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10 June 2024

Dear Councillor,

Audit & Governance Committee
6:00pm, Tuesday 18 June 2024
Western Springs Room, Civic Centre, Cannock

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

Training for all Members of the Committee will be taking place from 4:00pm to 5:30pm in the Western Springs Room. There will be a short comfort break before the formal meeting commences at 6pm.

Yours sincerely,

T. Clegg
Chief Executive

To: Councillors

Hill, J.O. (Chair)
Thornley, S. (Vice-Chair)
Bishop, L. Hill, J.
Gaye, D. Hughes, G.

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 21 March 2024 (enclosed).

4. Strategic Risk Register Update

Report of the Head of Transformation and Assurance (Item 4.1 - 4.13).

5. Internal Audit Annual Report 2023-24

Report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.26).

6. Value for Money Progress Report 2023-24

Report of the Head of Transformation and Assurance (Item 6.1 - 6.25).

7. Annual Governance Statement 2023-24

Report of the Head of Transformation and Assurance (Item 7.1 - 7.22).

Cannock Chase Council
Minutes of the Meeting of the
Audit and Governance Committee
Held on Thursday 21 March 2024 at 5:05pm
In the Council Chamber, Civic Centre, Cannock

Part 1

Present:
Councillors

Dunnett, M.J. (Chair)
Bishop, L. Johnson, J.P.
Hill, J. Stanton, P.
Hoare, M.W.A.

17. Apologies

Apologies for absence had been received from Councillor P.G.C. Jones (Vice-Chair).

18. 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.

19. Minutes

Resolved:

That the Minutes of the meetings held on 20 December 2023 and 7 February 2024 be approved, along with the minutes of the joint meeting held with the Cabinet on 7 February 2024.

20. Internal Audit Update - February 2024

Consideration was given to the report of the Chief Internal Auditor & Risk Manager (Item 4.1 - 4.12).

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

- It set out a progress update on internal audit work since the previous update given in December 2023. The table at report paragraph 5.4 detailed the summary of level of assurance issued for each audit completed in the period 1 November 2023 to 29 February 2024.
- Appendix 1 - the progress/completion rate for the year to date being 111.5% was due to some audits included in the 2022/23 audit plan having been completed during 2023/24 instead, as well as some additional work being done by the team. Some of the audits scheduled for 2023/24 had however been deferred until 2024/25.

Of those audits completed in the period, 5 were limited assurance, 8 partial assurance and 12 substantial assurance. The number of limited/partial assurances was slightly higher than normal, but it was felt this due to the current circumstances of the Council. As such, it was something for the Committee to not get too concerned about in light of the external auditor's recent report as managers had to be allowed time to address the issues identified, but it was important to be aware of nonetheless and Members needed to be alert for indicators of lack of progress in these areas when followed up by Internal Audit.

- Appendix 2 - this set out further details of those audits completed in the period and the main reasons for where partial/limited assurances had been given.
- Appendix 3 - this listed the audits in progress during the period.
- Appendix 4 - this set out details of follow-up audits completed in the period and whether the assurance rating had changed or remained the same for each one. It was concerning that for most of the audits listed, the assurance rating had remained as 'partial'. Whilst work was being done to address the issues identified, it had not been sufficient enough to change the ratings to substantial.

In response to a query from the Chair as to whether there were any areas of concern for the Committee to be aware of, the Chief Internal Auditor & Risk Manager advised:

- Housing Property Services audit - the issues identified were in line with what had been included in the external auditor's report, with the main issue being to ensure that contracts were in place to get the required works done.
- Climate change audit - this was a concern given it was a high-profile area of work for the Council. There was a large action plan in place but a limited budget to deliver the works, so this needed looking at further.
- Pest & Dog Control audit - the issues identified were minor in nature and primarily related to Stafford Borough Council as the lead authority for delivering the service.
- In respect of the follow-up audits, most of the issues were only minor in nature. For the 'housing consumer standards compliance (2nd follow-up audit)' the resident involvement strategy still needed to be refreshed, and for the 'cyber & network security' (2nd follow-up audit) the cyber security group had now met.

In response to a query from a Member as to what the current method was for engaging with and gaining insight from residents as to what was happening in their properties, the Chief Internal Auditor & Risk Manager advised that surveys had been undertaken previously but not recently. Residents did however submit complaints/feedback via the Council's formal reporting mechanisms or via their local councillors. A check would also be made as to whether the Tenancy Insight Officer post had been filled (*NB: the Democratic Services Team Leader confirmed separately via email on 22/03/24 that the post had been recruited to and the postholder was due to commence employment on 03/04/24*).

The Chief Internal Auditor & Risk Manager then advised that in respect of the external auditor's report, the Committee would receive regular progress updates and be able to monitor delivery of the actions included. The Deputy Chief Executive-Resources further advised that the Cabinet and full Council had agreed an improvement plan, the first update on which would be given in quarter 1 of 2024/25.

A Member raised that when contacting the housing department, residents often ended up speaking to different people about the same issue if they got in touch at different times and so queried if tenants had dedicated liaison officers they could speak to. The Chief Internal Auditor & Risk Manager advised that the Housing teams dealt with a mixture of issues, such as the tenancy officers supporting estate works, and the insight officer doing market research, satisfaction surveys etc. In terms of complaints, it was expected they would be monitored for any common themes and referred to the ombudsman if need be. If Members had any specific concerns, they should raise them directly with the Head of Housing & Corporate Assets.

A Member then noted there appeared to be slippage on detail across the board (e.g., contracts registers and key performance indicators etc.), which seemed to suggest that people were not as 'tight' on their working practices as should be. In response, the Chief Internal Auditor & Risk Manager noted that such issues had been included in his annual reports for several years and flagged up in the external auditor's report. Corporately there was now more buy in to get relevant procedures and governance processes tied down and ensuring they worked first time. The Deputy Chief Executive-Resources noted the Council did not have all the resources in place to resolve all the issues right now so it was making the best it could of what it did have.

Resolved:

That the progress report be noted.

21. Internal Audit Plan 2024-25

Consideration was given to the report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.7).

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

- A different approach was being taken to set the audit plan for 2024/25. Usually, a list of all audits planned for the year would be brought to the Committee for approval. However, owing to the external auditor's report and the shared services management restructure a more flexible approach was going to be adopted this year, which had been agreed with the Deputy Chief Executive-Resources and the Head of Transformation & Assurance. Members would still receive regular updates reports. The Committee was therefore being asked to approve a methodology for audit planning for 2024/25.
- The audit resources available for the year were set out in report paragraphs 5.3 to 5.5. A recruitment exercise was still ongoing to appoint a senior auditor to the team, but it was considered that the resources available for the year were sufficient enough to cover enough work to adequately inform the Annual Audit Opinion for 2024/25.
- The key reasons for adopting a different audit plan approach for 2024/25 were set out in report paragraph 5.8 and the methodology to be followed was detailed in paragraph 5.9. The main areas of work to be focused on during the year were set out in paragraph 5.12.
- An IT audit plan had not yet been produced and discussions were due to take place on this between the IT audit contractor, Chief Technology Officer, and Chief Internal Auditor. The plan would then be brought to the Committee for approval.

- Report appendix 2 set out details of higher risk areas identified by the internal audit team for review, although this could change during the year. It was intended to bring this list forward as part of each internal audit update report to show progress made.

In response to a query from a Member as to whether there was no danger that Cannock Chase Council (CCDC) audits would be pushed back given the high profile projects being delivered by Stafford Borough Council (SBC), the Chief Internal Auditor & Risk Manager advised there was no danger in this regard and that similar concerns had been raised by SBC councillors. The internal audit function had been shared across both councils for 12 years now and so the team was fully aware each council had differing demands and would always work to ensure that one council was not hampered at the expense of the other. Time was set aside in the audit plan to look at major projects at both councils, and each council would be treated as fairly and equitably as possible to ensure a balance of work delivery across both authorities.

The Deputy Chief Executive-Resources further advised that both councils were in a very different financial position and SBC could afford to bring in external support, so could understand why SBC Members may feel that officers were more focused on CCDC projects. It was however hoped to see the County Council investing more in Cannock Chase and Members were encouraged to help bridge that gap.

Resolved:

That the Internal Audit Plan methodology for 2024-25 be approved, and further, it be noted that it included a small amount of work undertaken on behalf of Cannock Chase Council's leisure provider which would bring income to be shared across both Cannock Chase and Stafford Borough Councils.

22. Annual Treasury Management Report 2022-23

Consideration was given to the report of the Deputy Chief Executive-Resources (Item 6.1 - 6.13).

The Deputy Chief Executive-Resources advised that these reports had been missed from the reporting cycle last year, and so the external auditor's report had recommended this be rectified this year. It was therefore pleasing to advise progress had been made.

The Deputy Chief Executive-Resources then raised the following points in respect of the report:

- It highlighted treasury management activity for the 2022/23 financial year and recommended the report be noted and the actual prudential and treasury indicators as set out in the report appendix be approved.
- Treasury management was an important exercise to ensure the Council did not overspend, could only borrow what it could afford, and operate within investment limits.
- Paragraphs 5.7 to 5.11 set out details of the Council's 'Capital Financing Requirement' (CFR) and all current debt held by the Council was within the Housing Revenue Account (HRA).
- Reports would be coming forward during 2024/25 on refinancing which may result in more costs to the Council.

A Member referred to the table of investments shown in report paragraph 5.12.1, and queried why the two separate sets of investments for Al Rayan Bank Plc and the National Bank of Kuwait were not merged into single individual investments. The Deputy Chief Executive-Resources advised that the investments were secured at different moments in time so would be offered at the rates set by the banks and locked in on that basis.

In response to a query from another Member as to what would be done with the funds of those investments that had matured and whether the total value shown was the amounts invested or with interest added, the Deputy Chief Executive-Resources advised the amount shown was the original investment. In respect of the interest earned, some of it would be linked to specific funding (such as S106 monies) and so the general fund budget would only receive any unlinked interest earned.

In response to a further query from the same Member as to whether there was any contingency on borrowing costs given interest rates changes, the Deputy Chief Executive-Resources advised that borrowing was at a fixed rate at the time the loan was taken out.

Resolved:

That:

- (A) The annual treasury management report for 2022/23 be noted.
- (B) The actual 2022/23 prudential and treasury indicators as set out in report appendix 1 be approved.

23. Treasury Management Mid-Year Report 2023-24

Consideration was given to the report of the Deputy Chief Executive-Resources (Item 7.1 - 7.13).

The Deputy Chief Executive-Resources advised that the treasury management performance for the year to date was positive, with no limits being breach and the capital financing requirement being in line with original expectations.

Resolved:

That the report, treasury activity, and prudential indicators for 2023/24 be noted.

The meeting closed at 5:52 p.m.

Chair

Strategic Risk Register Update

Committee: Audit & Governance

Date of Meeting: 18 June 2024

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 1st April 2024.

2 Recommendations

1.2 That the Committee note the draft Strategic Risk Register and considers the progress made in the identification and management of the strategic risks.

Reasons for Recommendations

2.2 That the Committee note the Strategic Risk Register prepared by Leadership Team and approved by Cabinet to monitor the progress made in the identification and management of the strategic risks.

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:

Risk Status	Number of Risks at 30 th September 2023	Number of Risks at 1 st April 2024
Red (High)	2	2
Amber (Medium)	3	6
Green (Low)	0	0
TOTAL	5	8

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 1st April 2024 and a summary is attached as **Appendix 1**.

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 increased as three new risks have been to the Risk Register. All other risks remain at the same score. There are currently no Green Risks.

5.7 As part of this review the following changes have been made-

5.8 Three new risks have been added to the Risk Register

- (a) An amber risk has been added in relation to “Governance” following on from the VFM Report. This is to cover the risk that “If the recommendations from the External Auditor’s VFM report are not implemented it would lead to a failure in the Council’s governance arrangements”.

- (b) An Amber risk has been added in relation to “Housing Compliance Risk” more specifically “The Council fails to comply with the requirements of the Social Housing Regulator and Housing Ombudsman leading to regulatory intervention and fines.”
- (c) An amber risk has been added in relation to “Meeting its Homelessness Statutory Duty” specifically “Demand on the Homelessness Service is at the highest level recorded with an increase in presentations of over 100% between 2021/22 and 2023/24. The ability to place households in settled accommodation is increasingly challenging and the Council is incurring significant temporary accommodation costs and may fail to deliver its statutory duty.”

All other risks have remained at the same score but comments detail the progress made to deliver the identified controls.

- 5.9 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 – 1st April 2024

Appendix 2 – Strategic Risk Register Key Information – 1st April 2024

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: 12/06/24

Audit & Governance Committee: 18/06/24

Cannock Chase Council
Summary of Strategic Risk Register as at 1st April 2024

Red Risks

Risk No	Risk	Risk Owner	Date Added to Register	Residual Risk Score at Sept 23	Residual Risk Score at April 2024	Direction of Travel over period reported
C1	Finance Risk	Deputy Chief Executive Resources	May 2020	20 Red	20 Red	↔
C4	Key Contractors Risk	Head of Operations / Head of Wellbeing	May 2020	15 Red	15 Red	↔

Amber Risks

Risk No	Risk	Risk Owner	Date Added to Register	Residual Risk Score at Sept 2023	Residual Risk Score at April 2024	Direction of Travel over period reported
C2	Economy Risk	Head of Economic Development & Planning	May 2020	9 Amber	9 Amber	↔
C5	Organisational Resilience Risk	Chief Executive	May 2020	10 Amber	10 Amber	↔
C6	Cyber Attack Risk	Head of Transformation & Assurance	May 2020	9 Amber	9 Amber	↔
2024-01	Governance Risk	Deputy Chief Executive (Resources)	April 2024	N/A	9 Amber	New Risk
2024-02	Housing Compliance Risk	Head of Housing & Corporate Assets	April 2024	N/A	10 Amber	New Risk
2024-03	Meeting Homelessness Statutory Duty Risk	Head of Wellbeing	April 2024	N/A	9 Amber	New Risk

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 1st April 2024

Ref No: C1	Risk Name: Finance Risk		
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: 20 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood: 4	Impact: 5	Total Score: 20 - Red

Overall Progress Summary:

The medium-term financial stability of the Council is dependent upon its ability to set a 2025-26 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 2025-26, including New Homes Bonus, to be provided by Central Government, likely in the Autumn.

Events beyond the Councils control such as the geopolitical situation, energy crisis, inflation creating a cost-of-living crisis and interest rate rises have occurred in recent years and are likely to continue in the future. These issues, as well as uncertainty regarding national fiscal and monetary policy, the direction of the Government post general election and the impact on the local government financial settlement, have created substantial risk to financial sustainability. The council has sought to mitigate this by avoiding overextending its position beyond its ability to self-finance from finance streams which are as certain as possible e.g., council tax income.

Ref No: C2	Risk Name: Economy Risk		
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"> PRIORITY 1 - ECONOMIC PROSPERITY - "To reinvigorate the economy and create a District that thrives" 			
Gross Risk Score (i.e., without controls)	Likelihood: 3	Impact: 5	Total Score: 15 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood: 3	Impact: 3	Total Score: 9 - Amber

Overall Progress Summary:

Economic conditions remain challenging, due largely to the current cost of living pressures and economic uncertainty.

Despite the current challenges, 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 is being invested by the Council to grow the District's economy and address current economic challenges.

Ref No: C4	Risk: Key Contractors Risk		
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/ Head of Housing & Corporate Assets	Portfolio: Community Wellbeing, Environment & Climate Change, and Housing & Corporate Assets		
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: 20 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood:3	Impact: 5	Total Score: 15 - Red

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 and the fact that in August 2024 IHL will lose their contract with Selby Council, leaving Cannock Chase District as the only client. 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 Council has successfully retendered its kerbside collection contract for 2025 onwards and has included provision for statutory weekly food waste collections, and the continuation of its dual-stream dry mixed recycling and chargeable garden waste services.

Clarity has been received from government around consistency in recycling, which has now been rebranded as 'simpler recycling'. The impacts of which are considered within manageable contract tolerances.

The Council is continuing to develop its new customer portal across its waste and collection service to assist with contract management, reporting and to improve the overall customer experience.

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 over the year. However, the impact can still be evidenced in areas such as leisure services, income and costs. While current costs seem to have stabilized, 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.

Ref No: C5	Risk: Organisational Resilience Risk		
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	Portfolio: The Leader and Resources & Transformation		
Links To Priorities:			
<ul style="list-style-type: none"> PRIORITY 4 - RESPONSIBLE COUNCIL "To be a modern, forward thinking, and responsible Council" 			
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: 20 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood: 2	Impact: 5	Total Score: 10 - Amber

Overall Progress Summary:

A number of services are continuing to experience capacity issues due to vacancies and problems in recruiting new staff. The major capital schemes funded by Future High Street monies and the Levelling Up Fund, together with the outcome of the recent Value for Money report have all resulted in significant demand on both front line and support services. Officer capacity continues to be reviewed and work prioritised. Funding for additional capacity in the Finance and Transformation Teams has been agreed and work has commenced on the preparation of job descriptions ready to go out to advert.

The Council's shared leadership team structure came into effect on 1 April 2023 and all posts are filled. Work is nearing completion on the consultation for the proposed new shared service manager tier, and this is due to be implemented with effect from 1 June 2024. Additional staffing resources are being identified to address key areas of demand.

Ref No: C6	Risk Name: Cyber Attack Risk		
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"> PRIORITY 4 - RESPONSIBLE COUNCIL “To be a modern, forward thinking, and responsible Council” 			
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: 20 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood: 3	Impact: 3	Total Score: 9 – Amber

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 accreditation for 2024; 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 will be performed every December/January.

PSN certification is due to be renewed in June 2024 following the IT health Check in May.

Mobile Device management is in place and used to manage all our mobile devices, in the event of a lost or stolen device we can remotely wipe the machine/phone of any council data.

We have recently set up a network monitoring tool which enables the Security Officer to monitor network activity proactively.

The infrastructure hardware refresh is to be completed in 2024 providing a modern up to date infrastructure with enhanced security features.

Ref No: 2024-01	Risk Name: Governance Risk		
Risk Description	If the recommendations from the External Auditor's VFM report are not implemented it would lead to a failure in the Council's governance arrangements		
Risk Owner: Deputy Chief Executive (Resources)	Portfolio: Resources and Transformation		
Links To Priorities:	<ul style="list-style-type: none"> PRIORITY 4 - RESPONSIBLE COUNCIL "To be a modern, forward thinking, and responsible Council" 		
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: 20 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood: 3	Impact: 3	Total Score: 9 - Amber

Overall Progress Summary:

The Improvement Plan to address the External Audit recommendations was approved in February 2024. Progress has been made against a number of actions and the first update is due to be reported to Cabinet and the Audit & Governance Committee in June 2024.

Ref No: 2024-02	Risk Name: Housing Compliance Risk		
Risk Description	The Council fails to comply with the requirements of the Social Housing Regulator and Housing Ombudsman leading to regulatory intervention and fines.		
Risk Owner: Head of Housing & Corporate Assets	Portfolio: Housing and Corporate Assets		
Links To Priorities:	<ul style="list-style-type: none"> PRIORITY 4 - RESPONSIBLE COUNCIL “To be a modern, forward thinking, and responsible Council” 		
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 5	Total Score: 20 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood: 2	Impact:5	Total Score: 10 - Amber

Overall Progress Summary:

The Improvement Plan to address the External Audit recommendations was approved in February. Work has commenced on the external review of the Housing Revenue Account and to establish the Housing Board to oversee progress.

Contractors have been appointed to deliver the remaining stock condition survey.

Resources have been increased in the service to address ICT/software issues and Housing Consultant appointed to assist with the implementation of the Housing Improvement Plan.

Ref No: 2024-03	Risk Name: Meeting Homelessness Statutory Duty		
Risk Description	Demand on the Homelessness Service is high and accommodation supply is low leading to the lack of ability to place households in settled accommodation leading to a high number of households in long term temporary accommodation increasing costs and impacting on family life.”		
Risk Owner: Head of Wellbeing	Portfolio: Community Wellbeing		
Links To Priorities:	<ul style="list-style-type: none"> PRIORITY 4 - RESPONSIBLE COUNCIL “To be a modern, forward thinking, and responsible Council” 		
Gross Risk Score (i.e., without controls)	Likelihood: 4	Impact: 3	Total Score: 12 - Red
Residual/Net Risk Score (i.e., with controls)	Likelihood:3	Impact:3	Total Score: 9 - Amber

Overall Progress Summary:

The increase in the local housing allowance to the 30th percentile on 01 April 2024 may enable some more placements into the private rented sector.

The Renters Reform Bill is still in Parliament but in the meantime, eviction from the private rented sector remains the principal cause of homelessness.

Work ongoing to ensure correct housing benefit levels to minimise risk to the General Fund.

Policies on housing choice and a proposed uplift in the delivery of affordable housing have been included in the Regulation 19 Local Plan.

Internal Audit Annual Report 2023-24

Committee:	Audit & Governance
Date of Meeting:	18 June 2024
Report of:	Chief Internal Auditor & Risk Manager

1 Purpose of Report

- 1.1 To present the Internal Audit Annual Report for 2023-24

2 Recommendations

- 2.1 That the Committee notes the Internal Audit Annual Report.

Reasons for Recommendations

- 2.2 The Chief Internal Auditor is required to present an annual report to the Audit Committee setting out a summary of the work they have carried out in the year and an opinion on the

3 Key Issues

- 3.1 Based on the work undertaken during the year and the implementation by management of the audit recommendations, Internal Audit can provide Limited Assurance that the Council's framework of governance, risk management and internal control was operating adequately during 2022-23

4 Relationship to Corporate Priorities

- 4.1 The framework of governance, risk management and internal control is a key element of the Council's corporate governance arrangements which cuts across all corporate priorities.

5 Report Detail

Assurance

- 5.1 Management are responsible for the framework of governance, risk management and internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. Internal Audit review, appraise and report on the effectiveness of the framework of governance, risk management and internal control
- 5.2 The Internal Audit Annual Report (attached as Appendix 1 is the culmination of the work of the Section during the course of the year and seeks to:
- provide an opinion on the adequacy of the framework of governance, risk management and internal control
 - comment on the nature and extent of significant risks; and
 - report the incidence of significant control failings or weaknesses.

- 5.3 Work completed since the last progress update has not previously been presented to committee and this is included in Appendix 1.
- 5.4 The Internal Audit Annual Report is one of the sources of assurance that is used to support the Council's Annual Governance Statement. The Annual Audit Opinion given in the report is based on the work of the Internal Audit section and other information that the Chief Internal Auditor & Risk Manager is aware of such as performance and risk management information and awareness of other work such as the delivery of projects.
- 5.5 The Annual Audit Opinion for 2023-24 is **limited assurance** that the Council's framework of governance, risk management and internal control was operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy. This opinion has taken into account the statutory recommendations contained in the External Auditor's VFM Report.

Internal Audit's Performance

- 5.6 The Audit team completed 91% of the planned work which is within the annual target; furthermore, a small number of additional audits had been started but not completed by the end of the year and will be rolled forward into 2023-24.

Review of the Effectiveness of Internal Audit

- 5.7 The Annual Report contains a summary of the outcome of the Review of Internal Audit and the associated action plan.

6 Implications

6.1 Financial

None

6.2 Legal

None

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

Appendix 1 - Summary of Significant Findings Quarter 4 Audits

Appendix 2 - Internal Audit Annual Report for 2023-24

8 Previous Consideration

None

9 Background Papers

File of work held by the Chief Internal Auditor & Risk Manager


Contact Officer: Stephen Baddeley

Telephone Number: 01543 464415

Report Track: Audit & Governance only



Summary of Significant Findings for Audits Issued in March 2024

Audit Reports Issued in March 2024

Audit	Head of Service	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Levelling-up Fund Cannock Town Centre Project	Economic Development & Planning	12	 Limited	<ul style="list-style-type: none"> • There was a need to improve project documentation and planning including integrating the risk register into decision making at project board, the Project Delivery Plan needed updating. • There was a need to schedule in the procurement processes on the revised timescale and a Procurement Register established • There was a need to have regular Project Board and Project Delivery Meetings • Cost monitoring and control needed to be tightened and the long term revenue costs of the project established • Reporting to Leadership Team and Cabinet needs to be improved and more regular • Confirmation of agreed variances should be requested from DLUHC



Internal Audit

March Progress Report 2023-24

Audit	Head of Service	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Leaseholder Management and Sale of Council Houses	Housing & Corporate Assets	7	 Limited	<ul style="list-style-type: none"> • It was found that there was no effective and documented system for the identification, recording and administration of leasehold properties in place. • Section 20 Consultations were not always carried out for qualifying works as not all relevant works were identified. • Several departments are involved in the process each with their own property list but no regular reconciliations are carried out to ensure they are accurate and consistent and there is no central master record identified. • Manual calculations were being rather than functionality in spreadsheets which could lead to errors. • Repairs are not always recharged to leaseholders as they are not always identified as such.
Sheltered Housing Schemes	Housing & Corporate Assets	2	Partial 	<ul style="list-style-type: none"> • There was an absence of documented procedure for the operation of the schemes • It was found that evidence was not being checked in full before applicants were placed on waiting lists for sheltered accommodation.


Internal Audit

March Progress Report 2023-24

Audit	Head of Service	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
S106 Agreements and Community Infrastructure Levy	Economic Development & Planning	7	Partial 	<ul style="list-style-type: none"> • There was no overarching process defined setting out roles and responsibilities, monitoring procedures and to ensure a consistent approach. • The treatment of the CIL admin levy on the Infrastructure Funding Statement did not appear to be in line with the regulations. • There are no admin levies/monitoring fees collected for s106 payments although there is scope to collect these. • The process is very manual and on spreadsheets and across multiple systems rather than an formal centralised system • Routine site visits are not undertaken to determine if trigger criteria have been met to collect staged payments. • Regular monitoring of s106 balances does not occur to ensure they are spent in accordance with expiry dates. • There is no guidance provided by the Council to external bodies on how they can utilise CIL monies on relevant projects.
UK Shared Prosperity Fund CCDC	Economic Development & Planning	0	Substantial 	

Internal Audit









March Progress Report 2023-24

Audit	Head of Service	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Disabled Facilities Grants County Assurance Statement	Wellbeing	0	Substantial 	
Procurement	Transformation & Assurance	0	N/A	

Internal Audit

March Progress Report 2023-24

Audit Follow-ups Completed in March 24

Audit	Head of Service	Original Assurance	Implemented	In Progress	Not Implemented	Total	Revised Assurance	Comments
Asset Management Strategy & Records	Housing & Corporate Assets	 Limited	0	6	0	6	 Limited	<p>Work had commenced but not been completed for any of the recommendations.</p> <ul style="list-style-type: none"> The Asset Management Group had not yet been reestablished as there was a need to review and reconstitute it. Limited work had been carried out to review assets and limited action plans created. There was supported to move to the corporate landlord model but work to create this approach had not been completed. Work was still ongoing to identify and procure a suitable asset management system. Whilst a list of assets was being created it did not hold full information for each asset.
Change Control (IT) 2nd	Transformation & Assurance	Partial 	0	3	0	3	Partial 	The change control policy has been drafted but not yet approved and rolled-out.
Cyber & Network Security (2nd Follow Up)	Transformation & Assurance	Partial 	0	1	0	1	Partial 	Completion of the Cyber Security Training has been mandated and a process to escalate non-completion established but this has not yet been rolled-out.
Housing Allocations	Housing & Corporate Assets	Partial 	4	0	0	4	Substantial 	

Cannock Chase District Council Internal Audit Annual Report 2023-24

June 2024



working together

INTERNAL AUDIT – ANNUAL REPORT 2023-24
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Appendix

Audits Planned and Completed in 2023-24 by Classification:

1a	No Assurance	10
1b	Limited	11
1c	Partial	12
1d	Substantial	13
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INTERNAL AUDIT – ANNUAL REPORT 2023-24**1. INTRODUCTION**

- 1.1 The Internal Audit Service is a shared service with Stafford Borough Council. This report highlights the work carried out by Internal Audit to deliver the Annual Audit Opinion for Cannock Chase District Council.

The Annual Reporting Process

- 1.2 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on its governance arrangements, comprising of risk management and internal control. Internal Audit objectively examines, evaluates and reports on the adequacy of the Council's governance arrangements as a contribution to the proper, economic, efficient and effective use of resources. Responsibility for governance rests fully with Managers, who should establish and maintain an adequate system of internal control to enable them to discharge their responsibilities and to ensure that the Council's resources are properly applied in the manner and on the activities intended.
- 1.3 This report is the culmination of the work of the Internal Audit Section during the course of the year and seeks to:
- provide an opinion on the adequacy of the control environment;
 - comment on the nature and extent of significant risks; and
 - report the incidence of significant control failings or weaknesses.
- 1.4 It provides a summary of the work of the Section throughout 2023-24. As such it presents a snapshot picture 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 any relevant areas where significant weaknesses have not been addressed by managers to the attention of the Audit & Governance Committee if and when it is deemed appropriate.
- 1.5 Internal Audit has adopted an exception based reporting methodology, as such only those areas where weaknesses have been identified are reported on.

Requirement for Internal Audit

- 1.6 The requirement for an Internal Audit function derives from local government legislation, including section 151 of the Local Government Act 1972 which requires authorities to "make arrangements for the proper administration of their financial affairs". Proper administration is interpreted in this legislation to include Internal Audit. More specific requirements are detailed in the Accounts and Audit Regulations 2015, in that a relevant body must "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance".

INTERNAL AUDIT – ANNUAL REPORT 2023-24**Review of Internal Audit**

- 1.7 A review of Internal Audit has been undertaken within the year as part of the Quality Assurance and Improvement Programme as required by the Public Sector Internal Audit Standards.
- 1.8 The Chief Internal Auditor has conducted a self-assessment of the section in relation to compliance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN); and
- 1.9 The review has also started to consider the revised Global Internal Audit Standards which were issued in early 2024. These will form the basis of revised Public Sector Internal Audit Standards to be implemented from April 2025. However, as the revised PSIAS has not yet been drafted it is not possible to fully consider changes that will be needed to the current processes and documentation used by the section.
- 1.10 As previously reported an External Quality Assessment (EQA) was carried out in Autumn of 2022 by Business Risk Management Ltd. The outcome of the review and the agreed action plan was presented to the Audit & Accounts Committee on 16th November 2022. The view of the EQA Assessor was that “The Internal Audit Shared Service is delivering to a standard that generally conforms with the Public Sector Internal Audit Standards with the service demonstrating a high standard of delivery within its peer group”. In line with the standards a new External Quality Assessment will be required in 2027.
- 1.11 The review concluded that Internal Audit is effective and conforms sufficiently with the requirements of PSIAS/LGAN to ensure that the opinion given in this Annual Report can be relied upon for assurance purposes. Where actions have been identified these are attached in Appendix 3 at the end of this report.
- 1.12 One ongoing area of significant non-conformance with the standards was identified and this relates to PSIAS 1110 Organisational Independence. The standards require the “Chief Audit Executive” to report functionally to the Board and indicate that this includes the Audit Committee Chair and Chief Executive commenting on the Performance Development Review and the Audit Committee setting remuneration for the “Chief Audit Executive”.
- 1.13 This is not a common practice in Local Government where Members do not routinely get involved in detailed employment matters. It is felt that sufficient other safeguards to the independence of Internal Audit are currently in place within the Council such as allowing the Chief Internal Auditor the unfettered right of access to the Audit Committee Chair and Chief Executive to raise any concerns. However, following the EQA in 2022 the Head of Transformation & Assurance has agreed that she would contact both Audit Committee Chairs and have a conversation with them to seek their views in advance of undertaking the Chief Internal Auditor’s PDR.
- 1.14 It is therefore felt that this area of non-conformance does not compromise the effectiveness of Internal Audit although PSIAS/LGAN requires it to be disclosed in the Annual Audit Report.

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- 1.15 In order to ensure the quality of each audit, the Senior Auditor, the Principal Auditor or the Chief Internal Auditor carries out a file review for each audit prior to the reports being issued. The Chief Internal Auditor also reviews and signs-off every report before it is issued. These processes form part of the internal quality assurance process and helps to provide a consistent approach between the auditors.
- 1.16 As part of the Review of Internal Audit a Satisfaction Survey was issued to Managers and Heads of Service. A total of 16 responses were received covering approximately 32% of Managers, this is a slight fall on the 25 responses received for 2022-23. The majority of the questions were consistent with those asked in the 2022-23 survey to allow for trends to be considered. The results of the survey questions are below:

Question	2023-24 Average Score (out of 5)	2022-23 Average Score (out of 5)	Trend
How satisfied are you with the support that you get from Internal Audit?	4.25	4.2	↑
How satisfied are you that work of Internal Audit Reports adds benefit to your management of the services that you deliver	4.19	4.2	↓
Do you agree that Internal Audit recommendations are realistic and relevant to the operation of your service	4.31	4.2	↑

- 1.17 Whilst the drop in the number responses is unfortunate it is pleasing to be able to report an improvement in the scores for 2 of the areas and only a very marginal drop in the other score. The overall average scores continue to show an overall high level of satisfaction in the Internal Audit service provided to management.

2. REVIEW OF CONTROL ENVIRONMENT

How the Control Environment is Reviewed

- 2.1 Internal Audit operates to a risk based audit plan. The audit plan is risk assessed each year to ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk.
- 2.2 This risk based approach to audit planning results in a comprehensive range of audits being undertaken during the course of the year to support the overall opinion on the control environment.
- 2.3 The Audit Plan for 2023-24 continued the shift in focus away from a plan based solely on the Audit Universe to a totally risk focused plan which has been used over a number of years.
- 2.4 It is believed that sufficient work has been undertaken on which to provide an opinion.

INTERNAL AUDIT – ANNUAL REPORT 2023-24**Internal Audit Opinion for 2023-24 and the Annual Governance Statement (AGS)**

- 2.5 Regulation 3 of the Accounts & Audit Regulations 2015 require that the Council:-
- “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.*
- 2.6 In addition regulation 6 of the Accounts and Audit Regulations 2015 requires that the Council:-
- “must, each financial year—*
- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and*
 - (b) prepare an annual governance statement;”*
- 2.7 Internal Audit has a responsibility to provide assurance from the work they undertake during the year in respect of the control environment operating within the Council to feed into this review.
- 2.8 The results of internal audit work this year has seen an increase in the number of audits given a limited or partial assurance. In addition the lack of progress in addressing the recommendations made by Internal Audit has demonstrated that management are not addressing the issues fully within a reasonable timeframe.
- 2.9 In addition to the work carried out by Internal Audit, the Opinion is also based on other knowledge and information collected by the Chief Internal Auditor. This will include key risks of the organisation, other work and activities of the Council such as performance information and accident reports, awareness of the progress and delivery of key projects, topics discussed by Leadership Team and Members.
- 2.10 This year the opinion has taken into account the findings set out in the External Auditor’s Value for Money report. This included a statutory recommendation relating to the Finance system and its implementation and a number of other recommendations. The External Auditors relied heavily on the work of Internal Audit and repeated existing Internal Audit recommendations; they also cited the lack of progress made by management to implement Internal Audit recommendations as an influence on their view on the Council which led to the report.
- 2.11 Management has developed an improvement plan which has been approved by Cabinet and Audit Committee. Internal Audit has also spent some time on areas in the action plan to help clarify the issues and to support management in the development of actions to address the recommendations.

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2.12 Based on the work undertaken during the year and the lack of implementation of the audit recommendations promptly by management, Internal Audit can provide **Limited assurance** that the Council's governance arrangements including risk management and systems of internal control were operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy.



2.13 No Audits were given No Assurance in the year and 6 Audits were given Limited Assurance. More details on common issues identified in the audit work which have fed into this opinion can be found in paragraph 3.9 below.

2.14 No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there is an ongoing process for identifying, evaluating and managing the key risks. These risks are reflected in the audit plan and are the subject of separate reports during the course of the year.

3. SIGNIFICANT ISSUES ARISING 2023-24

3.1 Each system/area audited is given a level of assurance based on the presence and effectiveness of the controls in place. Four levels of assurance are currently used and the definitions for each are contained in appendices 1a to 1d.

3.2 A summary of the level of assurance given to each audit is given in the table below.

	Substantial Assurance	Partial Assurance	Limited Assurance	No Assurance	No Opinion
Number of Audits	13	11	7	0	1
For further information	See Appendix 1d	See Appendix 1c	See Appendix 1b	See Appendix 1a	See paragraph 3.3

3.3 One area was reviewed but the nature and depth of the work meant that it was not appropriate to issue a formal opinion on the level of assurance. This was a review of Procurement and spend analysis. Whilst no assurance was given a number of recommendations were made particularly around the need to explore the use of contracts for regular/repeat works.

3.4 In addition to the main audit work the section also followed-up the progress made in relation to Audit Recommendations where the audit was not issued with a Substantial opinion. Follow-ups are generally undertaken around 6 months after the report has been finalised.

3.5 16 Follow-ups were completed for 13 audit areas (3 areas were followed-up more than once in the year). At the end of the year -

- 1 area remained Limited Assurance
- 1 area had improved from Limited to Partial
- 12 areas remained Partial Assurance.
- 2 areas had improved from Partial to Substantial.

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- 3.6 In total 52 recommendations were followed-up of which at the time of the follow-up:
- 18 recommendations (34.6%) had been implemented;
 - 33 recommendations (63%) were in progress at the time of the follow-up; and
 - 1 recommendations (1.92%) had not been at least partially implemented at the time of follow-up.
- 3.7 More details on the follow-ups can be found in Appendix 2. The year has seen a drop in the number of recommendations implemented in full at the time of the follow-up to around 35% compares to 49% in 2022-23. Approximately 2% had no progress at all compared to 5% last year. 98% of the recommendations followed up were in-progress of implemented or completed in full compared to 95% last year.
- 3.8 In relation to the key finance systems there was one issue identified in relation to Payroll around inappropriate access levels which led to a limited assurance. Due to resource implications and continuing work on the implementation of the finance system limited work has done on finance systems - this combined with the finance related issues in the VFM report have contributed to the limited assurance opinion issued this year.
- 3.9 Some common reoccurring themes were identified from the audit work in the year and these mirrored themes found in previous years and referenced in the External Auditor's VFM Report with limited evidence of improvements being made to address the issues. These were:
- Procurement processes not always being followed correctly and an overreliance on the use of waivers. This meant that contracts were not always market tested fully or work was issued outside of contractual agreements or on contracts that had expired.
 - Lack of knowledge of current contracts, end dates and the timescales needed to re-tender major works.
 - Incomplete, out of date or missing written procedures and work programmes for services leading to a lack of clarity and awareness of correct processes to follow/work to be completed.
 - Paperwork not fully completed to evidence work carried out and key documentation not always retained on file.
 - Weaknesses in the reconciliation of income for services carried out.
 - Poor project management processes including missing or poor-quality project risk registers and lack of post-implementation reviews.
 - Employees lack of awareness of key governance documents including Financial Regulations, Procurement Regulations, Schemes of Delegation and the Code of Conduct.
 - Data Protection Impact Assessments and Confidentiality Agreements not always completed when data is transferred to third parties.
 - Key policies and strategies not being in place or being out of date leaving employees with limited guidance and lack of clear direction.
 - Lack of clarity over responsibilities for buildings and their maintenance and routine compliance inspections.

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4 AUDIT PERFORMANCE

4.1 The table below indicates the Section's performance against the audit plan for 2023-24.

	2023-24 Planned	2023-24 Actual	2023-24 Actual %	2023-24 Target %	2022-23 Actual
Revised Audit Plan	26	32	123%	90%	N/A
Original Plan	30	32	106%	90%	83%

4.2 The need for a revised audit plan was agreed by the Audit Committee in December 2023 due to the resignation of a member of the team. 32 audits were completed in the year out of the 26 planned in the revised audit plan. This overachievement was due to a significant number of audits from the 2022-23 plan being completed in 2023-24.

4.3 Included in the completed audits figure above are 12 audits which were originally part of the 2022-23 audit plan which had not been completed in that year these are:

- Housing Property Service
- Housing Benefits 2022-23
- Council Tax 2022-23
- National Non-Domestic Rates 2022-23
- Procurement
- Wireless Network Security (IT)
- Critical Application Security
- IT Resilience
- Remote Working
- Agency Staff & Consultants
- Property Management & Rentals
- Housing Allocations

4.4 A further 2 audits had commenced but not been completed in the year.

4.5 These are:

- Capital Programme
- Cloud Computing

4.6 Both of these audit are being delivered by the Contractor. The delays in completion of the audits are down to 2 main factors:

- Staffing and scheduling issues of the contractor which is in part due to the back-log of audits that they carried forward from 2022-23.
- Delays in departments answering queries and supplying information to auditors due to ongoing workloads and pressures.

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4.7 3 audits in the revised audit plan had not commenced at the end of the year, these were

- Housing IT Application
- Food Safety
- Asset Management Plans

These audits will be rolled-over to 2024-25 audit year.

4.8 In addition to the audit plan the Section has also carried out a number of other pieces of ad hoc work and consultancy exercises during the year, these included advice on system changes and new systems. This included advice and consultancy work on some of the changes in processes established by Housing in response to the VFM Report and a detailed piece of work with IT to help establish an IT Risk Register.

5 FRAUD & IRREGULARITY WORK

Pro-active Fraud work

5.1 The Internal Audit section has taken a proactive approach to the prevention / detection of fraud and corruption. During the year it has:-

- Continued as a Founding Member of the Staffordshire Counter Fraud Partnership
- Continued membership of the Midlands Fraud Sub Group, and sharing of information at Internal Audit Management Groups;
- Been alert to fraud risks in the audits carried out in the year

Fraud/Irregularity Investigations

5.2 The team has not been involved in any special investigations relating to fraud or irregularities in the year relating to Cannock Chase District Council. Although some input has been provided into other investigations relating to the conduct of employees.

5.3 No allegations have been received via Confidential Reporting or Anti-Fraud & Corruption policies directly although one case was passed to the Council by Staffordshire County Council - this related to a Housing matter which was picked up by Tenancy Services with no fraud identified.

National Fraud Initiative Data Matching

5.4 Council is a statutory participant in the Cabinet Office's National Fraud Initiative (NFI) exercise which is carried out every 2 years. The 2022-23 matches were released in January 2023 and are in the process of being reviewed, some areas have been slow to review the data matches and some areas have not been reviewed at all due to staffing shortages and other work priorities these include the Creditor Data Matches, and Council Tax Single Person Discount Matches, the latter are never reviewed due to the team undertaking alternative data matching which matches to additional information sources.

5.5 No significant issues have been identified from the work carried out to date. One duplicate invoice was detected with a value of £1,403.93 which is in the process of being recovered.

Appendix 1a

Audits Planned and Completed in 2023-24 by Assurance Level

No Assurance

Definition

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

There were no audits which were classified as No Assurance in the year.

Appendix 1b

Limited Assurance Audits

Definition

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.

Audit Area	Service Lead Officer	No of High/Medium Recommendations
Levelling-up Fund Project - Cannock	Economic Development & Planning	12
Housing Property Services	Housing & Corporate Assets	15
Leaseholder Management	Housing & Corporate Assets	7
Pest & Dog Control	Operations/Regulatory Services	5
Climate Change	Regulatory Services	6
Agency Staff & Consultants	Transformation & Assurance	8
Payroll	Transformation & Assurance	9

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Appendix 1c

Partial Assurance Audits

Definition

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.

Audit Area	Service Lead Officer	No of High/Medium Recommendations
S106 Agreements and Community Infrastructure Levy	Economic Development & Planning	7
Housing Allocations	Housing & Corporate Assets	4
Sheltered Housing Schemes	Housing & Corporate Assets	2
Garden Waste Project	Operations	4
Environmental Protection & Pollution Control	Regulatory Services	1
Land Charges Transfer to Land Registry Project	Regulatory Services	5
IT Resilience	Transformation & Assurance	4
Office 365	Transformation & Assurance	4
Remote Working	Transformation & Assurance	6
Replacement Customer Relationship Management System Project	Transformation & Assurance	2
Risk Management	Transformation & Assurance	5

INTERNAL AUDIT – ANNUAL REPORT 2023-24

Appendix 1d

Substantial Assurance Audits

Definition All High (Red) and Medium (Amber) risks have appropriate controls in place and these controls are operating effectively.



























No action is required by management.

Audit Area	Service Lead Officer
Council Tax	Deputy Chief Executive (Resources) and s151 Officer
Council Tax 2022-23	Deputy Chief Executive (Resources) and s151 Officer
Council Tax Reduction Scheme	Deputy Chief Executive (Resources) and s151 Officer
Housing Benefits	Deputy Chief Executive (Resources) and s151 Officer
Housing Benefits 2022-23	Deputy Chief Executive (Resources) and s151 Officer
National Non-Domestic Rates	Deputy Chief Executive (Resources) and s151 Officer
National Non-Domestic Rates 2022-23	Deputy Chief Executive (Resources) and s151 Officer
Treasury Management	Deputy Chief Executive (Resources) and s151 Officer
UK Shared Prosperity Fund CCDC	Economic Development & Planning
Bereavement Services CCDC	Operations
Car Parking CCDC	Operations
Landscape/Leisure Projects	Operations
Disabled Facilities Grants County Assurance Statement	Wellbeing









INTERNAL AUDIT – ANNUAL REPORT 2023-24

Appendix 2

Results of Follow-ups Undertaken in the Year By Assurance Level

Audit	Head of Service	Original Assurance	High/Medium Risk Recommendations Implemented	High/Medium Risk Recommendations In Progress	High/Medium Risk Recommendations Not Implemented	Total	Revised Assurance
Asset Management Strategy & Records	Housing & Corporate Assets	 Limited	0	6	0	6	 Limited
Change Control (IT) 1st	Transformation & Assurance	 Limited	2	3	0	5	 Partial
Housing Consumer Standards Compliance	Housing & Corporate Assets	 Partial	2	2	0	4	 Partial
Housing Consumer Standards Compliance 2nd Follow-up	Housing & Corporate Assets	 Partial	0	2	0	2	 Partial
Housing Void Management 2nd	Housing & Corporate Assets	 Partial	3	5	0	8	 Partial
Building Control	Regulatory Services	 Partial	4	1	0	5	 Partial
Planning & Building Control IT Project	Regulatory Services	 Partial	0	2	0	2	 Partial
Change Control (IT) 2nd	Transformation & Assurance	 Partial	0	3	0	3	 Partial
Cyber & Network Security (2nd Follow Up)	Transformation & Assurance	 Partial	0	1	0	1	 Partial
Document Retention & IT Records	Transformation & Assurance	 Partial	0	3	1	4	 Partial
Document Retention & IT Records (2nd Follow-up)	Transformation & Assurance	 Partial	0	1	0	1	 Partial
IT Asset Management	Transformation & Assurance	 Partial	1	1	0	2	 Partial

INTERNAL AUDIT – ANNUAL REPORT 2023-24

Audit	Head of Service	Original Assurance	High/Medium Risk Recommendations Implemented	High/Medium Risk Recommendations In Progress	High/Medium Risk Recommendations Not Implemented	Total	Revised Assurance
IT Strategy Resources and operational plans	Transformation & Assurance	Partial 	0	1	0	1	Partial 
IT Third Party Supplier Management & External Data Sharing (2nd Follow-up)	Transformation & Assurance	Partial 	0	2	0	2	Partial 
Housing Allocations	Housing & Corporate Assets	Partial 	4	0	0	4	Substantial 
Licensing	Regulatory Services	Partial 	2	0	0	2	Substantial 

INTERNAL AUDIT – ANNUAL REPORT 2023-24

Appendix 3

IMPROVEMENT PLAN FOR INTERNAL AUDIT – 2023-24

PROGRESS ON 2022-23 ACTION PLAN

Source	Actions	Person Responsible for Implementation	Timescale	Progress Comments
Annual Review & EQA 2022-23	Internal Audit will look at progressing some mapping of Assurance provided by others and how this can be taken into account.	Chief Internal Auditor & Risk Manager	Ongoing	Some work has been undertaken to identify other sources of assurance but this has been delayed due to the VFM Report actions and the management restructure.
Annual Review & EQA 2022-23	The Head of Transformation & Assurance to seek views from the Audit Committee Chairs in advance of the Chief Internal Auditors Performance Development Review	Head of Transformation & Assurance	Next PDR Cycle	This will be picked up as part of the next cycle. PDRs were delayed for Service Managers pending the management restructure
Annual Review & EQA 2022-23	Audit Charter and Quality Assurance & Improvement Programme to be updated and approved. To include a refresh of Key Performance Indicators for Internal Audit.	Chief Internal Auditor & Risk Manager	June 2023 Audit Committee	Completed - although KPIs remain under review and development.
Annual Review & EQA 2022-23	Internal Audit to map their work against the Code of Governance, the Risk Management Systems and the Council's Fraud Risks.	Chief Internal Auditor & Risk Manager	September 2023	Some work has been undertaken to identify other sources of assurance but this has been delayed due to the VFM Report actions and the management restructure also pending the review of the Council's code of Governance. This will be rolled forward.
EA Annual Report 2020-21	Internal Audit to provide periodic updates to Leadership Team on outstanding Audit Recommendations	Chief Internal Auditor & Risk Manager	September 2023	Completed - reports have been provided but need to get then on a regular reporting cycle.

INTERNAL AUDIT – ANNUAL REPORT 2023-24

Source	Actions	Person Responsible for Implementation	Timescale	Progress Comments
Annual Review & EQA 2022-23	The Audit Manual and other procedure documents to be reviewed and updated to reflect the use of the Electronic Working Papers System.	Chief Internal Auditor & Risk Manager	September 2023	Completed - the updates identified have been completed but there is a need for continuous review.

2023-24 ACTION PLAN

Source	Actions	Person Responsible for Implementation	Timescale
Annual Review & EQA 2023-24	To review the Global Internal Audit Standards and new Public Sector/Local Government Standards when they are issued, and update processes and documentation as required	Chief Internal Auditor & Risk Manager	March 2025

VFM Progress Report 2023/24

Committee: Audit & Governance Committee

Date of Meeting: 18 June 2024

Report of: Head of Transformation and Assurance

1 Purpose of Report

- 1.1 To advise Members on the progress in the delivery of the VFM Improvement Plan at the end of 2023-24. This is the first progress report since the Improvement Plan was approved.

2 Recommendations

- 2.1 To note the progress at the end of the 2023-24 in the delivery of the VFM Improvement Plan set out at Appendix 1.

Reasons for Recommendations

- 2.2 The information allows the Audit & Governance Committee to ensure that all appropriate steps are being taken to address the findings of the External Auditors and improve the Council's governance arrangements.

3 Key Issues

- 3.1 The Council's External Auditor's Annual Report (AAR) for 2021/22 and 2022/23, highlighted several significant issues relating to the Council's financial, governance and asset arrangements and made recommendations for addressing these.
- 3.2 An improvement plan to address the issues was drawn up and approved by the Audit & Governance Committee (7 February 2024) and subsequently by Council (21 February 2024).
- 3.3 This report sets out the progress made at the end of 2023-24 and is the first progress update since the improvement plan was approved.
- 3.4 Good progress has been made in delivering the actions set out for quarter 4 of 2023-24, with 56% of the actions having been completed in full and work in progress on the remaining actions.

4 Relationship to Corporate Priorities





- 4.1 Good governance and financial management specifically links to the Council's priority to be "a modern, forward thinking and responsible Council". It also underpins the delivery of the Council's other corporate priorities and operational services.

5 Report Detail

Background

- 5.1 As part of the work of the External Auditors, they are required to undertake a review of the Council's arrangements for Value for Money and their finding are set out in the Annual Audit Report for 2021/22 and 2022/23.
- 5.2 The AAR for 2021/22 and 2022/23 identified several areas of concern primarily:
- (i) the delay in preparation of and audit of final accounts and budget monitoring;
 - (ii) the management of our HRA and corporate assets;
 - (iii) weaknesses in our arrangements for our IT systems, fraud, procurement, performance management and managing our workforce.
- 5.3 None of the issues themselves are new; they were identified in the previous AAR, have been raised in reports issued by Internal Audit and/or have been raised as significant governance issues in the Annual Governance Statement over the same period. However, the External Auditors have raised the profile of these issues and the need to address them to prevent significant governance failings. Three statutory recommendations have been made and these are being progressed as a priority.
- 5.4 The External Auditors acknowledged that there has been a lack of capacity in key service areas to address these issues. The Council has sought to address this by agreeing additional funds as part of the budget process for the Finance and Transformation Teams. Additional resources have also been approved to address the HRA issues.
- 5.5 A VFM improvement plan has been produced to address the issues raised in the AAR and this is attached at Appendix 1.
- 5.6 A commentary on progress for each of the actions for quarter 4 of 2023-24 is set out in Appendix 1. Overall progress is summarised in the table below:

Table 1: Summary of Progress - VFM Improvement Plan

Quarter					No longer applicable	Total Number of Projects
	Action completed	Work on target	Work < 3 months behind schedule	Work > 3 months behind schedule		
Q4 2023/24	10		7		1	18

5.7 At the end of quarter 4, of the 18 actions planned for delivery in 2023/24:

- 56% have been completed;
- 39% are being progressed but are slightly behind schedule; and
- 5% are no longer applicable.

Good progress has been made in 2023/24 with 10 key actions having been completed. Work is in progress on the other 7 actions. Most of these relate to the updating of policies and work is nearing completion on these; it is anticipated that they will be submitted to Leadership Team for approval in Quarter 1.

5.7 Progress in delivering the actions set out in the improvement plan are being overseen by:

- The Leadership Team; and
- Audit & Governance Committee.

The Audit & Governance Committee will escalate any concerns to Cabinet and the Cabinet will also receive periodic updates.

All actions relating to the Housing Revenue Account (HRA) assets, will also be overseen by a Housing Board which is to be set up in 2024/25.

6 Implications

6.1 Financial

There are no direct financial implications arising from the report.

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

Failure to deliver the improvement plan and address the External Auditor's recommendations has been included in the Council's Strategic Risk Register.

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: VFM Improvement Plan - Summary of Progress

8 Previous Consideration

None

9 Background Papers

Report to Audit & Governance Committee 7 February 2024

Contact Officer: Judith Aupers





Telephone Number: 01543 464411




Report Track: Cabinet 12/06/24 and

Audit & Governance Committee 18/06/24





VFM Improvement Plan - Progress Report





Summary of Progress as at 31 March 2024







Quarter					No longer applicable	Total Number of Projects
	Action completed	Work on target	Work < 3 months behind schedule	Work > 3 months behind schedule		
Q4 2023/24	10		7		1	18
Q1 2024/25						13
Q2 2024/25						19
Q3 2024/25						15
Q4 2024/25						10
2025/26						5
TOTAL						80


No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
QUARTER 4 2023/24						
1.	Financial Sustainability (Statutory Recommendation 1)	Medium Term Financial Strategy for 2024/25 to 2026/27 drafted and approved by Cabinet. Due for approval at Council 21 February 2024. Modelling, assumptions and risk assessment included as part of the budget report. MTFS includes assessment of likely future government funding.	Deputy Chief Executive (Resources) & S151 Officer		Completed	
2.	Financial Sustainability (Statutory Recommendation 1)	Capital Strategy to be updated in accordance with the revised Prudential Code.	Deputy Chief Executive (Resources) & S151 Officer		This is currently being worked on and will be completed in Quarter 2.	
3.	Financial Sustainability (Statutory Recommendation 1)	Bring treasury strategy and its reporting to members up to date	Deputy Chief Executive (Resources) & S151 Officer		Completed	
4.	Financial Sustainability (Statutory Recommendation 1)	Produce draft financial statements in line with statutory requirements and working with external auditors to deliver audits effectively. (Decision to be made on outstanding audits as there is a consultation taking place as to how to clear the backlog of audits nationally at present)	Deputy Chief Executive (Resources) & S151 Officer	This is to be discussed with Azets as to approach	Agreed with Azets not to audit the 21/22 and 22/23 accounts. This is in line with the national statutory dispensation.	N/A


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No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
5.	Financial Sustainability (Statutory Recommendation 1)	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2023/24	Publication of the draft accounts is currently under review due to competing demands on the Finance Team from the wider organisation.	
6.	HRA (Statutory Recommendations 2 & 3)	Appointment of additional senior resource (HRA Recovery Lead) to support the delivery of the HRA action plan and implement recovery actions (starting 26/2/24)	Deputy Chief Executive (Place)		Completed	
7.	HRA (Statutory Recommendations 2 & 3)	Liaise with other HRA providers to determine best practice to aid our work and use this information to undertake appropriate benchmarking.	Head of Housing and Corporate Assets	Quarter 4 2023/24	Completed. Members of HouseMark and annual Benchmarking exercise undertaken. Visit to Wolverhampton Homes and discussions with Housing Plus & WHG across subject areas	
8.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Provision to be included in the capital programme for 2023/24 and 2024/25 to fund the stock condition survey.	Deputy Chief Executive (Resources) & S151 Officer Head of Housing and Corporate Assets	Completed	Approval as part of budget in February 2024	


No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
9.	HRA 30 Year Business Plan (Statutory Recommendation 2)	<ul style="list-style-type: none"> • Review of Housing Register to ensure it is maintained up-to-date • Larger scale review completed in October 2023; and • Ongoing monthly review of application forms on the anniversary of the application form date. 	Head of Housing and Corporate Assets Tenancy Services Manager		Completed On-going monthly review letters sent out and applicants removed from the list that do not re-register	
10.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Align the MTFs to the corporate priorities in the Council's Business Plan including the costed climate change actions	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance		Completed as part of budget setting 2024/25 To be revisited in Quarter 2 2024/25	
11.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Review of risk management policy and framework - includes review of format of the SRR	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24	Currently in draft to be presented to Leadership Team in May/June 2024	
12.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Review of guidelines on risk implications for committee reports	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24	Currently in draft to be presented to Leadership Team in May/June 2024	

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
13.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Review of risks in annual budget report to be consistent with corporate process	Deputy Chief Executive (Resources) & S151 Officer		Completed	
14.	IT (Key Recommendation 3)	Implement outstanding recommendation from Cyber and Network Security Audit - staff to complete cyber training	Chief Technology Officer and Information Manager	Quarter 4 - 2023/24	In progress - chasing small number of outstanding staff who haven't completed training. To be brought to LT in May	
15.	IT (Key Recommendation 3)	Finalise the change management strategy	Chief Technology Officer	Quarter 4 - 2023/24	Currently in draft to be presented to Leadership team in May 24	
16.	IT (Key Recommendation 3)	Finalise Information Governance Framework	Head of Law & Governance	Quarter 4 - 2023/24	Completed - approved by Cabinet	
17.	Procurement and Contract Management (Key Recommendation 7)	Update the contracts register and ensure it is compliant with transparency requirements	Head of Transformation & Assurance and Leadership Team	Quarter 4 - 2023/24 (this will be the first draft to be revisited Quarter 3 2024/25)	Work in progress. Draft to be issued to Heads of Service for updating in June.	
18.	Other Related Actions	Review of Audit Reporting to Leadership Team and escalation protocols	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 2023/24	Completed - quarterly progress reports to be discussed at Leadership Team	

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
QUARTER 1 2024/25						
19.	Financial Sustainability (Statutory Recommendation 1)	Restructure of the Finance Team and creation of additional capacity	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25	Restructure agreed and job descriptions being drafted	
20.	Financial Sustainability (Statutory Recommendation 1)	Regular performance monitoring to be re-established with budget managers and Leadership Team.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25		
21.	Financial Sustainability (Statutory Recommendation 1)	Reporting on the delivery of savings to be established and discussed at Strategic Leadership Team meetings. Where appropriate, project plans will be developed to support the delivery of significant/complex savings.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25		
22.	HRA 30 Year Business Plan (Statutory Recommendation 2)	A review of the stock condition survey work undertaken to date will be used to help inform investment and the programme of works.	Head of Housing and Corporate Assets Housing Property Services Manager	Quarter 1 - 2024/25		
23.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Procurement of contractor to deliver the stock condition survey. Award notice planned for February 2024 with contractor to start March.	Head of Housing and Corporate Assets Housing Property Services Manager	Q1 2024/25		


No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
24.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Review and update of the Housing Allocations Policy. <ul style="list-style-type: none"> • Consultation complete, Policy going to Cabinet in March 2024 with implementation in April 2024. 	Head of Housing and Corporate Assets Tenancy Services Manager	Q1 2024/25		
25.	HRA Compliance (Statutory Recommendation 3)	Regular inspections of properties and blocks will continue to be undertaken and will be reported to Housing Board and Cabinet. This includes gas safety, electrical safety, asbestos, water hygiene and fire safety.	Head of Housing and Corporate Assets Housing Property Services Manager	Q1 2024/25		
26.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Training for Leadership Team, managers, team leaders/principal officers on risk management	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 1 - 2024/25		
27.	IT (Key Recommendation 3)	Update IT security policy and adopt a cyber security policy	Head of Transformation & Assurance and Chief Technology Officer	Quarter 1 - 2024/25	Policy being updated and will include cyber security	
28.	IT (Key Recommendation 3)	Provide refresher training to ensure compliance with process for 3 rd party data transfers and completion of privacy impact assessments	Chief Technology Officer and Information Manager	Quarter 1 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
29.	IT (Key Recommendation 3)	Complete the IT strategy	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25	Strategy drafted - to come to LT in May 24	
30.	HR related issues (Improvement Recommendations 1 and 2)	Establish our culture, values and type of organisation we want to be. This work will inform the following actions	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 1 2024/25		
31.	HR related issues (Improvement Recommendations 1 and 2)	Complete review of hybrid working. This will inform the development of the workforce strategy and the review of the Code of Conduct as well as support the development of an asset strategy	Head of Transformation & Assurance and HR Manager	Quarter 1 2024/25		
QUARTER 2 2024/25						
32.	Financial Sustainability (Statutory Recommendation 1)	Commence recruitment to new Finance team structure	Deputy Chief Executive (Resources) & S151 Officer and Deputy S151 Officer	Quarter 2 - 2024/25		
33.	Financial Sustainability (Statutory Recommendation 1)	Lesson learnt exercise to be undertaken of implementation of the finance system	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
34.	Financial Sustainability (Statutory Recommendation 1)	Training of managers in budget management and use of the new finance system.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25	Presentation drafted	
35.	Financial Sustainability (Statutory Recommendation 1)	Review of Financial Regulations	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25		
36.	Financial Sustainability (Statutory Recommendation 1)	Training for managers on Financial Regulations	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25		
37.	HRA (Statutory Recommendations 2 & 3)	<p>Set up the new Housing Board to enhance governance and oversight of delivery of the improvement plan. The Board will comprise:</p> <ul style="list-style-type: none"> • The Deputy Chief Executive - Place; • Head of Housing & Corporate Assets; • Cabinet Member for Housing; • Shadow Cabinet Member for Housing; • Tenant representatives from across the District; and • independent person with housing expertise 	Deputy Chief Executive (Place) Head of Housing and Corporate Assets	Q2 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
38.	HRA (Statutory Recommendations 2 & 3)	A review is to be undertaken of existing systems and processes in the HRA and General Fund to align them to ensure that we have a standardised approach to building safety inspections.	Head of Housing and Corporate Assets Housing Property Services Manager Corporate Assets Manager	Q2 2024/25		
39.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Comprehensive external HRA review to be undertaken including Health & Safety (Compliance) and HRA Business Plan & Capital Investment.	Head of Housing and Corporate Assets	Q2 2024/25		
40.	HRA Compliance (Statutory Recommendation 3)	A review of compliance against the housing consumer standards (July 2023), has been undertaken and an action plan is to be developed from this which will improve tenant engagement. A residents engagement officer post has been established.	Head of Housing and Corporate Assets Strategic Housing Manager	Q2 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
41.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Develop risk registers for each Directorate, the HRA and ICT	Deputy Chief Executive (Resources), Deputy Chief Executive (Place), Head of Housing & Corporate Assets and Head of Transformation & Assurance	Quarter 2 - 2024/25		
42.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Establish escalation process between other risk registers and the SRR eg services, projects	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 2 - 2024/25		
43.	IT (Key Recommendation 3)	Develop assurance reporting for IT eg report on outcome of annual health check / penetration testing to Leadership Team and Audit Committee	Head of Transformation & Assurance and Chief Technology Officer	Quarter 2 - 2024/25		
44.	IT (Key Recommendation 3)	Review of what we include in procurements re ICT controls and information governance	Head of Transformation & Assurance, Chief Technology Officer, Head of Law & Governance and Information Manager	Quarter 2 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
45.	Performance Management (Key Recommendation 5)	Establish a Corporate Project Management Methodology. Provide templates, guidelines, and training for key officers (LT, Service Managers and key Principal Officers/Team Leaders).	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 2 - 2024/25		
46.	Performance Management (Key Recommendation 5)	Establish corporate project resources to support transformation work (funding allocated in 2024/25 budget)	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 2 - 2024/25	Job descriptions are being drafted	
47.	Performance Management (Key Recommendation 5)	Review of all projects, the current governance arrangements and establish project reporting to Leadership Team	Deputy Chief Executive (Resources) and Deputy Chief Executive (Place)	Quarter 2 - 2024/25		
48.	Procurement and Contract Management (Key Recommendation 7)	Review and update the Procurement Regulations	Deputy Chief Executive (Resources), Head of Transformation & Assurance and Head of Law & Governance	Quarter 2 - 2024/25		
49.	Procurement and Contract Management (Key Recommendation 7)	The key elements of the procurement strategy will be built into the procurement regulations rather than as a stand-alone document.	Head of Transformation & Assurance	Quarter 2 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
50.	Procurement and Contract Management (Key Recommendation 7)	Provide training for managers on procurement and contract management	Head of Transformation & Assurance	Quarter 2 - 2024/25		
QUARTER 3 2024/25						
51.	Financial Sustainability (Statutory Recommendation 1)	Follow-on zero-based budgeting session with managers to continue work started as part of the 2024/25 budget setting process	Deputy Chief Executive (Resources) & S151 Officer	Quarter 3 - 2024/25		
52.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Review of HRA reserves to fund planned maintenance, compliance and works arising from the stock condition survey.	Deputy Chief Executive (Resources) & S151 Officer	Q3 2024/25 (linked to budget setting process)		
53.	HRA Compliance (Statutory Recommendation 3)	A full review will be undertaken of all records and information held to data cleanse and identify gaps/ weaknesses in the data held. All records will be held electronically so that there is one version of the data record. An on-going reconciliation will be undertaken of the HRA asset register to the health and safety checks completed, compliance data and other inspections. Options for a new single asset register compliance system will be explored.	Head of Housing and Corporate Assets All Housing Service Managers	Q3 2024/25		


No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
54.	Corporate Savings & Transformation Programme (Key Recommendation 1)	<p>Process to be established for developing savings options - this will comprise a service reduction programme and a service transformation/efficiency programme.</p> <p>Initial steps for both:</p> <ul style="list-style-type: none"> • a discussion with the Cabinet after the May elections to review priorities and key projects; • engagement with Heads of Service and Service Managers to review current service levels for statutory and discretionary services (to include high level benchmarking) - this will be a pre-cursor to bringing the services together and establish the baseline for service transformation (this will build on the initial work done on SLAs). • Range of options for service reduction and efficiency savings/transformation <p>Service Reduction:</p> <ul style="list-style-type: none"> • Savings options to be assessed for impact and deliverability and discussed with Cabinet. • Range of options to be refined and consultation exercise to 	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
		<p>be undertaken with public and partners where relevant;</p> <ul style="list-style-type: none"> • Outcome of consultation to be used to inform savings options to be progressed as part of development of budget <p>Transformation:</p> <ul style="list-style-type: none"> • Transformation options to be assessed and added to transformation programme for prioritisation. Will need to consider any investment required to deliver savings/service improvements; resourcing to deliver the changes, etc • Project Manager and Project support officer to be recruited to support delivery of transformation programme, funding allocated in budget 2024/25 to fund posts; • Training of managers and key officers in transformation techniques 				
55.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Consultation and engagement to be embedded into the planning for the delivery of key projects where appropriate to ensure schemes meet community needs eg regeneration projects, redevelopment of play areas	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25		


Item No. 6.20

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
56.	Fraud (Key Recommendation 4)	Review Anti-Fraud & Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25		
57.	Fraud (Key Recommendation 4)	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25		
58.	Fraud (Key Recommendation 4)	Assess compliance against Cipfa 2014 Code for Fraud and develop an action plan as necessary	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25		
59.	HRA and Corporate Asset Management (Key Recommendation 6)	A Corporate asset management strategy is in place and an action plan will be developed.	Head of Housing and Corporate Assets Corporate Assets Manager	Q3 2024/25		
60.	HRA and Corporate Asset Management (Key Recommendation 6)	A full review will be undertaken of all records and information held to data cleanse and identify gaps/weaknesses in the data held. All records will be held electronically so that there is one version of the data record. An on-going reconciliation will be undertaken of the corporate asset register to the health and safety checks completed, compliance data and other inspections.	Head of Housing and Corporate Assets Corporate Assets Manager	Quarter 3 - 2024/25		
61.	Procurement and Contract Management (Key Recommendation 7)	Work with managers and the County's Procurement Team to develop a procurement pipeline	Head of Transformation & Assurance and Leadership Team	Quarter 3 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
62.	Procurement and Contract Management (Key Recommendation 7)	Process to be established for publication of key data on the Council's website to meet transparency requirements re spend data, contracts register	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25		
63.	HR related issues (Improvement Recommendations 1 and 2)	Develop a hybrid working policy and review other related policies and processes.	Head of Transformation & Assurance and HR Manager	Quarter 3 2024/25		
64.	HR related issues (Improvement Recommendations 1 and 2)	Review and update the Employee Code of Conduct	Head of Transformation & Assurance and Head of Law & Governance	Quarter 3 2024/25		
65.	Other Related Actions	Establish an inventory of key policies and a programme of periodic reviews	Leadership Team	Quarter 3 - 2024/25		
QUARTER 4 2024/25						
66.	Financial Sustainability (Statutory Recommendation 1)	Implementation of remaining module of the finance system, ongoing development and maximising use of system functionality	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2024/25		
67.	Financial Sustainability (Statutory Recommendation 1)	Performance reporting for Cabinet and Scrutiny to be developed. This will be done alongside the review and development of performance and risk reporting.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
68.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Undertake a full stock condition survey. <ul style="list-style-type: none"> • An approach to delivering the full stock condition survey has now been developed with the contractor on a phased basis. • Performance and programme delivery to be monitored on monthly and quarterly basis and reported to Housing Board. 	Head of Housing and Corporate Assets Housing Property Services Manager	To be completed by Quarter 4 2024/25		
69.	HRA 30 Year Business Plan (Statutory Recommendation 2)	As stock condition data increases a rolling programme of improvements will be developed and reported on to the Housing Board.	Head of Housing and Corporate Assets Housing Property Services Manager	Quarter 4 2024/25	Procurement process completed, minor contract queries to be clarified to enable signing by end Q1 2024/25 Programme for delivery being developed to conclude surveys by December 2024 First reports planned to be made to Housing Board September 2024 and Cabinet meeting thereafter with further reports each quarter	

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
70.	HRA 30 Year Business Plan (Statutory Recommendation 2)	<p>Development of a place-based housing strategy, working in conjunction with key partners. This will be part of a longer-term project to understand the needs of the area and our tenants. It will also link in with the Local Plan process.</p> <ul style="list-style-type: none"> • Housing Needs Assessment completed. • SHLAA and Brownfields register completed. • Draft Local Plan has well informed evidence base (proposed submission Summer 2024). 	<p>Deputy Chief Executive (Place) Head of Wellbeing Head of Housing and Corporate Assets Head of Economic Development & Planning</p>	Quarter 4 2024/25		
71.	Fraud (Key Recommendation 4)	Assess fraud risks and include in risk registers as appropriate	Chief Internal Auditor & Risk Manager and Leadership Team	Quarter 4 - 2024/25		
72.	Performance Management (Key Recommendation 5)	Develop and adopt a performance management framework to establish golden thread from Corporate Plan to service plans through to employee reviews. Framework to include protocols for ensuring data quality	Head of Transformation & Assurance	Quarter 4 - 2024/25		
73.	Performance Management (Key Recommendation 5)	Review our performance report style - delivery plans and KPIs. To consider the development of performance outcome measures	Head of Transformation & Assurance	Quarter 4 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
74.	Performance Management (Key Recommendation 5)	Performance reporting for waste and leisure: <ul style="list-style-type: none"> • review of KPIs for monitoring and reporting on performance; • establish internal validation process of contract performance; and • review information reported to Cabinet / Scrutiny 	Head of Transformation & Assurance, Head of Operations and Head of Wellbeing	Quarter 4 - 2024/25		
75.	Other Related Actions	Review of Code of Governance	Head of Transformation & Assurance	Quarter 4 - 2024/25		
2025/26						
76.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Revision of the 30-year business plan, informed by results of the stock condition survey and housing needs assessment: <ul style="list-style-type: none"> • Business plan to be updated on a rolling basis as stock condition data increases. • Business plan review to be undertaken on a quarterly basis. • HRA recovery lead to develop and roll out training for housing staff on business plan and assumptions. • Develop HRA asset management strategy 	Head of Housing and Corporate Assets HRA recovery lead Deputy Chief Executive (Resources) & S151 Officer Deputy Chief Executive (Place)	Quarter 2 2025/26	Savills, working on Rapleys report covering 15% dwellings survey and 75 Blocks. Savills commenced analysis and developing a Financial BP and will continue to update as Rapleys data is received on a quarterly basis Savills working with: <ul style="list-style-type: none"> • DCE-S151 re treasury management & use of reserves fund • Head of Hsg & Corp Assets-re works 	

Item No. 6.25

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
					programme from survey information <ul style="list-style-type: none"> This work will continue throughout the survey period and as Rapleys data is received. 	
77.	Fraud (Key Recommendation 4)	Review the information we report on fraud work (including data matching) to the Audit Committee.	Chief Internal Auditor & Risk Manager	2025/26		
78.	HR related issues (Improvement Recommendations 1 and 2)	Development of a workforce strategy that links to long term transformation / shared services	Head of Transformation & Assurance and HR Manager	2025/26		
79.	Other Related Actions	Development of Assurance Model	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	2025/26		
80.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Review current corporate plan and priorities to determine if an update is required and if so, engage with stakeholders as appropriate	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	To be done for new Corporate Plan (s) and any savings exercises going forwards		

Annual Governance Statement 2023-24

Committee: Audit and Governance

Date of Meeting: 18 June 2024

Report of: Head of Transformation and Assurance

1 Purpose of Report

1.1 To set out the Annual Governance Statement for the year 2023-24.

2 Recommendations

2.1 That the Committee approves the Annual Governance Statement for 2023-24 set out in Appendix 1.

2.2 That the Committee approves the updated Improvement Plan set out in Appendix 2.

Reasons for Recommendations

2.3 The publication of an annual governance statement is a statutory requirement and the review of the Council's governance arrangements is essential in ensuring that they are maintained up to date and operate effectively.

3 Key Issues

3.1 The Accounts and Audit Regulations 2015 require the Council to review the effectiveness of its system of internal control and to prepare an Annual Governance Statement (AGS).

3.2 The Council's draft Annual Governance Statement (AGS) for 2023-24 is attached as Appendix 1.

3.3 The draft AGS has been compiled by the Leadership Team. The AGS has been drafted using various sources of assurance which together form the review of the Council's governance arrangements. The key sources of assurance are:

- (i) assurances from Leadership Team;
- (ii) assurances from the 3 statutory officers;
- (iii) the risk management reports;
- (iv) the annual internal audit report / opinion; and
- (v) external assurance reports.

3.4 The review of the Council's governance arrangements has concluded that limited assurance can be given that the framework is operating adequately in practice. The areas identified for improvement are set out in the "Significant Governance Issues" section contained within the AGS at Appendix 1.

4 Relationship to Corporate Priorities

- 4.1 The Council's corporate governance arrangements and internal control framework cuts across all corporate priorities.

5 Report Detail

- 5.1 The Council's Code of Governance was updated in June 2017 to reflect the latest guidance from CIPFA/SOLACE. A copy of the full Code of Governance can be found on the Council's website.

- 5.2 The preparation and publication of an annual governance statement is necessary to meet the statutory requirement set out in the Audit and Accounts Regulations 2015 which requires authorities to "conduct a review of the effectiveness of system of internal control" and to "prepare an annual governance statement".

- 5.3 The Annual Governance Statement has been prepared using information from the sources of assurance outlined in 3.3. This year's review has focussed on the core elements of the Council's governance framework and the findings from the External Auditor's Value for Money Report for 2021-22 and 2022-23.

- 5.4 The Leadership Team has been consulted on the draft AGS to ensure that:
- all of the significant issues have been identified and included, so far as is reasonably possible; and
 - all of the issues included are considered to be significant.

- 5.5 It is not possible to give a single definition as to what constitutes a "significant governance issue" and judgement has to be exercised. CIPFA/SOLACE has not provided guidance on this in their new Framework so reference continues to be made to the guidance given in the previous framework. Factors used in making such judgements include:

- the issue has or could seriously prejudice or prevent achievement of a principal objective;
 - the issue has or could result in a need to seek additional funding to allow it to be resolved, or has/could result in significant diversion of resources from another service area;
 - the issue has or could lead to a material impact on the accounts;
 - the Chief Internal Auditor has reported on it as significant, for this purpose, in the Internal Audit Annual Report;
 - the issue, or its impact, has or could attract significant public interest or seriously damage the reputation of the Council;
 - the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
- 5.6 The review of the Council's governance arrangements has concluded that limited assurance can be given that the framework is operating adequately in practice. This reflects the External Auditors' opinion set out in the Value for Money report for 2021-22 and 2022-23 which identifies ten significant weaknesses and has

resulted in the issuing of three statutory recommendation and seven key recommendations.

- 5.7 The areas identified for improvement are set out in the AGS at Appendix 1 and actions have been included in the updated Improvement Plan attached at Appendix 2.
- 5.8 With regard to the issues identified in the AGS for 2022-23, whilst some progress has been made, the outstanding actions have been incorporated into the Improvement Plan and progress against this is included in a separate report on the Committee's agenda.
- 5.9 Progress in addressing the significant issues identified in the Annual Governance Statement will be monitored through reports presented to the Audit and Accounts Committee.
- 5.10 Following approval of the Annual Governance Statement it will be signed by the Chair of the Audit and Governance Committee, the Leader and the Chief Executive.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

As set out in report and Appendices

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: Annual Governance Statement 2023-24

Appendix 2: Improvement Plan - Updated May 2024

8 Previous Consideration

None

9 Background Papers

Annual Internal Audit Report 2023-24

Strategic Risk Register at 1 April 2024

External Auditors VFM Report January 2024

The Council's Response to the External Auditors VFM Report February 2024

Contact Officer: Judith Aupers

Telephone Number: 01543 464 411

Report Track: Audit and Governance Committee: 18/06/24

CANNOCK CHASE DISTRICT COUNCIL
ANNUAL GOVERNANCE STATEMENT FOR 2023-24

1. Scope of Responsibility

- 1.1 Cannock Chase District Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1)(b), which require all relevant authorities to prepare an annual governance statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the Annual Governance Statement.

3. The Governance Framework

- 3.1 The Council has adopted a local Code of Governance, which can be found on the Council's website. The Code is comprised of 6 key principles:
1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 2. Ensuring openness and comprehensive stakeholder engagement.
 3. Defining the vision and outcomes for the local area and determining the actions necessary to achieve the intended outcomes.
 4. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 5. Managing risks and performance through robust internal control and strong public financial management.
 6. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

4. Review of effectiveness

- 4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is led by the Head of Transformation & Assurance who has responsibility for the development and maintenance of the Code of Governance. The review is informed by the work of Members, the senior officers within the Council and also by comments made by the External Auditors and other review agencies and inspectorates. The process that has been applied in maintaining and reviewing the effectiveness of the governance framework is set out below.

- 4.2 **The Authority** - the Deputy Chief Executive - Resources, the Head of Transformation & Assurance and the Monitoring Officer, on behalf of the Council, undertake periodic reviews of the Council's governance arrangements on an ongoing basis. Work to support this includes a self-assessment review against the Code of Governance, reviews of the Constitution and key policies, processes and practices throughout the year.

Last year's self-assessment identified a number of concerns with the effective operation and compliance with key components of the Council's governance framework. A programme of work was set out covering 2023/24 to 2024/25. Whilst some progress has been made in addressing these issues, further work is still required. These issues and a number of others were identified by the External Auditors in their VFM report for 2021/22 and 2022/23. This is covered in more detail in 4.10.

- 4.3 **The Executive** - the Cabinet monitors the effectiveness of the governance framework through the consideration of regular performance, financial and strategic risk management reports. Individual Cabinet members receive regular feedback from senior officers on the delivery of services and the achievement of objectives and targets. Issues of strategic and corporate importance are referred to the Cabinet. There is also a formal Shadow Cabinet in place, which provides an opportunity to challenge decisions and how they are made.

- 4.4 **Overview and Scrutiny committees** - the Council has 3 Scrutiny Committees. The Scrutiny Committees review decisions made by Cabinet and areas of concern. They can “call-in” a decision that has been made by the Cabinet when they consider the decision is not in accordance with the Council’s Constitution. The Scrutiny Committees:
- (i) determine their own work programme at the beginning of each year and this includes the provision of updates, briefings and reviews of services/activities; and
 - (ii) consider regular performance management information from senior management.
- 4.5 **The Audit & Governance Committee** - is responsible for overseeing the Council’s governance arrangements. The Committee monitors the effectiveness of risk management, reviews corporate governance issues, the work of Internal Audit and the anti-fraud & corruption arrangements throughout the year. The Audit & Governance Committee receives quarterly reports on:
- the work of internal audit in reviewing the systems and processes to ensure that they are adequate; and
 - updates on the management of the Council’s strategic risks. A strategic risk register is in place, which identifies and evaluates the risks faced by the Council in delivering its objectives. Work is ongoing to review and address these risks and update the risk register accordingly.
- 4.6 **The Standards Committee** - is responsible for the ethical framework of the Council. The Committee works closely with the Monitoring Officer in dealing with complaints about Members conduct and promoting high standards of conduct.
- 4.7 **Internal Audit** – is responsible for reviewing the effectiveness of the Council’s governance arrangements, including the system of internal control, and reporting on its adequacy. Internal Audit is a key source of assurance for the Annual Governance Statement and operates in accordance with the Public Sector Internal Audit Standards. Internal Audit reviews the internal control system following an audit plan based on an assessment of the potential risks for the various systems and procedures. The work on the Audit Plan for 2023-24 has been used to provide an independent view on the adequacy of the governance framework.

In the annual report to the Audit & Governance Committee, the Chief Internal Auditor has independently assessed the Council’s internal control environment and given a “**limited assurance**” opinion that the Council’s governance arrangements were operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy.

Where deficiencies in internal control were identified during reviews, assurance was provided that these had been or would be resolved in an appropriate manner. Such cases will continue to be followed-up as part of the routine operation of the Internal Audit function.

The Chief Internal Auditor has highlighted a number of recurring issues in the Annual Audit Report, relating to non-compliance with and or awareness of key components of the Council's governance arrangements. These issues align with the findings of the self-assessment of the Governance Framework and the External Auditors VFM report.

4.8 **Risk Management** - during 2023-24 the Audit & Governance Committee received regular progress reports regarding the management of strategic risks. As of April 2024, there are currently two red risks for inclusion as significant governance issues:

- Finance Risk - 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;
- Key Contractors Risk - changes in the operational costs/income due to economic factors which impact on the sustainability key Contractors to deliver the required services.

4.9 **Assurance from the Statutory Officers** - assurances have been sought, through discussions with the Head of Paid Service (Chief Executive), the Monitoring Officer (Head of Law & Administration) and the s151 Officer (Deputy Chief Executive - Resources) with regard to their responsibilities for governance.

- The Head of Paid Service has overall responsibility for the organisation, appointment and management of staff.
- The Chief Financial Officer (s151 Officer) has overall responsibility for the financial management of the Council. Throughout the year the s151 Officer ensures that the financial position of the Council is monitored, that consideration is given to financial implications when taking decisions and with the support of internal audit that financial processes are complied with.
- The Monitoring Officer has overall responsibility for:
 - reporting on matters he/she believes are, or are likely to be, illegal or amount to maladministration;
 - matters relating to the conduct of Members and officers; and
 - the operation of the Council's constitution.

The Statutory Officers have identified the following as significant governance issues:

- Ongoing financial pressures;
- the ongoing capacity issues in the Finance Team and with the IT system;
- project management arrangements for the Town Centre scheme; and
- review of the Deed of Variation for the Leisure Contractor.

4.10 **External Audit / Other Review Agencies** - the External Auditors issued their VFM report for 2021/22 and 2022/23 in January 2024. The report raised ten significant concerns about the Council's value for money arrangements resulting in three statutory recommendation and seven key recommendations being made.

As a result of the External Auditor's report, a comprehensive improvement plan was produced and approved by the Council in February 2024. Progress in delivery of the improvement plan is being monitored by the Audit & Governance Committee and the Cabinet.

- 4.11 **Leadership Team** – in addition to the Statutory Officers assurances, the members of Leadership Team have been consulted on the draft annual governance statement and the significant governance issues that should be included within it.

The Leadership Team has identified the following as significant governance issues:

- delivery of the improvement plan in response to the External Auditors VFM report (see 4.10);
- housing and corporate assets compliance issues;
- capacity to deliver the above and other operational and corporate priorities; and
- the delivery of shared services transformation.

5. **Opinion on the Governance Framework**

- 5.1 The review of the effectiveness of the governance framework shows that there are a number of significant concerns and as such only **limited assurance** can be given that the framework is operating adequately in practice.
- 5.2 The weaknesses in the governance framework are outlined in section 6.
- 5.3 The Audit & Governance Committee will have responsibility for ensuring the delivery of the actions needed to improve the Council's governance framework.

6. Significant Governance Issues

6.1 The Council's key governance issues are outlined below. As the majority of these issues have already been identified and included in the VFM Improvement Plan, a separate action plan has not been produced. Any additional issues identified below have been added to the existing improvement plan or are being monitored through the Strategic Risk Register. The updated Improvement Plan is attached at Appendix 2.

Ref	Issue	Improvement Plan X-Ref
1.	<p>Governance Framework</p> <p>Review and updating of key elements of the Governance Framework, to include:</p> <ul style="list-style-type: none"> • Review of the Code of Governance; • Values and Operating Principles; • Scheme of Delegations; • Procurement Regulations; • Financial Regulations; • IT Strategy; • IT Security Policy & Cyber Security • Risk Management Policy & Strategy; • Workforce Development Framework; • Project Management Toolkit; • Performance Reporting Framework; • Contracts Register; • Confidential Reporting Framework and Fraud Policy; • Employees Code of Conduct. 	<p>13.1</p> <p>12.1</p> <p>13.5 (new)</p> <p>11.1</p> <p>1.15</p> <p>7.8</p> <p>7.1</p> <p>6.1</p> <p>12.4</p> <p>9.4</p> <p>9.1</p> <p>11.3</p> <p>8.1 - 8.2</p> <p>12.5</p>
2.	<p>Finance Risk / Ongoing Financial Pressures</p> <p>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.</p>	<p>Being actioned and monitored via the Strategic Risk Register</p>
3.	<p>Key Contractors Risk - Leisure Contractor</p> <p>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 and the fact that in August 2024 IHL will lose their contract with Selby Council, leaving Cannock Chase District as the only client. 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.</p>	<p>Being actioned and monitored via the Strategic Risk Register</p>

Ref	Issue	Improvement Plan X-Ref
4.	<p>Finance Team and System</p> <p>The Finance Team are continuing to experience capacity issues, partly due to vacancies and partly due to the additional work created by successful funding bids which generate projects, primarily the town centre scheme. This has impacted on the closure of the accounts.</p> <p>Problems also continue with the finance system, which needs further development work and training of users.</p>	<p>1.1 - 1.2</p> <p>1.3, 1.4 and 1.5</p>
5.	<p>Housing and corporate assets compliance issues</p> <p>The External Auditors' VFM report identified a number of compliance issues relating to housing and corporate assets.</p>	<p>Sections 2, 3, 4 and 10</p>
6.	<p>Project Management of Town Centre Scheme</p> <p>The Council has plans to redevelop Cannock Town Centre. However, project planning is not yet sufficiently robust or co-ordinated to ensure the successful delivery of the scheme or effective management of slippage. This is being hampered by a lack of capacity in various teams supporting the delivery of the project.</p>	<p>13.6 (new)</p>
7.	<p>Officer Capacity</p> <p>Resources continue to be stretched between the delivery of essential services, key projects and the introduction of new services/responsibilities upon the Council. Difficulties in recruitment are exacerbating the situation.</p>	<p>5.1</p>
8.	<p>Shared Services Transformation</p> <p>The Shared Leadership Team has now been in place for just over 12 months. The service manager restructure has been completed and comes into effect on 1 June 2024. This will allow work to commence on the development of the transformation programme, which will take 2-3 years to implement.</p>	<p>5.1 and Transformation Strategy & Plan</p>

Signed:

.....
Chair of the Audit & Governance Committee

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Date

.....
Leader of the Council

.....
Date

.....
Chief Executive

.....
Date

on behalf of Cannock Chase District Council

CCDC Improvement Plan

Ref	Action	Lead Officer	Timescale
1.	Financial Sustainability (Statutory Recommendation 1)		
1.1	Restructure of the Finance Team and creation of additional capacity	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25
1.2	Commence recruitment to new Finance team structure	Deputy Chief Executive (Resources) & S151 Officer and Deputy S151 Officer	Quarter 2 - 2024/25
1.3	Lesson learnt exercise to be undertaken of implementation of the finance system	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25
1.4	Implementation of remaining module of the finance system, ongoing development and maximising use of system functionality	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2024/25
1.5	Training of managers in budget management and use of the new finance system.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25
1.6	Follow-on zero-based budgeting session with managers to continue work started as part of the 2024/25 budget setting process	Deputy Chief Executive (Resources) & S151 Officer	Quarter 3 - 2024/25
1.7	Medium Term Financial Strategy for 2024/25 to 2026/27 drafted and approved by Cabinet. Due for approval at Council 21 February 2024. Modelling, assumptions and risk assessment included as part of the budget report. MTFs includes assessment of likely future government funding.	Deputy Chief Executive (Resources) & S151 Officer	Completed
1.8	Capital Strategy to be updated in accordance with the revised Prudential Code.	Deputy Chief Executive (Resources) & S151 Officer	Completed
1.9	Bring treasury strategy and its reporting to members up to date	Deputy Chief Executive (Resources) & S151 Officer	Completed
1.10	Regular performance monitoring to be re-established with budget managers and Leadership Team.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25

Ref	Action	Lead Officer	Timescale
1.11	Performance reporting for Cabinet and Scrutiny to be developed. This will be done alongside the review and development of performance and risk reporting.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2024/25
1.12	Reporting on the delivery of savings to be established and discussed at Strategic Leadership Team meetings. Where appropriate, project plans will be developed to support the delivery of significant/complex savings.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25
1.13	Produce draft financial statements in line with statutory requirements and working with external auditors to deliver audits effectively. (Decision to be made on outstanding audits as there is a consultation taking place as to how to clear the backlog of audits nationally at present)	Deputy Chief Executive (Resources) & S151 Officer	This is to be discussed with Azets as to approach
1.14	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2023/24
1.15	Review of Financial Regulations	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25
1.16	Training for managers on Financial Regulations	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2024/25
2.	HRA (Statutory Recommendations 2 & 3)		
2.1	Appointment of additional senior resource (HRA Recovery Lead) to support the delivery of the HRA action plan and implement recovery actions (starting 26/2/24)	Deputy Chief Executive (Place)	Completed
2.2	Set up the new Housing Board to enhance governance and oversight of delivery of the improvement plan. The Board will comprise: <ul style="list-style-type: none"> • The Deputy Chief Executive - Place; • Head of Housing & Corporate Assets; • Cabinet Member for Housing; • Shadow Cabinet Member for Housing; • Tenant representatives from across the District; and • independent person with housing expertise 	Deputy Chief Executive (Place) Head of Housing & Corporate Assets	Q2 2024/25

Ref	Action	Lead Officer	Timescale
2.3	Liaise with other HRA providers to determine best practice to aid our work and use this information to undertake appropriate benchmarking.	Head of Housing & Corporate Assets	Ongoing
2.4	A review is to be undertaken of existing systems and processes in the HRA and General Fund to align them to ensure that we have a standardised approach to building safety inspections.	Head of Housing & Corporate Assets Housing Property Services Manager Corporate Assets Manager	Q2 2024/25
3.	HRA 30 Year Business Plan (Statutory Recommendation 2)		
3.1	A review of the stock condition survey work undertaken to date will be used to help inform investment and the programme of works.	Head of Housing & Corporate Assets Housing Property Services Manager	Q1 2024/25
3.2	As stock condition data increases a rolling programme of improvements will be developed and reported on to the Housing Board.	Head of Housing & Corporate Assets Housing Property Services Manager	Ongoing
3.3	Provision to be included in the capital programme for 2023/24 and 2024/25 to fund the stock condition survey.	Deputy Chief Executive (Resources) & S151 Officer Head of Housing & Corporate Assets	Completed (Approval of budget will be February 2024)
3.4	Procurement of contractor to deliver the stock condition survey. Award notice planned for February 2024 with contractor to start March.	Head of Housing & Corporate Assets Housing Property Services Manager	Q1 2024/25
3.5	Undertake a full stock condition survey. <ul style="list-style-type: none"> • An approach to delivering the full stock condition survey has now been developed with the contractor on a phased basis. • Performance and programme delivery to be monitored on monthly and quarterly basis and reported to Housing Board. 	Head of Housing & Corporate Assets Housing Property Services Manager	To be completed by Q4 2024/25
3.6	Revision of the 30-year business plan, informed by results of the stock condition survey and housing needs assessment:	Head of Housing & Corporate Assets HRA recovery lead	Ongoing throughout the year as data is gathered

Ref	Action	Lead Officer	Timescale
	<ul style="list-style-type: none"> • Business plan to be updated on a rolling basis as stock condition data increases. • Business plan review to be undertaken on a quarterly basis. • HRA recovery lead to develop and roll out training for housing staff on business plan and assumptions. • Develop HRA asset management strategy 	Deputy Chief Executive (Resources) & S151 Officer Deputy Chief Executive (Place)	
3.7	Development of a place-based housing strategy, working in conjunction with key partners. This will be part of a longer-term project to understand the needs of the area and our tenants. It will also link in with the Local Plan process. <ul style="list-style-type: none"> • Housing Needs Assessment completed. • SHLAA and Brownfields register completed. • Draft Local Plan has well informed evidence base (proposed submission Summer 2024). 	Deputy Chief Executive (Place) Head of Wellbeing Head of Housing & Corporate Assets Head of Economic Development & Planning	Q4 2024/25
3.8	Review and update of the Housing Allocations Policy. <ul style="list-style-type: none"> • Consultation complete, Policy going to Cabinet in March 2024 with implementation in April 2024. 	Head of Housing & Corporate Assets Tenancy Services Manager	Q1 2024/25
3.9	Review of Housing Register to ensure it is maintained up-to-date <ul style="list-style-type: none"> • Larger scale review completed in October 2023; and • Ongoing monthly review of application forms on the anniversary of the application form date. 	Head of Housing & Corporate Assets Tenancy Services Manager	Ongoing
3.10	Comprehensive external HRA review to be undertaken including Health & Safety (Compliance) and HRA Business Plan & Capital Investment.	Head of Housing & Corporate Assets	Q2 2024/25
3.11	Review of HRA reserves to fund planned maintenance, compliance and works arising from the stock condition survey.	Deputy Chief Executive (Resources) & S151 Officer	Q3 2024/25 (linked to budget setting process)

Ref	Action	Lead Officer	Timescale
4.	HRA Compliance (Statutory Recommendation 3)		
4.1	Regular inspections of properties and blocks will continue to be undertaken and will be reported to Housing Board and Cabinet. This includes gas safety, electrical safety, asbestos, water hygiene and fire safety.	Head of Housing & Corporate Assets Housing Property Services Manager	Q1 2024/25
4.2	A full review will be undertaken of all records and information held to data cleanse and identify gaps/ weaknesses in the data held. All records will be held electronically so that there is one version of the data record. An on-going reconciliation will be undertaken of the HRA asset register to the health and safety checks completed, compliance data and other inspections. Options for a new single asset register compliance system will be explored.	Head of Housing & Corporate Assets All Housing Service Managers	Q3 2024/25
4.3	A review of compliance against the housing consumer standards (July 2023), has been undertaken and an action plan is to be developed from this which will improve tenant engagement. A residents engagement officer post has been established.	Head of Housing & Corporate Assets Strategic Housing Manager	Q2 2024/25
5.	Corporate Savings & Transformation Programme (Key Recommendation 1)		
5.1	<p>Process to be established for developing savings options - this will comprise a service reduction programme and a service transformation/efficiency programme.</p> <p>Initial steps for both:</p> <ul style="list-style-type: none"> • a discussion with the Cabinet after the May elections to review priorities and key projects; • engagement with Heads of Service and Service Managers to review current service levels for statutory and discretionary services (to include high level benchmarking) - this will be a pre-cursor to bringing the services together and establish the baseline for service transformation (this will build on the initial work done on SLAs). • Range of options for service reduction and efficiency savings/transformation. 	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25

Ref	Action	Lead Officer	Timescale
	<p>Service Reduction:</p> <ul style="list-style-type: none"> • Savings options to be assessed for impact and deliverability and discussed with Cabinet. • Range of options to be refined and consultation exercise to be undertaken with public and partners where relevant; • Outcome of consultation to be used to inform savings options to be progressed as part of development of budget <p>Transformation:</p> <ul style="list-style-type: none"> • Transformation options to be assessed and added to transformation programme for prioritisation. Will need to consider any investment required to deliver savings/service improvements; resourcing to deliver the changes, etc • Project Manager and Project support officer to be recruited to support delivery of transformation programme, funding allocated in budget 2024/25 to fund posts. • Training of managers and key officers in transformation techniques. 		
5.2	Review current corporate plan and priorities to determine if an update is required and if so, engage with stakeholders as appropriate	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	To be done for new Corporate Plan (s) and any savings exercises going forwards
5.3	Consultation and engagement to be embedded into the planning for the delivery of key projects where appropriate to ensure schemes meet community needs eg regeneration projects, redevelopment of play areas	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25
5.4	Align the MTFS to the corporate priorities in the Council's Business Plan including the costed climate change actions	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Completed as part of budget setting 2024/25 to be revisited Quarter 2 2024/25

Ref	Action	Lead Officer	Timescale
6.	Risk Management (Key Recommendation 2)		
6.1	Review of risk management policy and framework - includes review of format of the SRR	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24 (currently in draft to be presented to Leadership Team in February 2024)
6.2	Review of guidelines on risk implications for committee reports	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24
6.3	Training for Leadership Team, managers, team leaders/principal officers on risk management	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 1 - 2024/25
6.4	Develop risk registers for each Directorate, the HRA and ICT	Deputy Chief Executive (Resources), Deputy Chief Executive (Place), Head of Housing & Corporate Assets and Head of Transformation & Assurance	Quarter 2 - 2024/25
6.5	Establish escalation process between other risk registers and the SRR e.g. services, projects	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 2 - 2024/25
6.6	Review of risks in annual budget report to be consistent with corporate process	Deputy Chief Executive (Resources) & S151 Officer	Completed
7.	IT (Key Recommendation 3)		
7.1	Update IT security policy and adopt a cyber security policy	Head of Transformation & Assurance and Chief Technology Officer	Quarter 1 - 2024/25
7.2	Develop assurance reporting for IT eg report on outcome of annual health check / penetration testing to Leadership Team and Audit Committee	Head of Transformation & Assurance and Chief Technology Officer	Quarter 2 - 2024/25

Ref	Action	Lead Officer	Timescale
7.3	Implement outstanding recommendation from Cyber and Network Security Audit - staff to complete cyber training	Chief Technology Officer and Information Manager	Quarter 4 - 2023/24
7.4	Provide refresher training to ensure compliance with process for 3 rd party data transfers and completion of privacy impact assessments	Chief Technology Officer and Information Manager	Quarter 1 - 2024/25
7.5	Review of what we include in procurements re ICT controls and information governance	Head of Transformation & Assurance, Chief Technology Officer, Head of Law & Governance and Information Manager	Quarter 2 - 2024/25
7.6	Finalise the change management strategy	Chief Technology Officer	Quarter 4 - 2023/24 (currently in draft to be presented to Leadership team in February)
7.7	Finalise Information Governance Framework	Head of Law & Governance	Quarter 4 - 2023/24 (Currently in draft)
7.8	Complete the IT strategy	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25
8.	Fraud (Key Recommendation 4)		
8.1	Review Anti-Fraud & Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25
8.2	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25
8.3	Assess compliance against Cipfa 2014 Code for Fraud and develop an action plan as necessary	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25
8.4	Assess fraud risks and include in risk registers as appropriate	Chief Internal Auditor & Risk Manager and Leadership Team	Quarter 4 - 2024/25
8.5	Review the information we report on fraud work (including data matching) to the Audit Committee.	Chief Internal Auditor & Risk Manager	2025/26

Ref	Action	Lead Officer	Timescale
9.	Performance Management (Key Recommendation 5)		
9.1	Develop and adopt a performance management framework to establish golden thread from Corporate Plan to service plans through to employee reviews. Framework to include protocols for ensuring data quality	Head of Transformation & Assurance	Quarter 4 - 2024/25
9.2	Review our performance report style - delivery plans and KPIs. To consider the development of performance outcome measures	Head of Transformation & Assurance	Quarter 4 - 2024/25
9.3	Performance reporting for waste and leisure: <ul style="list-style-type: none"> • review of KPIs for monitoring and reporting on performance; • establish internal validation process of contract performance; and • review information reported to Cabinet / Scrutiny 	Head of Transformation & Assurance, Head of Operations and Head of Wellbeing	Quarter 4 - 2024/25
9.4	Establish a Corporate Project Management Methodology. Provide templates, guidelines, and training for key officers (LT, Service Managers and key Principal Officers/Team Leaders).	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 2 - 2024/25
9.5	Establish corporate project resources to support transformation work (funding allocated in 2024/25 budget)	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 2 - 2024/25
9.6	Review of all projects, the current governance arrangements and establish project reporting to Leadership Team	Deputy Chief Executive (Resources) and Deputy Chief Executive (Place)	Quarter 2 - 2024/25
10.	HRA and Corporate Asset Management (Key Recommendation 6)		
10.1	A Corporate asset management strategy is in place and an action plan will be developed.	Head of Housing & Corporate Assets Corporate Assets Manager	Q3 2024/25
10.2	A full review will be undertaken of all records and information held to data cleanse and identify gaps/ weaknesses in the data held. All records will be held electronically so that there is one version of the data record. An on-going reconciliation will be undertaken of the corporate asset register to the health and safety checks completed, compliance data and other inspections.	Head of Housing & Corporate Assets Corporate Assets Manager	Q3 2024/25

Ref	Action	Lead Officer	Timescale
11.	Procurement and Contract Management (Key Recommendation 7)		
11.1	Review and update the Procurement Regulations	Deputy Chief Executive (Resources), Head of Transformation & Assurance and Head of Law & Governance	Quarter 2 - 2024/25
11.2	The key elements of the procurement strategy will be built into the procurement regulations rather than as a stand-alone document.	Head of Transformation & Assurance	Quarter 2 - 2024/25
11.3	Update the contracts register and ensure it is compliant with transparency requirements	Head of Transformation & Assurance and Leadership Team	Quarter 4 - 2023/24 (this will be the first draft to be revisited Quarter 3 2024/25)
11.4	Work with managers and the County's Procurement Team to develop a procurements pipeline	Head of Transformation & Assurance and Leadership Team	Quarter 3 - 2024/25
11.5	Provide training for managers on procurement and contract management	Head of Transformation & Assurance	Quarter 2 - 2024/25
11.6	Process to be established for publication of key data on the Council's website to meet transparency requirements re spend data, contracts register	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25
12.	HR related issues (Improvement Recommendations 1 and 2)		
12.1	Establish our culture, values and type of organisation we want to be. This work will inform the following actions	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 1 2024/25
12.2	Complete review of hybrid working. This will inform the development of the workforce strategy and the review of the Code of Conduct as well as support the development of an asset strategy	Head of Transformation & Assurance and HR Manager	Quarter 1 2024/25
12.3	Develop a hybrid working policy and review other related policies and processes.	Head of Transformation & Assurance and HR Manager	Quarter 3 2024/25
12.4	Development of a workforce strategy that links to long term transformation / shared services	Head of Transformation & Assurance and HR Manager	2025/26

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Ref	Action	Lead Officer	Timescale
12.5	Review and update the Employee Code of Conduct	Head of Transformation & Assurance and Head of Law & Governance	Quarter 3 2024/25
13.	Other Related Actions		
13.1	Review of Code of Governance	Head of Transformation & Assurance	Quarter 4 - 2024/25
13.2	Development of Assurance Model	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	2025/26
13.3	Review of Audit Reporting to Leadership Team and escalation protocols	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 -2023/24 (Coming to leadership team February 2024)
13.4	Establish an inventory of key policies and a programme of periodic reviews	Leadership Team	Quarter 3 - 2024/25
13.5 New AGS 23/24	Review of Scheme of Delegations as part of shared services transformation	Monitoring Officer and Leadership Team	Quarter 3 - 2024/25
13.6 New AGS 23/24	Review of project management arrangements and project planning for the delivery of the town centre scheme.	Head of Economic Development & Planning	Quarter 2 - 2024/25