corruption, or poor value for money taking place or rules are being breached.

- Their own conduct and for contributing towards the safeguarding of corporate standards including abiding by the Council's Local Code of Conduct for Employees (which includes declaration of interests, private working, use of Council resources, registering gifts or hospitality, whistleblowing etc.) and by following any code of conduct relating to their personal professional qualifications.

- Acting with propriety in the use of official resources and in the handling and use of corporate funds whatever they involve.

- Remaining aware of the codes, protocols, policies, and procedures as referred to in this Policy document.

- Be alert to any financial transactions that may suggest money laundering (separate policy and procedures are available for cases of possible money laundering).

8.9 **Elected Members** and **Co-opted Members** of the Council are responsible for:

- Raising and reporting any issues that they have reason to believe may involve fraud, bribery, or corruption of any kind.

- Their own conduct and for contributing towards the safeguarding of corporate standards, as detailed in the Local Code of Conduct for Members and the Protocol on Member/Officer Relations both contained in the Council's Constitution.

- Ensuring they avoid any situation where there is potential for a conflict of interest.

- Familiarising themselves with the codes, protocols, policies, and procedures as referred to in this Policy document.

8.10 **Internal Audit** is responsible for:

- Maintaining a corporate fraud risk register and undertaking a programme of proactive activities to identify potential cases of fraud, bribery, or corruption.

- Investigating or assisting with the investigation of all fraud, bribery and corruption as commissioned by the Chief Financial Officer/Monitoring Officer.

- Reporting to and liaising with the Police and other external agencies on individual cases, subject to 10.8.

- Making appropriate arrangements to co-ordinate the Council's work on National Fraud initiatives.

- Co-ordinating the Council's response to external fraud surveys.

- Issuing advice and guidance to Members, management, and Officers in relation to fraud and corruption related legislation and procedures.

- Promoting fraud awareness and training through the dissemination of fraud bulletins, e-learning tools, marketing, and other initiatives.

8.11 **External Audit** is responsible for:

- Stewardship of public money.

- Considering if the Council has adequate arrangements in place to prevent and detect fraud and corruption.

8.12 **Revenues and Benefits team** is responsible for:

- Investigating allegations of council tax fraud including Council Tax Reduction Scheme, discounts, and exemptions.
- Providing information and evidence to the DWP Single Fraud Investigation Service (SFIS) to support their investigations on allegations of Housing Benefit fraud and social security benefits.

- Investigating potential fraud regarding Business Rates reliefs and exemptions.

8.13 Role of **Committees**

- The Standards Committee has responsibility to promote and maintain high standards of conduct for Elected Members and Co-opted Members.

- The Audit Committee has responsibility for the risk management framework and the associated control environment, corporate governance arrangements and the overview of the Council's anti-fraud, bribery, and corruption arrangements.

9. Prevention of Fraud, Bribery, and Corruption

9.1 Employee Recruitment and Management

A key preventative measure against fraud is to deter employees who might undertake such activities. The Council recognises that effective recruitment processes are essential to ensure the integrity of all new employees. These include:

- The checking of identity documents.

- Reference and qualification checks for new employees.

- Checks for appropriate posts through the Disclosure and Barring Service.

- Detailed appraisal of employees' performance and ability during probationary periods and throughout their entire employment.

9.2 Contractors and Suppliers

The Council will ensure that all contracts conform to the highest standards possible and ensure that those organisations that work with the Council to deliver services are made aware of the Council's strong anti-fraud, bribery, and corruption principles, including the Whistleblowing policy.

9.3 Where appropriate the Council may exclude suppliers, contractors and service providers from public contracts following conviction for certain offences including participation in criminal organisations, fraud, corruption, bribery, or money laundering.

9.4 The Council will seek an assurance that those tendering to provide supplies, goods, services and works to the Council have adequate anti-fraud, bribery or corruption recruitment procedures and controls in place; have not colluded with others during the tendering process; or canvassed or solicited any Elected Member or employee of the Council in connection with the award or future award of contracts.

9.5 In awarding any contract, the Council will act in accordance with its Contracts and Procurement Regulations. Within its contract terms, the Council may exercise its right to terminate a contract and recover its losses if there is evidence of fraud, bribery, or corruption in connection with a Council contract by the contractor, its employees or anyone acting on the contractor's behalf.

9.6 The Council may seek the strongest available sanctions against the contractor, their employees or anyone acting on behalf of the contractor who commits fraud, bribery or corruption against the Council and will request that the organisation concerned takes appropriate action against any individual concerned.

9.7 Where contractors are involved with the administration of Council finances or those for which the Council has responsibility, the Council will conduct internal audit reviews and pro-active anti-fraud, bribery, or corruption exercises as part of the contract management process.

9.8 **Collaboration and Working with Others**

The Council is committed to working and co-operating with other organisations such as the police, to prevent organised fraud, bribery, and corruption. Wherever possible and legal, the Council will assist and exchange information with other appropriate bodies to assist in investigations to combat fraud, bribery, and corruption.

9.9 The Council is committed to participation in the National Fraud Initiative. The Council provides information from relevant databases for matching against similar information of other Local Authorities and participating organisations.

10. Detection and Investigation

The range of preventative systems within the Council, particularly internal control systems, can provide indicators of fraud, bribery or corruption (and error) and can help to detect any inappropriate activity.

10.1 Management have responsibility for preventing and detecting fraud, bribery or corruption, and proactive exercises will be conducted by Internal Audit in targeted service areas where there is considered to be a high risk from fraud. However, despite the best efforts of managers and auditors, many irregularities are discovered often by chance or through the alertness of others and will come to the attention of the Council through its whistleblowing arrangements.

10.2 **Whistleblowing**

Employees – The Council operates a Confidential Reporting Policy (Whistleblowing Policy) in accordance with the provisions of the Public interest Disclosure Act 1998, which is intended to encourage and enable all employees of the Council, including

trainees and agency workers, to raise concerns about any financial or other malpractice in the Council. Everything will be done to protect confidentiality. They will be advised of the action that has been taken as far as the law will allow. The Whistleblowing Policy is on the Council's extranet.

10.3 Where Members of the Council and Co-opted Members of Committees come into possession of information which may indicate a fraudulent or corrupt act is being perpetrated against the Council, they should report this to either the Head of Paid Service, one of the Directors, the Monitoring Officer, the Chief Financial Officer, the Internal Audit Consortium Manager or the Chairman of the Audit Committee, in accordance with the Protocol on Officer/Member Relations (part 5.4 of the Constitution) which complements the Local Code of Conduct for Members.

10.4 Customers, suppliers, contractors, and members of the public can raise their concerns either via:

- Contacting the Council's Internal Audit Service (01246 242424) or via post at the Council's Offices.
- By email at enquiries@bolsover.gov.uk
- The Protect helpline (formally Public Concern at Work) (020 3117 2550 and 020 7404 6609) email Whistle@protect-advice.org.uk

10.5 Council Tax Reduction Scheme fraud can be reported via the following channels:

- By email to Benefits@bolsover.gov.uk
- Directly contacting the Revenues and Benefits team (01246 242436)

10.6 **Investigation**

Investigations will be carried out in response to referrals of potential fraud. When information relating to fraud or corruption is obtained it is reviewed and subject to an informal risk assessment. Some are followed up with a full investigation, and others may be better dealt with as management issues. Where appropriate management shall:

- Report all allegations immediately to Internal Audit and senior management.
- Follow any guidance provided.
- Where appropriate, contact other agencies, e.g. the Police.
- Where appropriate, support the Council's investigation and disciplinary procedures.

10.7 Depending on the nature and anticipated extent of the information obtained, Internal Audit will normally work closely with:

- Senior leadership

- Human Resources
- Legal Services
- Other agencies, such as the Police and the Office of Fair Trading.

10.8 This is to ensure that all allegations and evidence are thoroughly investigated and reported upon, and that where appropriate, losses are recovered for the Council. Where financial impropriety is discovered the matter may be referred to the Police. Referral to the Police will not prohibit subsequent or concurrent action under the disciplinary procedures.

10.9 Reporting cases in accordance with the Policy and the Whistleblowing policy is essential and ensures the consistent treatment of information regarding fraud, bribery, or corruption; facilitates the proper investigation of suspected cases and protects the interests of individuals and the Council.

10.10 The Council will treat all information received confidentially and will not disclose or discuss investigations with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of people suspected but subsequently found innocent of wrongful conduct and to protect the Council from potential civil liability. Any processing of personal data will comply with the Data Protection Act and the data protection principles.

11. Deterrence

11.1 The Council recognises that fraud, bribery, and corruption are costly, both in terms of reputation risk and financial losses. The prevention of fraud is therefore a key objective of the authority and respective measures are outlined below.

11.2 There are a number of ways in which we deter potential fraudsters from committing or attempting fraudulent or corrupt acts, whether they are inside or outside of the Council, and these include:

- Publicising the fact that the Council is firmly set against fraud, and corruption at every appropriate opportunity.
- Acting robustly and decisively when fraud, bribery and corruption is suspected.
- Prosecution of offenders.
- Taking action to effect maximum recovery for the Council.
- Use of the Proceeds of Crime Act where appropriate to maximise the penalty and the level of recovery by the Council.
- Having sound internal control systems, that still allow for innovation and efficiency, but at the same time minimising the opportunity for fraud, bribery, and corruption.

- Reporting to the media any action taken relating to acts of impropriety, subject to the usual restrictions on reporting legal proceedings.

11.3 **Training and Awareness**

It is the responsibility of management to communicate the Anti-Fraud, Bribery, and Corruption Policy to their employees and to promote within their teams a greater awareness of and alertness to the signs of fraud and corruption.

11.4 Through induction training the Council ensures that all employees are clear about their responsibilities and duties in this respect, particularly those officers involved in internal control systems. Senior management should ensure Members are aware of this Policy initially via the induction process and then reminding them of this Policy via Council publications.

11.5 **Courses of Action**

Mechanisms exist within the Council to act in cases of fraud, bribery, or corruption. These include the following:

11.6 Disciplinary Action
Gross misconduct and other fraudulent or corrupt conduct will normally lead to dismissal. Failure to comply or breach any sections contained within this Policy could also be regarded by the Council as gross misconduct. Such actions will be dealt with in accordance with the Council's disciplinary procedures.

11.7 Prosecution
The Council will seek full redress through the legal processes available to counter any internal or external fraudulent activities perpetrated against it. This redress will be achieved through criminal and/or civil courts as considered appropriate.

11.8 The Head of Paid Service, in consultation with the Monitoring Officer, the Chief Financial Officer, the Human Resources Manager, the Internal Audit Consortium Manager and other external agencies as appropriate, will decide whether to formally refer the case to the Police for prosecution. Other external agencies involved may include Government Departments and the Crown Prosecution Service.

11.9 The Council will take all reasonable steps to recover any money or goods.

Bolsover District Council

Meeting of the Audit Committee on 16th July 2026

ANTI-MONEY LAUNDERING POLICY

Report of the Director of Finance & Section 151 Officer

Classification	This report is public.
Contact Officer	Director of Finance & Section 151 Officer

PURPOSE / SUMMARY

To enable the Committee to consider the Anti-Money Laundering Policy attached at **Appendix 1,** before recommending it to Executive on the 27th of July 2026.

REPORT DETAILS

1 Background

1.1 The Anti-Money Laundering policy and the accompanying procedures and reporting forms are to clearly demonstrate that the Council embraces the underlying principles of anti-money laundering legislation.

1.2 The policy is to comply with the requirements of the following legislation ***as applicable to public authorities:***

- The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007),
- The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015),
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

1.3 It sets out appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to detect and avoid involvement in the crimes described in the above legislation.

1.4 The policy has been reviewed and updated for changes to job titles since the approval in June 2020. The updated policy was presented to the Senior Leadership Team meeting on the 9th of April 2026.

2 Reasons for Recommendation

2.1 The Anti-Money Laundering Policy has been updated to take account of all legislative and operational changes to ensure it remains fit for purpose. Once approved, refresher training will be provided for Officers and Members.

4 Alternative Options and Reasons for Rejection

4.1 No alternatives found – the Council is required to have a policy in order to adhere to the requirements of the Proceeds of Crime Act 2002 and the Terrorism Act 2006. Both place a number of duties and responsibilities on the Council, its Officers, and Members to prevent themselves being subject to criminal prosecution.

RECOMMENDATIONS

1. That the Audit Committee considers the Anti-Money Laundering Policy at **Appendix 1** to this report and recommends it to Executive for approval on the 27th of July 2026.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

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IMPLICATIONS.

Finance and Risk: **Yes☐** **No ☒**

Details:
Financial issues are covered in the Policy which is attached at Appendix 1 to this report.

There are no financial implications arising directly from this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): **Yes☐** **No ☒**

Details:
Money Laundering is a criminal activity. This policy is intended to minimise the risk that this Council suffers as a result of such criminal activity, or that the Council is unwittingly used to undertake or assist such activity.

There are no data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Staffing: **Yes☐** **No ☒**

Details:
There are no human resource implications arising directly from this report.

On behalf of the Head of Paid Service

Equality and Diversity, and Consultation:	**Yes☐**	**No ☒**
Details: Not applicable to this report		
Environment:	**Yes☐**	**No ☒**
Details: Not applicable to this report		

DECISION INFORMATION

☒ ***Please indicate which threshold applies:***	
Is the decision a Key Decision? A Key Decision is an Executive decision which has a significant impact on two or more wards in the District, or which results in income or expenditure to the Council above the following thresholds:	**Yes☐** **No ☒**
Revenue (a) Results in the Council making Revenue Savings of £75,000 or more or **(b)** Results in the Council incurring Revenue Expenditure of £75,000 or more.	**(a)** ☐ **(b)** ☐
Capital (a) Results in the Council making Capital Income of £150,000 or more or **(b)** Results in the Council incurring Capital Expenditure of £150,000 or more.	**(a)** ☐ **(b)** ☐
District Wards Significantly Affected: *(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)* Please state below which wards are affected or tick **All** if all wards are affected:	**All** ☐

Is the decision subject to Call-In? (*Only Key Decisions are subject to Call-In*)	**Yes☐** **No ☒**
If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? ***(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)***	**Yes☐** **No ☒**
Consultation carried out: *(this is any consultation carried out prior to the report being presented for approval)*	**Yes☐** **No ☐**
Leader ☐ Deputy Leader ☐ Executive ☐ SLT ☒ **Relevant Service Manager ☐ Members ☐ Public ☐** **Other ☐**	Portfolio Holder for Resources

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	**Title**
1	Anti-Money Laundering Policy

Background Papers
(*These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).*
None

ANTI-MONEY LAUNDERING POLICY

(March 2026)

Bolsover District Council

We speak your language

Polish

Mówimy Twoim językiem

Slovak

Rozprávame Vaším jazykom

Chinese

我们会说你的语言

If you require this publication in **large print** or another format please call us on 01246 242424

CONTROL SHEET FOR ANTI-MONEY LAUNDERING POLICY

Policy Details	Comments / Confirmation (To be updated as the document progresses)
Policy title	Anti-Money Laundering Policy
Current status – i.e. first draft, version 2, or final version	Final version
Policy author (post title only)	Director of Finance & Section 151 Officer
Location of policy (whilst in development)	S/Drive
Relevant Cabinet Member (if applicable)	Portfolio Holder for Resources
Equality Impact Assessment approval date	n/a
Partnership involvement (if applicable)	n/a
Final policy approval route i.e. Executive/ Council	Executive
Date policy approved	
Date policy due for review (maximum three years)	2029
Date policy forwarded to Performance & Communications (to include on Extranet and Internet if applicable to the public)	

Contents Page

1. Introduction

1.1 This policy and the accompanying procedures and reporting forms, are to clearly demonstrate that the Council embraces the underlying principles of money laundering legislation.

1.2 The policy is to comply with the requirements of the following legislation ***as applicable to public authorities***:

- The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007),
- The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015),
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

1.3 It sets out appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to detect and avoid involvement in the crimes described in the above legislation.

1.4 The risks to the Council of contravening money laundering legislation remain relatively low and some aspects of the legal and regulatory requirements do not apply to local authorities. However, it is recognised that the Council is not completely immune from the risks surrounding money laundering and it is the Council's responsibility to take all reasonable steps to minimise the likelihood of money laundering occurring.

1.5 Failure to adhere to the requirements of the legislation may result in criminal prosecutions. The Proceeds of Crime Act 2002 and the Terrorism Act 2006, both place a number of duties and responsibilities on the Council, its officers, and members to prevent themselves being subject to criminal prosecution.

1.6 This policy seeks to address both the underlying spirit of the 2017 regulations whilst ensuring responsibilities under the Proceeds of Crime Act 2002 and Terrorism Act 2006 are clear.

2. Scope of the Policy

2.1 This policy applies to all officers and members of the Council and aims to maintain the high standards of conduct which currently exist within the Council. It aims to prevent criminal activity through money laundering and to enable employees and members to respond to a concern that they may have in the course of their dealings for the Council.

2.2 This policy sets out the procedures which must be followed to enable the Council to meet its legal obligations under legislation. Whilst the policy particularly applies to employees involved with monetary transactions it is everyone's responsibility to be vigilant.

2.3 The Anti-Money Laundering Policy is part of the Council's Anti-Fraud and Corruption Policy and Strategy and sits alongside its Whistleblowing Policy and Employee Code of Conduct and Member/Officer Relations.

3 Principles of the Policy

3.1 The legislative requirements concerning anti-money laundering procedures are extensive and complex. This policy has been written so as to enable the Council to meet legislation in a way which is proportionate to the low risk to the Council of contravening the law.

3.2 The objectives of this policy are to:

- Ensure that all employees are aware of the legislation and money laundering offences within it, their responsibilities regarding the legislation and the consequences of non-compliance;
- Establish the Council's requirements for the appointment of an officer responsible for anti-money laundering;
- Establish the Council's internal reporting procedures;
- Define the Council's expectations in respect of employee awareness and training; and
- Document certain procedures of internal control and communication for activities which are restricted or regulated.

4 The Legislation and Offences

4.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 were effective from 26 June 2017. These replaced the Money Laundering Regulations 2007. The regulations built on the current regulatory framework but in general terms, these regulations impose requirements on those conducting 'relevant business'. Relevant businesses do not include local authorities. The legislation included at 1.2 of this policy, as applicable to public authorities, will be adhered to by the Council.

4.2 Money laundering is how criminally obtained money or other assets are exchanged for money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.

4.3 Money laundering can take many forms, such as:

- Concealing, disguising, converting, transferring, or removing criminal property from the United Kingdom;
- Entering into or becoming involved in an arrangement in which someone, knowingly or suspecting, facilitates the acquisition, retention, use, or control of criminal property by or on behalf of another person;

- Acquiring, using, or possessing criminal property;

- Attempting or helping any of the above offences;

- Doing something that might prejudice an investigation, for example falsifying a document or tipping off a person or persons, suspected of being involved in money laundering.

4.4 There is no one method of laundering money. For this reason, it is important that the Council, via its employees and contractors and agents, should be vigilant and alert to possible signs of money laundering through the Council's services.

5 Employee Responsibilities

5.1 Although the term 'money laundering' is generally used when describing the activities of organised crime - for which the legislation and regulations were first and foremost introduced - to most people who are likely to come across or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

5.2 Guidance for employees on their possible exposure to money laundering is attached at **Appendix 1**. This provides information on the types of activities where the Council may be subject to money laundering offences.

5.3 Employees should follow this policy in respect of all crimes, however small. The money laundering regime adopts an 'all crimes' approach and sets no lower limit below which suspected crimes should not be internally reported.

5.4 The offences may apply to a very wide range of more everyday activities within the Council. This could include for example, being complicit in crimes involving the falsification of claims, benefiting from non-compliance with the conditions attaching to a grant, retaining customer overpayments on a ledger, or facilitating employment on which tax is not paid.

6 Consequences of Non-Compliance

6.1 Failure by an employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against them in accordance with the Council's Disciplinary Policy.

6.2 The money laundering offences cited above carry a prison sentence of up to 14 years. A defence is available if it can be shown that any knowledge or suspicion of money laundering was reported to the National Crime Agency and as a result that any resultant transaction was on hold until consent to proceed was given.

7 The Anti-Money Laundering Reporting Officer (MLRO)

7.1 All employees and members are obliged to report any suspicion of money laundering or terrorist financing to the Council's nominated officer for anti-money laundering activities. The Council has nominated the Director of Finance & Section 151 Officer as the Anti-Money Laundering Reporting Officer (MLRO). In

their absence, the Chief Executive Officer acts as the Deputy Anti-Money Laundering Reporting Officer.

Their contact details are as follows:

Director of Finance & Section 151 Officer	Chief Executive Officer
The Arc	The Arc
High Street	High Street
Clowne	Clowne
Chesterfield	Chesterfield
Derbys	Derbys
S43 4JY	S43 4JY

7.2 The Council's appointed Officer and deputy should:

- Maintain the Council's policies and procedures in respect of money laundering;
- Receive and manage the concerns of employees about money laundering and their suspicion of it;
- Document internal money laundering reports in conjunction with the employee concerned;
- Make internal enquiries to follow up concerns; and
- Make external reports to the National Crime Agency where necessary.

8 Internal Reporting Procedures

8.1 The primary duty of any employee, member or third party under this policy is to ensure that suspicions or concerns regarding money laundering are reported to the Council's Anti-Money Laundering Reporting Officer (MLRO), or their deputy. All suspicious transactions, irrespective of their values, should be reported. The disclosure should be within hours of a suspicious activity coming to an individual's attention.

8.2 Employees should first have an initial discussion with the MLRO, which should be recorded on an internal form if the MLRO decides that the matter is serious enough to warrant this. The MLRO will then decide whether an external report is needed. **Appendix 2** provides the forms for this.

8.3 All forms shall be retained for 6 years from the date on which the matter is satisfactorily concluded.

8.4 Once an employee has reported their suspicions to the MLRO, they have fully satisfied their own statutory obligation.

8.5 The employee, member or third party should not make any further enquiries into the matter themselves. At no time should suspicions be voiced to the person suspected of money laundering by those who have raised the concern.

8.6 Upon receipt of a disclosure report the MLRO must acknowledge receipt and confirm the timescale within which they expect to respond.

8.7 The MLRO is required to promptly evaluate any concerns/disclosures raised and determine whether they require further investigation and referral to the National Crime Agency using the forms at **Appendix 2**. The MLRO should not undertake investigation of any concerns themselves. Where legal professional privilege may apply, the MLRO must liaise with the Director of Governance & Monitoring Officer to determine the further action to be taken.

8.8 Where money laundering is suspected the MLRO will report to the National Crime Agency and also notify the Chief Executive Officer and the Director of Governance & Monitoring Officer.

8.9 To ensure the Council minimises the risk of tipping off and to minimise any reputational damage should the suspicion be unfounded, the confidentiality of the matter will be respected at all times. The MLRO will only inform anyone of the suspicion where there is a genuine business need.

8.10 In some cases it may be necessary to seek approval from the National Crime Agency before the Council can undertake any further activity in respect of the transaction. Where the MLRO has made such a referral to the National Crime Agency, they will notify the person raising the concern and again inform the individual when the Agency has provided permission for the transaction to proceed.

8.11 If a request for consent has been made to the National Crime Agency, no action should occur for a period of 7 days or until the Agency gives consent. If this results in a transaction having to be deferred or delayed, it should be carefully handled to ensure that the customer is not tipped off as to the money laundering concern.

8.12 After 7 days if the National Crime Agency does not notify otherwise, they are deemed to have given their consent to the transaction. If the Agency instead notifies they refuse to give consent, they have a further 31 calendar days to take action. A moratorium period of 31 days starts on the day the Council receives the refusal notice. During this period, the Council cannot proceed with the matter for which the consent was applied. At the expiry of the 31 days if nothing has been heard, the Agency is deemed to have consented to the request and the Council can proceed.

8.13 The MLRO should retain the details of any referrals made including correspondence with the necessary bodies. All information should be retained for a minimum of 6 years.

9 Employee Awareness and Training

9.1 It is not necessary for all staff to have a detailed knowledge of what constitutes a criminal offence under the legislation. Those who are most likely to encounter money laundering should read this policy as it documents what procedures are in place to help prevent money launder and informs them of their personal responsibilities and possible liabilities as individuals.

9.2 The Council does not have any areas of activity that are considered to be especially vulnerable to money laundering. This is supported by the fact that local authorities are not included as a 'relevant person' in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and are therefore not covered by those regulations.

9.3 Any managers who believe they have identified any especially vulnerable areas should first consult the Anti-Money Laundering Reporting Officer. If agreed, more targeted training to the employees should then be delivered.

10 Restricted or Regulated Activities

10.1 This policy requires certain activities to be regulated or restricted as follows:

10.2 Undertaking Investment Activities for a Third Party

In making investment arrangements, the Council should not act as a principal or agent in, or an arranger of, investment activities for a third party, without prior authority from the MLRO, as such activities might be interpreted as being a regulated activity and expose the Council to additional money laundering regulations.

This excludes the investments of trust and charitable funds and the placing of cash deposits for other local authorities, as such activities in
CIPFA's view, would not be interpreted as being 'by way of business'.

10.3 Receiving High Value Cash Receipts

For the purpose of preventing money laundering:

- **Cash receipts of £10,000 or more should not be accepted**. 'Cash' includes notes, coins, or travellers' cheques in any currency. It is not appropriate for payment of a balance owed to the Council to be sub-divided into smaller cash receipts to circumvent this limit, whatever the purpose of the payment. Any attempts to do this should be reported to the MLRO as suspicious activity.

- If money offered in cash is £5,000 or more, then the payment must not be accepted until the employee has received guidance from the MLRO or their deputy.

- The Council in the normal operation of its services, accepts payments from individuals and organisations. For all transactions under £5,000, no action is required unless the employee has reasonable grounds to suspect money laundering activities, proceeds of crime or is simply suspicious.

10.4 Refunds

A significant overpayment of an amount owed which results in a repayment, should be thoroughly investigated and authorised as not suspicious before repayment is made.

10.5 **Structuring of Agreements**

Advice from the MLRO should be sought in structuring agreements relating to the following activities, if undertaken on behalf of third parties. Such activities might be interpreted as being a regulated activity and expose the Council to additional money laundering regulations:

- Advice about tax affairs;
- Accountancy services;
- Audit services;
- Legal services which involve participation in a financial or real property transactions; and
- Services which involve the formation, operation, or management of a company.

11 CIPFA's Treasury Management Code

11.1 Treasury management activities and the legal and best practice requirements relating to them (including money laundering), are subject to the provisions of CIPFA's Treasury Management: Code of Practice. This document is legally enforceable in local authorities.

12 Responsibility for Implementation

The Policy will be referred to the Risk Management Group to be reviewed at least every 3 years by the Anti-Money Laundering Reporting Officer (or more frequently if required by changes to statutory legislation) and approved by the Executive.

Potential Money Laundering Activity Appendix 1

1 Guidelines to staff and members on concerns or suspicions

It is anticipated that the most likely scenario in which a money laundering issue may arise is where officers unwittingly become concerned or involved in an arrangement which we know or suspect enables criminal property to be retained or acquired by a third party.

1.1 If you do have any suspicions or concerns about an individual or transaction then it is always better to raise those concerns appropriately. If necessary, you may wish to use the Council's Whistleblowing Policy for further support and guidance on how to raise a concern. Conversely, if in doubt, seek advice from the Anti-Money Laundering Reporting Officer (MLRO).

1.2 Although some offences and suspicions may be fairly apparent, some can be more difficult to identify. The simple guidance is to be vigilant and not be afraid to question something if you don't think it looks right. If you think something looks suspicious, then the probability is someone else may also think the same. It is better for the Council's reputation if it was found we had taken monies that were obtained through theft, drug trafficking, terrorism, etc.

1.3 It is recognised that a lot of the Council's activities are sensitive in nature and in cases what, to some people, may be suspicious or concerning behaviour, from a money laundering perspective may not necessarily be in line with the activity occurring. However, people should always be mindful of genuine concern and suspicion.

2 The types of activities that may be affected

The following table sets out the types of activities that might be suspicious and how the Council may come across those activities. It is not intended to be exhaustive and just because something you are suspicious about is not on the list, it doesn't mean you shouldn't report it.

Activity	The types of activity that may be affected
New customers with high value transactions	• Selling property to individuals or businesses; • Renting out property to individuals or businesses; • Entering into other lease agreements; • Undertaking services for other organisations.
Secretive clients	• Housing benefit claimants who have sums of money entering into/out of their bank account (even if we do not award them benefit, we should still consider money laundering implications); • People buying or renting property from the Council who may not want to say what it is for; • People receiving grant funding who refuse to demonstrate what funding was used for.

Customers who we think are acting dishonestly or illegally	• People paying for Council services who do not provide details about themselves; • People making odd or unusual requests for payment arrangements.
Illogical transactions	• People paying cash then requesting refunds; • Requests for the Council to pay seemingly unconnected third parties in respect of goods/services provided to the Council; • Requests for the Council to pay in foreign currencies for no apparent reason.
Payments of substantial sums by cash	• Large debt arrears paid in cash; • Refunding overpayments; • Deposits/payments for property.
Movement of funds overseas	• Requests to pay monies overseas, potentially for 'tax purposes'.
Cancellation of earlier transactions	• Third party 'refunds' grant payment as no longer needed/used; • No payment demanded even though good/service has been provided; • Sudden and unexpected termination of lease agreements.
Requests for client account details outside normal course of business	• Queries from other companies regarding legitimacy of customers; • Council receiving correspondence/information on behalf of other companies.
Extensive and overcomplicated client business structures/arrangements	• Requests to pay third parties in respect of goods/services; • Receipt of business payments (rent, business rates) in settlement from seemingly unconnected third parties.
Poor accounting records and internal financial control	• Requests for grant funding/business support, indicates third party not supported by financial information; • Companies tendering for contracts, unable to provide proper financial information/information provided raises concerns; • Tender for a contract which is suspiciously low.
Unusual property investments or transactions	• Requests to purchase Council assets/land with no apparent purpose; • Requests to rent Council property with no apparent business motive.
Overcomplicated legal arrangements/multiple solicitors	• Property transactions where the Council is with several different parties.

3 The Council's Officer Responsible for Anti-Money Laundering (MLRO)

Contact details of the MLRO and their deputy are as follows:

Director of Finance & Section 151 Officer
The Arc
High Street
Clowne
Chesterfield
Derbys
S43 4JY

01246 242458
Email: theresa.fletcher@bolsover.gov.uk

Chief Executive Officer
The Arc
High Street
Clowne
Chesterfield
Derbys
S43 4JY

01246 222224
karen.hanson@bolsover.gov.uk

Internal Suspicion of Money Laundering Activity Form Appendix 2

STRICTLY CONFIDENTIAL

Report to: Officer Responsible for Anti-Money Laundering (MLRO)

Regarding: Suspicion of Money Laundering Activity

From: ……

Department/Section: ……

Job Title: ……

Contact Details: ……

Date Reported: ……

Details of Suspected Offence

Name and address of persons or company involved: *[If a company/public body please include details of nature of business]* *[Please continue on a separate sheet if necessary]*
Nature, value, and timing of activity involved: *[Please include full details e.g. what, when, where, how]* *[Please continue on a separate sheet if necessary]*

Reason you are suspicious of activity:

[Please continue on a separate sheet if necessary]

Have you discussed your suspicions with anyone else?

Yes/No

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

[Please continue on a separate sheet if necessary]

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

Yes/No

If yes, please include details below:

[Please continue on a separate sheet if necessary]

Have you consulted any supervisory body guidance on money laundering (e.g. the Law Society)?

Yes/No

If yes, please specify below:

[Please continue on a separate sheet if necessary]

Do you feel you have reasonable grounds for not disclosing the matter to the National Crime Agency (NCA) (e.g. are you a lawyer and wish to claim legal professional privilege)?

Yes/No

If yes, please give full details below:

[Please continue on a separate sheet if necessary]

Please include below any other information you believe is relevant:

[Please continue on a separate sheet if necessary]

DECLARATION:

Signed: ……

Dated: ……

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment. This form, upon completion, should be passed directly to the Anti-Money Laundering Reporting Officer (MLRO).

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE ANTI-MONEY LAUNDERING REPORTING OFFICER (MLRO)

Date report received: ……

Date receipt of report acknowledged: ……

CONSIDERATION OF DISCLOSURE:

Action Plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to NCA?

Yes/No

If yes, please confirm date of report to NCA:……
and complete the box overleaf:

Details of liaison with NCA regarding this report:

Notice Period: …….

Moratorium Period: …….

(See 8.11 – 8.12 of policy)

Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?

Yes/No

If yes, please give details below:

Date consent received from NCA: ……

Date consent given by you to employee: ……

If there are reasonable grounds to suspect money laundering but you do not intend to report the matter to NCA, please set out below the reason(s) for non-disclosure:

Other relevant information:

Signed: .....

Dated: .....

THIS REPORT IS TO BE RETAINED FOR AT LEAST SIX YEARS

Bolsover District Council

Meeting of the Audit Committee on on 16th July 2026

Audit Committee – Self-assessment for effectiveness

Report of the Strategic Director of Finance and Section 151 Officer

Classification	This report is public
Contact Officer	Strategic Director of Finance and Section 151 Officer

PURPOSE/SUMMARY OF REPORT

To present for Member's information, the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement 2022: Audit Committees in Local Authorities and Police and the accompanying guidance, to enable the Committee to undertake a self-assessment.

REPORT DETAILS

1. Background

1.1 During 2022, CIPFA updated its Position Statement: Audit Committees in Local Authorities and Police. The statement sets out the purpose, model, core functions, and membership of the Audit Committee. The statement represents CIPFA's view on the Audit Committee practice and principles that local government bodies in the UK should adopt, and it has been prepared in consultation with sector representatives. I have attached the position statement to this report at **Appendix 1** for your information.

1.2 The practical guidance that accompanies the position statement is split into 2 parts, the first part is 'The Audit Committee member in a local authority', and the second part is called 'Guiding the Audit Committee – supplement to the Audit Committee member guidance'.

1.3 The guidance is only available as an on-line document and both parts together total over 100 pages. I've purchased the documents so am able to share them within our Audit Committee but because of their size I have not attached them to this report. They can be obtained by following this link S:\Finance and Revs&Bens\Finance BDC\PUB\Audit Committee documents or if you would prefer, please let me know and I can send a copy to you via email. I would suggest part 1 is most relevant to you as Audit Committee members, both parts contain the appendices of the guidance.

1.4 The Position Statement emphasises the importance of audit committees being in place in all principal local authorities, and recognises that they are a key component of an authority's governance framework:

"The purpose of Audit Committees is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective."

1.5 The guidance covers:

- The purpose of Audit Committees
- The core functions of an Audit Committee
- Possible wider functions of an Audit Committee
- Independence and accountability
- Membership and effectiveness of the Audit Committee.

1.6 Appendix E of CIPFA's publication includes a self-assessment of good practice. This provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and publication. Where an Audit Committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effect Audit Committee.

1.7 According to CIPFA, regular self-assessment should be used to support the planning of the Audit Committee work programme and training plans and it will also inform the annual report.

1.8 It is proposed that the self-assessment of good practice in the guidance is completed, you may recall we've done this in previous years. **Appendix 2** is a replication of the new self-assessment of good practice, but it can also be found in the publication by following the link in paragraph 1.3 of this report. Once completed, this will be reviewed and if necessary, an action plan will be presented to a future meeting of the Audit Committee.

2. Reasons for Recommendation

2.1 To provide Members with the CIPFA Position Statement, and guidance, to enable the Audit Committee to undertake a self-assessment.

3 Alternative Options and Reasons for Rejection

3.1 There are no alternative options for consideration, this report is for information to allow the Committee to follow best recommended practice.

RECOMMENDATION(S)

1. That the Audit Committee note the CIPFA guidance for Local Authority Audit Committees.
2. That the Audit Committee undertake the self-assessment in **Appendix 2** of the report.
3. That the completed self-assessment is reviewed and if necessary, an action plan be presented to a future meeting of the Audit Committee.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Resources

IMPLICATIONS;

Finance and Risk: **Yes☒** **No ☐**
Details:

There are no direct financial implications arising from this report. However, failure to have in place an effective Audit Committee would increase governance risk to the Council.

On behalf of the Section 151 Officer

Legal (including Data Protection): **Yes☐** **No ☒**
Details:

There are no legal or data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Staffing: **Yes☐** **No ☒**
Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

Equality and Diversity, and Consultation: **Yes☐** **No ☒**
Details:

Not applicable to this report.

Environment:
Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:
Not applicable to this report.

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: **Revenue - £75,000 ☐ Capital - £150,000 ☐** ☒ *Please indicate which threshold applies*	No
Is the decision subject to Call-In? (*Only Key Decisions are subject to Call-In*)	No

District Wards Significantly Affected	None directly
Consultation: **Leader / Deputy Leader ☐ Executive ☐** **SLT ☐ Relevant Service Manager ☐** **Members ☐ Public ☐ Other ☐**	Details: Portfolio Holder for Resources

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	**Title**
1	CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.
2	Appendix E of CIPFA publication – Self-assessment of good practice questions.

Background Papers
(*These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).*
None

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

Scope

This position statement includes all principal local authorities in the UK, corporate joint committees in Wales, the audit committees for PCCs and chief constables in England and Wales, PCCFRAs and the audit committees of fire and rescue authorities in England and Wales.

The statement sets out the purpose, model, core functions and membership of the audit committee. Where specific legislation exists (the Local Government & Elections (Wales) Act 2021 and the Cities and Local Government Devolution Act 2016), it should supplement the requirements of that legislation.

Status of the position statement

The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives.

CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The 2022 edition of the position statement replaces the 2018 edition.

The Department for Levelling Up, Housing and Communities and the Home Office support this guidance.

CIPFA's Position Statement 2022: Audit committees in local authorities and police

Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council. In policing, the police and crime commissioner (PCC) and chief constable are both corporations sole, and thus are the individuals charged with governance.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body or the PCC and chief constable
- in local authorities, be independent of both the executive and the scrutiny functions
- in police bodies, be independent of the executive or operational responsibilities of the PCC or chief constable
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups
- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of the PCC and chief constable should follow the requirements set out in the Home Office Financial Management Code of Practice and be made up of co-opted independent members.

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.

Core functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.

- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.

- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.

- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.

- In relation to the authority's internal audit functions:

    - oversee its independence, objectivity, performance and conformance to professional standards

    - support effective arrangements for internal audit

    - promote the effective use of internal audit within the assurance framework.

- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.

- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.

- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.

- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:

    - promoting apolitical open discussion

    - managing meetings to cover all business and encouraging a candid approach from all participants

    - maintaining the focus of the committee on matters of greatest priority.

- Willingness to operate in an apolitical manner.

- Unbiased attitudes – treating auditors, the executive and management fairly.

- The ability to challenge the executive and senior managers when required.

- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the chief constable in relation to operational policing matters
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.

APPENDIX E

Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
Audit committee purpose and governance					
1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?	☐	☐	☐	☐	☐
2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?	☐	☐	☐	☐	☐
3 Has the committee maintained its advisory role by not taking on any decision-making powers?	☐	☐	☐	☐	☐
4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?	☐	☐	☐	☐	☐
5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	☐	☐	☐	☐	☐
6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	☐	☐	☐	☐	☐
7 Does the governing body hold the audit committee to account for its performance at least annually?	☐	☐	☐	☐	☐

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

	Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:					
	• compliance with the CIPFA Position Statement 2022	☐	☐	☐	☐	☐
	• results of the annual evaluation, development work undertaken and planned improvements	☐	☐	☐	☐	☐
	• how it has fulfilled its terms of reference and the key issues escalated in the year?	☐	☐	☐	☐	☐
	Functions of the committee					
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
	Governance arrangements	☐	☐	☐	☐	☐
	Risk management arrangements	☐	☐	☐	☐	☐
	Internal control arrangements, including: • financial management • value for money • ethics and standards • counter fraud and corruption	☐	☐	☐	☐	☐
	Annual governance statement	☐	☐	☐	☐	☐
	Financial reporting	☐	☐	☐	☐	☐
	Assurance framework	☐	☐	☐	☐	☐
	Internal audit	☐	☐	☐	☐	☐
	External audit	☐	☐	☐	☐	☐
10	Over the last year, has adequate consideration been given to all core areas?	☐	☐	☐	☐	☐
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	☐	☐	☐	☐	☐
12	Has the committee met privately with the external auditors and head of internal audit in the last year?	☐	☐	☐	☐	☐

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5
Membership and support					
13 Has the committee been established in accordance with the 2022 guidance as follows?					
• Separation from executive	☐	☐	☐	☐	☐
• A size that is not unwieldy and avoids use of substitutes	☐	☐	☐	☐	☐
• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation	☐	☐	☐	☐	☐
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	☐	☐	☐	☐	☐
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?	☐	☐	☐	☐	☐
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	☐	☐	☐	☐	☐
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	☐	☐	☐	☐	☐
18 Is adequate secretariat and administrative support provided to the committee?	☐	☐	☐	☐	☐
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	☐	☐	☐	☐	☐
Effectiveness of the committee					
20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	☐	☐	☐	☐	☐
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	☐	☐	☐	☐	☐
22 Are meetings effective with a good level of discussion and engagement from all the members?	☐	☐	☐	☐	☐
23 Has the committee maintained a non-political approach to discussions throughout?	☐	☐	☐	☐	☐

	Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
	Weighting of answers	0	1	2	3	5
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	☐	☐	☐	☐	☐
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?	☐	☐	☐	☐	☐
26	Do audit committee recommendations have traction with those in leadership roles?	☐	☐	☐	☐	☐
27	Has the committee evaluated whether and how it is adding value to the organisation?	☐	☐	☐	☐	☐
28	Does the committee have an action plan to improve any areas of weakness?	☐	☐	☐	☐	☐
29	Has this assessment been undertaken collaboratively with the audit committee members?	☐	☐	☐	☐	☐
	Subtotal score					
	Total score					
	Maximum possible score					**200****

** 40 questions/sub-questions multiplied by five.