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12 December 2023

Dear Councillor,

**Audit & Governance Committee**  
**6:00pm, Wednesday 20 December 2023**  
**Esperance Room, Civic Centre, Cannock**

You are invited to attend this meeting for consideration of the matters itemised in the following Agenda.

Yours sincerely,

**T. Clegg**  
**Chief Executive**

To: Councillors

Dunnett, M.J. (Chair)  
Jones, P.G.C. (Vice-Chair)  
Bishop, L.            Johnson, J.P.  
Hill, J.                Stanton, P.  
Hoare, M.W.A.

# Agenda

## Part 1

**1. Apologies**

**2. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members**

To declare any interests in accordance with the Code of Conduct and any possible contraventions under Section 106 of the Local Government Finance Act 1992.

**3. Minutes**

To approve the Minutes of the previous meeting held on 27 June 2023 (enclosed).

**4. Internal Audit Update - October 2023**

Report of the Chief Internal Auditor & Risk Manager (Item 4.1 - 4.10).

**5. Strategic Risk Register**

Report of the Head of Transformation & Assurance (Item 5.1 - 5.9).

**6. Annual RIPA Review**

Report of the Head of Law & Governance (Item 6.1 - 6.3).

**Cannock Chase Council**  
**Minutes of the Meeting of the**  
**Audit and Governance Committee**  
**Held on Tuesday 27 June 2023 at 6:00pm**  
**In the Esperance Room, Civic Centre, Cannock**  
**Part 1**

**Present:**  
Councillors

Dunnett, M.J. (Chair)  
Jones, P.G.C. (Vice-Chair)  
Bishop, L.            Johnson, J.P.  
Hill, J.                Stanton, P.  
Hoare, M.W.A.

**1. Apologies**

None received.

**2. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members**

No Declarations of Interests were made in addition to those already confirmed by Members in the Register of Members' Interests.

**3. Minutes**

**Resolved:**

That the Minutes of the meeting held on 23 March 2023 be approved.

**4. Internal Audit Annual Report 2022-23**

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 4.1 - 4.22).

The Chief Internal Auditor & Risk Manager provided an overview of the audits and follow-up audits as set out in Appendix 1 of the report.

In response to a query from a Member as to whether the partial assurance ratings given to three audits undertaken during the quarter were because of staffing issues, the Chief Internal Auditor & Risk Manager advised that the issues mainly related to document management, although some areas had experienced staff vacancies.

The Chief Internal Auditor & Risk Manager then took Members through the annual report (Appendix 2 of the covering report), drawing specific attention to the following sections:

- Review of internal audit
- Review of control environment
- Significant issues arising during 2022-23
- Audit performance
- Fraud & Irregularity work
- Improvement Plan for Internal Audit

A Member noted that the average satisfaction scores for the Internal Audit service (as referenced in paragraph 1.14 of the annual report) were very good, along with the feedback rate.

In response to a query from the same Member about refresher training for the Internal Audit staff, the Chief Internal Auditor & Risk Manager advised that members of the team were signed up to professional audit and accountancy bodies, as well holding accountancy qualifications. Being part of these organisations allowed for access to guidance, support, and training opportunities. Team members also attended county and regional level meetings with other internal auditors from other local authorities, thereby being able to network and share ideas.

In response to a query from a Member concerning the common issues arising out of audits undertaken during the year (as referenced in paragraph 3.9 of the annual report), the Head of Transformation & Assurance advised that discussions had been held with the S151 Officer, with a view being taken there was a need to get back to basics, ensure relevant governance documents were updated and to deliver refresher training, with a particular focus on project management / delivery.

In response to a query from another Member as to whether working from home was at fault for any of the issues raised, the Head of Transformation & Assurance advised this was not the case for the processes in place. The Chief Internal Auditor & Risk Manager further advised that some of the issues reported were pre-pandemic when most staff were working in-person.

**Resolved:**

That the 2022-23 Internal Audit Annual Report be noted.

**5. Internal Audit Charter and Quality Assurance & Improvement Programme**

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 7.1 - 7.28).

The Chief Internal Auditor & Risk Manager raised the following points in respect of the report:

- The Internal Audit Charter and the Quality Assurance & Improvement Programme were key documents for the management and operation of the Internal Audit section and were requirements of the Public Sector Internal Audit Standards (PSIAS).
- The Charter was last updated in 2016 and the External Quality Assessment (EQA) and Internal Review of Internal Audit had identified the need for it to be refreshed in order to reflect several changes since that time and the new shared

management structure and wider sharing of services with Stafford Borough Council.

- The Audit & Governance Committee and the Leadership Team were required to approve the Charter in line with the PSIAS.
- The current Quality Assurance & Improvement Programme was presented to the Audit & Governance Committee in 2015 and needed updating following last year's EQA. The Programme set out the way the service would monitor compliance with the PSIAS and the quality of its work.
- The updated Internal Audit Charter was set out at report paragraph 1 and the Quality Assurance & Improvement Programme at Appendix 2.

**Resolved:**

That:

- (A) The updated Internal Audit Charter be approved.
- (B) The contents of the updated Quality Assurance & Improvement Programme be noted.

## **6. Strategic Risk Register**

Consideration was given to the Report of the Head of Transformation & Assurance (Item 6.1 - 6.11).

The Head of Transformation & Assurance raised the following points in respect of the report:

- There had been no change in the overall number of strategic risks compared to September 2022, but the status of two risks had changed from red to amber in that time, the details of which were set out in report paragraph 5.7.
- Report Appendix 1 set out the summary risks and scores as of 1 April 2023, with the detailed risk information being provided in Appendix 2.

In response to a query from a Member as to why the score for the 'key contractors' risk was so high, the Head of Transformation & Assurance advised this was mainly due to the inflationary impact of utilities costs. There had been some issues with the waste contract, but these were starting to settle down.

**Resolved:**

That the Strategic Risk Register be noted, along with the progress made in the identification and management of the strategic risks.

## **7. Annual Governance Statement 2022-23**

Consideration was given to the Report of the Head of Transformation & Assurance (Item 5.1 - 5.23).

The Head of Transformation & Assurance raised the following points in respect of the report:

- The Annual Governance Statement (AGS) provided a collective review of governance arrangements in place for the Council over the last twelve months.
- In respect of the progress update for the 2021-22 AGS, work had not moved forward in respect of the information governance framework due to shared services work and other matters. It was hoped however that this would be picked up by the new head of service during the coming year.
- Paragraphs 4.7 to 4.9 of the AGS set out the key provisions in place for reviewing the Council's governance arrangements and section 5 outlined the 'opinion of the governance framework' based on these reviews.
- Section 6 of the AGS detailed the significant governance issues that the Council planned to address over the next few years.

**Resolved:**

That the Annual Governance Statement for 2022-23 be approved.

The meeting closed at 6:42 p.m.

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**Chair**

## Internal Audit Update - October 2023

<b>Committee:</b>	Audit & Governance
<b>Date of Meeting:</b>	20 December 2023
<b>Report of:</b>	Chief Internal Auditor & Risk Manager

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### 1 Purpose of Report

- 1.1 To present to the Audit and Governance Committee for information a progress report on the work of Internal Audit up to 31<sup>st</sup> October 2023.

### 2 Recommendations

- 2.1 That the Committee notes the progress report.

#### Reasons for Recommendations

- 2.2 The Audit & Governance Committee have responsibility for monitoring the work of Internal Audit.

### 3 Key Issues

- 3.1 Attached is a progress report showing the audits which have been issued between 1<sup>st</sup> April 2023 and 31<sup>st</sup> October 2023.

### 4 Relationship to Corporate Priorities

- 4.1 The system of internal controls reviewed by Internal Audit is a key element of the Council's corporate governance arrangements which cuts across all corporate priorities. Management are responsible for the control environment and should set in place policies, procedures and controls to help ensure that the system is functioning appropriately

### 5 Report Detail

- 5.1 This report is a summary of the Internal Audit work between 1st April 2023 and 31<sup>st</sup> October 2023 and is a report of progress against the audit plan. **APPENDIX 1** contains progress monitoring information.
- 5.2 Whilst the number of audits completed appears to be on track for the year it should be noted that a number of the audits completed were carried forward from the 2022-23 Audit Plan This has caused delays in the commencement of some audits in the 2023-24 Audit Plan.
- 5.3 In addition, delivery of the 2023-24 Plan is going to be impacted by a member of the team leaving at the end of October. Options are currently being considered on how the vacancy will be covered in the short term and the longer term. The Audit Plan will need to be revised to reflect the reduction in resources available and a revised Audit Plan will be presented to the Audit Committee to approve at the next meeting.

- 5.4 The report is a snapshot view of the areas at the time that they were reviewed and does not necessarily reflect the actions that have been or are being taken by managers to address the weaknesses identified. The inclusion or comment on any area or function in this report does not indicate that the matters are being escalated to Members for further action. Internal Audit routinely follow-up the recommendations that have been made and will bring to the attention of the committee any relevant areas where significant weaknesses have not been addressed by managers.
- 5.5 The table below gives a summary of the level of assurance for each of the audits completed in the period. More detailed information on each of the reports issued is contained in **APPENDIX 2**.

Number of Audits	Assurance	Definition
7	<b>Substantial</b> ✓	All High (Red) and Medium (Amber) risks have appropriate controls in place and these controls are operating effectively.  No action is required by management.
2	<b>Partial</b> ▲	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are 6 or below.  Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
1	<b>Limited</b> !	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are 9 or higher.  Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	<b>No Assurance</b> ✘	One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks.  Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan.

- 5.6 **APPENDIX 3** lists the audits that were in progress but had not been completed to draft report stage by the end of the quarter.
- 5.7 **APPENDIX 4** shows information relating to follow-ups.



## **6 Implications**

### **6.1 Financial**

Nil

### **6.2 Legal**

Nil

### **6.3 Human Resources**

Nil

### **6.4 Risk Management**

Nil

### **6.5 Equalities and Diversity**

Nil

### **6.6 Health**

Nil

### **6.7 Climate Change**

Nil

## **7 Appendices**

Appendix 1: Progress Monitoring

Appendix 2: Audits Completed 1st April to 31<sup>st</sup> October

Appendix 3: Audits in Progress

Appendix 4: Follow-ups Completed 1st April to 31<sup>st</sup> October

## **8 Previous Consideration**

None

## **9 Background Papers**

None

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Audit & Governance Committee 30/11/23

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**Progress Monitoring**

<b>Number of Audits in Plan for 2023-24</b>	<b>Audits Completed to Draft</b>	<b>Audits In Progress</b>	<b>Percentage of Plan In Progress or Completed to Date</b>
30	10	10	67%

The completed and in progress figures include audits from the 2022-23 Audit Plan which have been completed this year.

<b>Level of Assurance</b>	<b>No Assurance</b>	<b>Limited</b>	<b>Partial</b>	<b>Substantial</b>
<b>Number of Audits Issued in Year to date</b>	0	1	2	7

N/A is where the nature of the review did not enable an opinion to be issued on the area under review. This is normally where the focus is narrow or where a project is at an early stage of progress.

## Appendix 2

### Audits Completed 1<sup>st</sup> April to 31<sup>st</sup> October

Audit	Head of Service	Status	Number of High/Medium Recommendations	Assurance	Comments and Key Issues
Agency Staff & Consultants (2022-23)	Transformation & Assurance	Draft	8	Limited !	<ul style="list-style-type: none"> <li>• There is no corporate Policy/Process covering the use and procurement of Agency Staff</li> <li>• There is a need to provide training/awareness sessions for managers on the correct processes and legal requirements for the use of Agency staff.</li> <li>• IR35 Assessments are not always completed/retained on file.</li> <li>• Consideration should be given to the use of call-off contracts for areas who regular require agency staff.</li> <li>• Evidence of market testing/compliance with Procurement Regulations should be retained for Agency Staff.</li> <li>• Agency Staff should be provided with appropriate induction training relevant to their role and consideration given to developing a matrix of mandatory training (eg GDPR, Health &amp; Safety Induction).</li> </ul>

Audit	Head of Service	Status	Number of High/Medium Recommendations	Assurance	Comments and Key Issues
Land Charges Transfer to Land Registry Project	Transformation and Assurance/Regulatory Services	Final	5	Partial ▲	<ul style="list-style-type: none"> <li>• There was no dedicated Project Manger or defined project team to oversee the project.</li> <li>• A documented agreed project plan was needed.</li> <li>• A decision needs to be made in relation to a replacement land charges system to hold information that the Council must transfer to the Land Registry.</li> </ul>
Garden Waste Project	Operations	Final	4	Partial ▲	The project was progressing well but no risk register had been produced for the project. In addition it was found that project meetings had not been minuted.
Council Tax Reduction Scheme	DCE - Resources and s151 Officer	Final		Substantial ✓	
Housing Benefits (2022-23)	DCE - Resources & s151 Officer	Final		Substantial ✓	
Treasury Management	DCE - Resources and s151 Officer	Draft		Substantial ✓	
Council Tax 2022-23	DCE - Resources and s151 Officer	Final		Substantial ✓	
National Non-Domestic Rates 2022-23	DCE - Resources and s151 Officer	Final		Substantial ✓	

Audit	Head of Service	Status	Number of High/Medium Recommendations	Assurance	Comments and Key Issues
Landscape/Leisure Projects	Operations	Final	0	Substantial ✓	
Bereavement Services	Operations	Final	0	Substantial ✓	

### Other Work Completed

In addition to the scheduled audits a piece of work was carried out in relation to the compliance with the Construction Design and Management Regulations. This found a number of issues which have been reported to management.

- Disabled Facilities Grant County Council Assurance Statement

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**Audits in Progress**

Audit	Head of Service
S106 Agreements and Community Infrastructure Levy	Economic Development and Planning
UK Shared Prosperity Fund	Economic Development and Planning
Car Parking	Operations
Risk Management	Transformation and Assurance
IT Resilience (IT Audit) (2022-23)	Transformation and Assurance
Remote Working (IT Audit) (2022-23)	Transformation and Assurance
Critical Applications Security (IT Audit) (2022-23)	Transformation and Assurance
Wireless Network Security (IT Audit) (2022-23)	Transformation and Assurance
Replacement CRM Project	Transformation and Assurance
Housing Property Services (2022-23)	Housing and Corporate Assets

Follow-ups Completed 1<sup>st</sup> April to 31<sup>st</sup> October

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Building Control	Regulatory Services / Economic Development and Planning	Partial ▲	4	1	0	5	Partial ▲	Work is still required to carry out a procurement exercise. This is awaiting a slot with the Procurement Team to progress the action.
Change Control (IT Audit) (2 <sup>nd</sup> Follow-up)	Transformation and Assurance	Partial ▲	2	3	0	5	Partial ▲	Work was still required to documents the change control process and produce terms of reference and minutes for the Change Advisory Board.
IT Strategy Resources and Operational plans (IT Audit)	Transformation and Assurance	Partial ▲	0	0	0	1	Partial ▲	A draft IT Strategy has been produced but further work has commended to develop a wider Digital Strategy to underpin Shared Services and it has therefore not been finalised/approved.

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Housing Void Management (2nd Follow Up)	Housing and Corporate Assets	Partial ▲	3	5	0	8	Partial ▲	<ul style="list-style-type: none"> <li>• A void policy is still required this is being drafted but has been delayed due to staff turnover at the manger level.</li> <li>• Target void turnaround times are still required.</li> <li>• Performance Monitoring has been limited due to delays and issues with software upgrades.</li> <li>• A disposals policy for items left in void properties is still required.</li> <li>• The void policy should have clear process and criteria for the situations when tenants are recharged for work.</li> </ul>
Housing Consumer Standards Compliance	Housing and Corporate Assets	Partial ▲	2	2	0	4	Partial ▲	<ul style="list-style-type: none"> <li>• Work is still required to produce an SLA with the Partnership Team which is delayed pending agreement of Staffordshire-wide partnership policies.</li> <li>• The Tenant Insight Officer post was still in the process of being created at the time of the follow-up which would lead on a number of areas.</li> </ul>



## Strategic Risk Register Update

**Committee:** Audit and Governance Committee

**Date of Meeting:** 20 December 2023

**Report of:** Head of Transformation & Assurance

### 1 Purpose of Report

- 1.1 To set out details of the Council's Strategic Risk Register as at 30<sup>th</sup> September 2023.

### 2 Recommendations

- 2.1 That the committee notes the Strategic Risk Register and considers the progress made in the identification and management of the strategic risks.

#### Reasons for Recommendations

- 2.1 The Audit and Governance Committee are responsible for monitoring the progress made in relation to the management of the risks identified.

### 3 Key Issues

- 3.1 All strategic risks and associated action plans have been reviewed and the Council's risk profile is summarised in the table below:

<b>Risk Status</b>	<b>Number of Risks at 1<sup>st</sup> April 2023</b>	<b>Number of Risks at 30<sup>th</sup> September 2023</b>
Red (High)	<b>2</b>	<b>2</b>
Amber (Medium)	<b>4</b>	<b>3</b>
Green (Low)	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>6</b>	<b>5</b>

### 4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Risk management is a systematic process by which key business risks / opportunities are identified, prioritised, and controlled so as to contribute towards the achievement of the Council's aims and objectives.
  - (ii) The strategic risks set out in the Appendices have been categorised against the Council's priorities.

## 5 Report Detail

5.1 The Accounts & Audit Regulations 2015 state that:

“A relevant body must ensure that it has a sound system of internal control which:-

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.”

5.2 Risk can be defined as uncertainty of outcome (whether positive opportunity or negative threat). Risk is ever present and some amount of risk-taking is inevitable if the council is to achieve its objectives. The aim of risk management is to ensure that the council makes cost-effective use of a risk process that has a series of well-defined steps to support better decision making through good understanding of risks and their likely impact.

### Management of Strategic Risks / Opportunities

5.3 Central to the risk management process is the identification, prioritisation, and management of strategic risks / opportunities. Strategic Risks are those that could have a significant impact on the Council’s ability to deliver its Corporate Priorities and Objectives.

5.4 The risk register has been updated as at 30<sup>th</sup> September 2023 and a summary is attached as **Appendix 1**. The risks in the summary have been aligned with the new Corporate Plan priorities.

5.5 The risk summary illustrates the risks / opportunities using the “traffic light” method i.e.

**RED** risk score 12 and above (action plan required to reduce risk and/or regular monitoring)

**AMBER** risk score 5 to 10 (action plan required to reduce risk)

**GREEN** risk score below 5 (risk tolerable, no action plan required)

5.6 The overall number of risks has reduced as one risk has been removed from the Risk Register. All other risks remain at the same score. There are currently no Green Risks.

5.7 The risk register has been updated to reflect the revised risk scores and the main changes relates to Risk C3 “Failure to work in partnership to sustain support to vulnerable residents’ leading to a reduction in the quality of life of affected residents.” This risk has been removed from the Strategic Risk Register and is being managed as an operational issue.

5.8 The key information and progress for each risk is set out in the strategic risk register attached at **Appendix 2**. A full strategic risk register including detailed controls and actions for each risk is held on file by the Chief Internal Auditor & Risk Manager.

## **6 Implications**

### **6.1 Financial**

None

### **6.2 Legal**

None

### **6.3 Human Resources**

None

### **6.4 Risk Management**

The Risk Management implications are included within the body of the report and appendices.

### **6.5 Equalities and Diversity**

None

### **6.6 Health**

None

### **6.7 Climate Change**

None

## **7 Appendices**

Appendix 1 – Summary of Strategic Risks – 30<sup>th</sup> September 2023

Appendix 2 – Strategic Risk Register Key Information – 30<sup>th</sup> September 2023

## **8 Previous Consideration**

None

## **9 Background Papers**

File of papers held by the Chief Internal Auditor & Risk Manager.

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Cabinet 9/11/23

Audit & Governance Committee 30/11/23

**Key Decision:** N/A

## Cannock Chase Council

Summary of Strategic Risk Register as at 30<sup>th</sup> September 2023

## Red Risks

Risk No	Risk	Risk Owner	Date Added to Register	Residual Risk Score at April 2023	Residual Risk Score at Sept 23	Direction of Travel over period reported
C1	Finance Risk	Deputy Chief Executive Resources	May 2020	<b>20</b> <b>RED</b>	<b>20</b> <b>RED</b>	↔
C4	Key Contractors Risk	Head of Operations / Head of Wellbeing	May 2020	<b>15</b> <b>RED</b>	<b>15</b> <b>RED</b>	↔

## Amber Risks

Risk No	Risk	Risk Owner	Date Added to Register	Residual Risk Score at April 2023	Residual Risk Score at Sept 23	Direction of Travel over period reported
C2	Economy Risk	Head of Economic Development & Planning	May 2020	<b>9</b> <b>AMBER</b>	<b>9</b> <b>AMBER</b>	↔
C5	Organisational Resilience Risk	Chief Executive	May 2020	<b>10</b> <b>AMBER</b>	<b>10</b> <b>AMBER</b>	↔
C6	Cyber Attack Risk	Head of Transformation & Assurance	May 2020	<b>9</b> <b>AMBER</b>	<b>9</b> <b>AMBER</b>	↔

## Risks Removed

Risk No	Risk	Risk Owner	Date Added to Register	Residual Risk Score at April 2023
C3	Partnership Risk	Head of Wellbeing	May 2020	<b>9</b> <b>AMBER</b>

## Key to Direction of Travel

↓	Risk has decreased	↔	Risk level unchanged	↑	Risk has increased
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**Cannock Chase Council**  
**Strategic Risk Register Key Information as at 30<sup>th</sup> September 2023**

<b>Ref No: C1</b>	<b>Risk Name: Finance Risk</b>		
Risk Description	Poor budget planning, over commitment of financial resources or inappropriate use of reserves leading to a financial shortfall or overspends that undermine the Council's ability to deliver services, corporate priorities or leading to external intervention		
Risk Owner: Deputy Chief Executive Resources	Portfolio: Resources and Transformation		
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: <b>20 – RED</b>
<b>Residual/Net Risk Score (i.e., with controls)</b>	<b>Likelihood: 4</b>	<b>Impact: 5</b>	<b>Total Score: 20 – RED</b>

**Overall Progress Summary:**

The medium-term financial stability of the Council is dependent upon its ability to set a 2024-25 budget that minimises the use of reserves, and the impact of changes arising from the future funding regime for local government. Details in relation to the implementation of 50% Business Rates Retention, a Business Rates Reset and Fair Funding are still awaited.

A consultation document in relation to the Future of New Homes Bonus was published in February 2021 (a response from the Council was submitted in advance of the closing date). The Council is awaiting details of the financial Settlement for 2024-25, including New Homes Bonus, to be provided by Central Government, likely in the Autumn.

Recent events have included the Ukraine war, energy crisis, inflation creating a cost-of-living crisis and interest rate rises. These issues, as well as uncertainty regarding national fiscal and monetary policy, the direction of the new Government and the impact on the local government financial settlement, have created substantial risk to financial sustainability.

<b>Ref No: C2</b>	<b>Risk Name: Economy Risk</b>		
Risk Description	Adverse macro-economic conditions lead to a serious impact on the performance of the District's economy		
Risk Owner: Head of Economic Development & Planning	Portfolio: Regeneration & High Streets		
Links To Priorities:			
<ul style="list-style-type: none"> <li>PRIORITY 1 - ECONOMIC PROSPERITY - "To reinvigorate the economy and create a District that thrives"</li> </ul>			
Gross Risk Score (i.e., without controls)	Likelihood: 3	Impact: 5	Total Score: <b>15 – RED</b>
<b>Residual/Net Risk Score (i.e., with controls)</b>	<b>Likelihood: 3</b>	<b>Impact: 3</b>	<b>Total Score: 9 - AMBER</b>

#### Overall Progress Summary:

Economic conditions remain challenging, due largely to the current cost of living pressures and inflation growth. Unfortunately, the District's largest employer Amazon, has confirmed that it will be closing its fulfilment centre in Rugeley in February 2024. The Council is working with Amazon and key partners to mitigate the impact of the closure, with the aim of supporting local workers who are directly affected by the proposals. The Council has established a Task Group and an offer from partners has been developed and made available to Amazon, with the intention to deliver support to workers by the end of 2023.

Despite Amazon's decision, the District's economy continues to be resilient, with unemployment rates at a stable level and a large number of job vacancies available. The Council will continue to monitor local economic conditions and respond if the situation worsens.

Major investments such as the Levelling Up Fund scheme in Cannock Town Centre, the proposed phase 2 of the McArthurGlen Designer Outlet and re-development of the former Rugeley Power Station continue to be absolutely critical in supporting the prosperity and growth of the District. Furthermore, the £3m of UK Shared Prosperity Fund money will be invested by the Council to grow the District's economy and address current economic challenges.

<b>Ref No: C4</b>	<b>Risk: Key Contractors Risk</b>		
Risk Description	Changes in the operational costs/income due to economic factors which impact on the sustainability key Contractors to deliver the required services.		
Risk Owner: Head of Operations / Head of Wellbeing	Portfolio: Community Wellbeing and Environment & Climate Change		
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: <b>20 – RED</b>
<b>Residual/Net Risk Score (i.e., with controls)</b>	<b>Likelihood: 3</b>	<b>Impact: 5</b>	<b>Total Score: 15 – RED</b>

### Overall Progress Summary:

Regular contact continues to be maintained with the Council's key contractors in relation to performance and operational matters.

Leisure and culture facilities and services remain at risk, with visitor numbers slowly recovering towards pre-pandemic levels, concerns still remain over the impact of the cost-of-living crisis and energy costs. The original Deed of Variation remains in place in regard to the pandemic recovery but requires reviewing in light of the changing support requirements towards energy costs, and as near pre-pandemic income levels return.

The waste and recycling collection contract was extended for a further two years, until 2025, giving additional stability, eliminating the risk of not having a suitable contract in place. There remains a risk around going to the market before the full extent of the Resources and Waste Strategy is understood but this is being mitigated against as part of the procurement process. The Council successfully moved to a dual stream dry recycling collection service in May 2022, along with neighbouring authorities to control disposal costs and improve quality and will continue to operate dual stream as part of the new contract. In addition to the above the Council will be introducing a chargeable garden waste collection service from January 2024 which will be covered under a deed of variation or similar to the existing contract. The service will be operated via the Council's new customer interface, following its development and implementation. This service will be incorporated into the post 2025 collection contract, along with options around the possible introduction of food waste collections, during the contract term.

Concerns over the cost-of-living increases impacting upon staffing costs / wage bills, and increasing fuel/energy costs, such as electricity, gas, and petroleum-based products, impacting upon operational costs, have eased during the first six months of the year. However, the impact can still be evidenced in areas such as leisure services, income and costs. While current costs seem to have stabilised, they remain considerably higher than in previous years, which may have a marked impact upon contract pricing in the future, such as in the forthcoming waste collection contract.

<b>Ref No: C5</b>	<b>Risk: Organisational Resilience Risk</b>		
Risk Description	The Council doesn't have sufficient officer capacity or financial resources to sustain delivery of essential services and key projects.		
Risk Owner: Chief Executive	Portfolios: The Leader and Resources & Transformation		
Links To Priorities:			
<ul style="list-style-type: none"> <li>PRIORITY 4 - RESPONSIBLE COUNCIL "To be a modern, forward thinking, and responsible Council"</li> </ul>			
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: <b>20 – RED</b>
<b>Residual/Net Risk Score (i.e., with controls)</b>	<b>Likelihood: 2</b>	<b>Impact: 5</b>	<b>Total Score: 10 – AMBER</b>

**Overall Progress Summary:**

The majority of services are operating normally but some services are continuing to experience capacity issues due to vacancies and problems in recruiting new staff especially in relation to technical and specialist staff. Officer capacity continues to be reviewed and work prioritised. The Council's new shared leadership team structure came into effect on 1 April 2023 and all posts are now filled with the exception of one, which has recently been appointed to. Work is underway to prepare for the consultation for the next stage of Shared Services, which is a review of the operational management tier.



<b>Ref No: C6</b>	<b>Risk Name: Cyber Attack Risk</b>		
Risk Description	Failure to repel or recover from a Cyber-attack including targeted ransomware, malware, and Distributed Denial of Service (DDoS) attacks leading to disruption to the delivery of services and communication with residents.		
Risk Owner: Head of Transformation & Assurance	Portfolio: Resources and Transformation		
Links To Priorities:			
<ul style="list-style-type: none"> <li>PRIORITY 4 - RESPONSIBLE COUNCIL “To be a modern, forward thinking, and responsible Council”</li> </ul>			
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: <b>20 – RED</b>
<b>Residual/Net Risk Score (i.e., with controls)</b>	<b>Likelihood: 3</b>	<b>Impact: 3</b>	<b>Total Score: 9 – AMBER</b>

**Overall Progress Summary:**

Cyber attacks are a global issue and the operating environment means that new risks and challenges are always developing, and attacks are becoming more sophisticated.

The Technology Team has achieved Cyber Essentials Plus; this is a government-backed, industry-supported scheme to help organisations protect themselves against common online threats. About Cyber Essentials - NCSC.GOV.UK

A Security Officer role has been created within the team as part of the localised restructure. Cyber Essentials Plus renewal is underway.

PSN certification has been renewed.

Working with National Cyber Security Centre (NCSC) on our Cyber action plan, meetings held quarterly.

# Annual RIPA Review

**Committee:** Audit & Governance Committee

**Date of Meeting:** 20 December 2023

**Report of:** Head of Law and Governance

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## 1 Purpose of Report

- 1.1 This annual report provides details of the use of powers under the Regulation of Investigatory Powers Act (RIPA) by the Council.

## 2 Recommendations

- 2.1 That the report be noted.

### Reasons for Recommendations

- 2.2 This is an annual report to members, in accordance with good practice, and is for information only.

## 3 Key Issues

- 3.1 Local authorities carry out investigations for a variety of regulatory services. In carrying out these duties, they have general powers to conduct surveillance of individuals suspected of committing offences. The Regulation of Investigatory Powers Act 2000 (RIPA) was introduced to regulate public authority use of covert surveillance powers to ensure that any use is compliant with human rights.
- 3.2 The Home Office Code of Practice for Covert Surveillance and Property Interference, recommends that elected members of an authority should review the authority's use of RIPA and set the policy at least once a year.

## 4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Regular review of the Councils use of surveillance ensures that enforcement is carried out lawfully and proportionately and assists in improving community wellbeing

## 5 Report Detail

- 5.1 The Regulation of Investigatory Powers Act 2000 (RIPA) regulates the use of certain surveillance powers by public authorities, including:
- Directed Surveillance (covert surveillance conducted as part of a specific investigation likely to result in obtaining private information about an individual),
  - Use of Covert Human Intelligence Sources (CHIS), and

- Access to communications data (e.g. details of subscribers to telephone numbers or email accounts)
- 5.2 The Council is a very rare user of these powers. However, it is important that it has sufficient oversight of its activities to ensure that any considered use is compliant with the subject's human rights.
- 5.3 The Home Office publishes national Codes of Practice on the use of RIPA powers by public authorities. The Council must have regard to the relevant Code of Practice whenever exercising powers covered by RIPA. The Investigatory Powers Commissioner conducts regular inspections of all public authorities to ensure compliance with RIPA, and the Codes of Practice. The Commissioner undertook a paper evaluation of the Councils RIPA functions in August 2023 and was satisfied that there was assurance of ongoing RIPA compliance at the Council. The next inspection will be due in 2026.
- 5.4 The Council has adopted its own Surveillance Policy to advise officers on RIPA obligations and to regulate any use of these powers. The Policy was last updated by Cabinet in September 2019 to reflect changes in the law and Codes of Practice. The policy is therefore up to date in that respect.
- 5.5 The Head of Law and Governance acts as the Senior Responsible Officer for RIPA, with oversight of the Councils internal procedures. The Legal Services Manager acts as the RIPA Co-ordinating Officer, ensuring that any request to use RIPA powers is co-ordinated through, and recorded in, a central register. The Legal Services Manager also acts as a source of advice to regulatory officers and supports the Senior Responsible Officer in keeping the Councils policy up to date.
- 5.6 As part of the policy, the use of any RIPA powers must first be approved by a Chief Officer trained to be a RIPA Authorising Officer. The Council has two Chief Officers who have received suitable training. If the Chief Officer gives approval, then an application must still be made to the Magistrates Court for independent judicial approval before the surveillance takes place (NB. the Office for Communications Data Authorisations gives judicial approval in respect of accessing communications data).
- 5.7 The Council has not used RIPA powers in the last 12 months.

## **6 Implications**

### **6.1 Financial**

None

### **6.2 Legal**

Set out in the report

### **6.3 Human Resources**

None

**6.4 Risk Management**

None

**6.5 Equalities and Diversity**

None

**6.6 Health**

None

**6.7 Climate Change**

None

**7 Appendices**

None

**8 Previous Consideration**

None

**9 Background Papers**

None

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**Report Track:** Audit and Governance Committee 20/12/23