11 September 2024

Dear Councillor,

Audit & Governance Committee
6:00pm, Thursday 19 September 2024
Esperance Room, Civic Centre, Cannock

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

Yours sincerely,

T. Clegg
Chief Executive

To: Councillors

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 18 June 2024 (enclosed).

4. **Value for Money Progress Report - Quarter 1 2024-25**

   Report of the Head of Transformation and Assurance (Item 4.1 - 4.26).

5. **Internal Audit Update - August 2024**

   Report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.12).

Cannock Chase Council

Minutes of the Meeting of the

Audit and Governance Committee

Held on Tuesday 18 June 2024 at 6:00pm

In the Western Springs Room, Civic Centre, Cannock

Part 1

Present:
Councillors

Hill, J.O. (Chair)
Thornley, S. (Vice-Chair)

Bishop, L.   Hill, J.
Gaye, D.   Hughes, G.

1. **Apologies**

    None received.

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

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

3. **Minutes**

    Resolved:

    That the Minutes of the meeting held on 21 March 2024 be approved.

4. **Strategic Risk Register Update**

    Consideration was given to the report of the Head of Transformation & Assurance (Item 4.1 - 4.13).

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

    - It set out details of the Council's strategic risks as at 1 April 2024. Since the risk register was last updated in September 2023, the overall number of strategic risks had increased from 5 to 8. Details of the newly added risks were set out in report paragraph 5.8.

    - A summary version of the register, setting out all identified strategic risks and progress summary for each was set out in report appendix 2.

    In response to concerns raised by a Member regarding issues in Housing Services, (including housing maintenance, communications with staff and councillors and unspent funds in budgets), the Deputy Chief Executive-Resources advised these, and other issues had been acknowledged by officers and so included as a new risk in the register.

The Head of Transformation & Assurance further advised that the value for money improvement plan (see minute number 6 below for further information) also included several housing related actions to be monitored and implemented, but only some of the issues identified came under the remit of this committee as wider performance issues would be picked up by the relevant scrutiny committee. Furthermore, a housing board was to be setup to provide a wider oversight of the housing service, and would be comprised of officers, councillors, tenants, and independent representatives from external housing related organisations. The Chair also noted that a resident engagement officer had started employment with the Council recently which was a positive step forward.

In response to a query from a Member regarding how external contractors undertaking works to council owned properties were monitored / assessed, the Chief Internal Auditor & Risk Manager advised that the work of contractors was picked up through relevant audits, but from the perspective of ensuring requirements were being met of agreed contracts rather than looking at their work practices etc. All contractors had to go through business checks before contracts were exchanged and departments were expected to ensure proper contract management arrangements were in place. The Head of Transformation & Assurance clarified that the 'key contractors risk' as included in the register mainly related to the contract with the Council's leisure services provider.

In response to a query from a Member as to how the non-functioning of contracts was linked to a department's responsibility for managing said contracts, the Chief Internal Auditor & Risk Manager advised that such issues were more likely to be picked up through the scrutiny process, but there was a limit on what action could be taken if matters of wastage issues and the such like were reflected in the agreed contract.

In response to a query from another Member as to whether there were any operational or project level risk registers in place, the Head of Transformation & Assurance advised there were no operational ones at present, but there should be ones in place for specific projects. Corporately however the development of directorate level risk registers was being looked at going forward.

Resolved:

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

5. **Internal Audit Annual Report 2023-24**

Consideration was given to the report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.26).

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

- The Annual Report (appendix 2 of the covering report) set out a summary of the work undertaken by the Internal Audit team during 2023/24. Much of the detail in the report had been presented to the committee previously via in-year progress update reports.

- Appendix 1 of the covering report set out details of audit reports issued in March 2024, the assurance rating given for each report and commentary on key issues raised for those audits rated 'limited' or 'partial' assurance.

- Appendix 1 also set out details of follow-up audits completed in March 2024, including the original assurance rating given, the revised assurance rating and comments on progress made to achieve previously identified actions.
- Appendix 2 (Annual Report):
  - Section 1 set out details of the annual reporting process, requirement for internal audit and the review of internal audit. Specific attention was drawn to paragraphs 1.9 to 1.17.
  - Section 2 set out details of the review of control environment, with attention drawn to paragraph 2.12 which set out that a 'limited assurance' rating had given by the Chief Internal Auditor for the operation of the Council's governance arrangements. Whilst it was disappointing to issue such a rating, it had to be taken in the context of the value for money report, the number of limited assurance ratings given during the year for individual audits and the slow progress in some services to deliver the required improvement actions.

    In response to a query from a Member as to how concerning the limited assurance rating was, the Chief Internal Auditor & Risk Manager advised that it would be particularly concerning if no improvement was seen within the next 12 to 24 months, and that the issues flagged up in the external auditor's value for money report had been previously raised in the internal audit reports in recent years. Everyone wanted the Council to be operating as a high performing and well managed organisation, but standards had been slipping in this regard. External influences had raised the bar and provided greater focus on the issues raised but this was seen as a positive as it meant management had taken more notice of work undertaken by the Internal Audit team and would address the issues raised.

    In response to a further query from the same Member as to whether it was felt issues were being taken more seriously now than had previously been the case, the Chief Internal Auditor & Risk Manager advised this was correct, but it was disappointing this had not been so previously given that the team had a positive relationship with managers. It was considered the Council would be in a better position now had the issues raised been addressed when first identified.

  - Section 3 set out details of significant issues that had arisen during 2023-24. In respect of the payroll issue referenced in paragraph 3.8, the Head of Transformation & Assurance advised this had been addressed very quickly and dealt with when brought to the attention of relevant officers. The Chief Internal Auditor & Risk Manager further advised that Members could be reassured nothing untoward had happened with this issue.

    In response to a comment from a Member that the list of issues set out in paragraph 3.9 suggested there had been several matters raised during the year which had not been addressed, the Head of Transformation & Assurance advised that the theme running through all the issues shown was a lack of awareness, and it had been acknowledged that not as much training had been provided in recent times as should be the case, but it was aimed to address this in the coming months.

    In response to a query from a Member as to whether officers were happy with the overall performance of the HR service, the Chief Internal Auditor & Risk Manager advised this was the case, noting that it was one of the most heavily audited services in the Council owing to the nature of its work. Issues tended to crop up when other services were feeding into its processes.

- Section 4 set out details of the performance of the Internal Audit service during 2023/24, with the overall position being generally positive despite some audits being commenced but not yet completed or others being deferred into the following year.

- Section 5 set out details of fraud and irregularity work, of which there were no major concerns to report.

- Appendices 1a to 1d set out the full list of audits completed during the year and the assurance ratings given to each one.

- Appendix 2 listed the follow-up audits completed in-year.

- Appendix 3 set out details of the Internal Audit improvement plan for 2023-24, as well as an update on the 2022-23 plan.

In response to a query from a Member as to whether the Internal Audit service was in good stead to meet the challenges / requirements of the new global standards and delivery required training, the Chief Internal Auditor & Risk Manager advised that team members were involved with Continuing Professional Development (CPD) and the two current permanent team members had been in their current or similar roles for 20+ years and attended briefings on the new standards. The requirements of the new standards had been discussed with the Head of Transformation & Assurance, particularly around how the team had to interact with the Council and the need to deliver organisational change which could often be difficult to achieve.

In response to a query from another Member as to whether the Chief Internal Auditor was independent of the Council in that role, the Chief Internal Auditor & Risk Manager advised that whilst he was an employee of the Council, national and other standards and requirements in the Council's financial regulations gave the role a level of independence that meant any concerns or issues could be raised directly with the Chief Executive or the Chair of the committee if need be. There were safeguards in place to be able to say what needed to be said and the Deputy Chief Executive-Resources and the Head of Transformation & Assurance were supportive of this.

Resolved:

That the Internal Audit Annual Report for 2023-24 be noted.

6. **Value for Money Progress Report 2023-24**

Consideration was given to the report of the Head of Transformation and Assurance (Item 6.1 - 6.25) *(introduced by the Deputy Chief Executive-Resources)*.

The Deputy Chief Executive-Resources advised the following in respect of the report:

- The Council had been in a very challenging position when the external auditor's report was released earlier in the year, but it was now being seen as a positive to help the Council improve the areas identified in the report.

- The progress report showed that a lot of good work had been done already and would continue to be so over the coming months, and the external auditors were happy with the progress made to date.

- The audit of the statement of accounts would not be done, which the external auditors were aware of given the context of delivering the Levelling Up Fund scheme in Cannock town centre as this was drawing a lot of officer resource from across the Council. The most likely outcome of not doing the audit would be the external auditors extending the section 24 notice previously issued to the Council.

- The calling of the general election for 4 July would also impact delivery of some actions over the coming months given the need for relevant officers to be involved in delivery of the election.

The Head of Resources and Transformation then raised the following points in respect of the report:

- A full copy of the improvement plan had been set out in the report, but the focus was on progress at the end of the 2023/24 financial year, with 10 out 18 actions being delivered in full, 7 in progress and 1 no longer required. The 7 in progress mainly related to various policy documents that had been drafted but not yet taken through the formal report process. This was due to when timing of the when the improvement plan was first approved and the calling of the general election.

- For those actions that had not yet commenced or were in the first quarter of 2024/25 commentary had been provided but no ratings given as yet.

In response to a query from a Member as to whether the additional staffing costs in identified areas had been budgeted for, the Deputy Chief Executive-Resources advised that investment for the finance team had been included, along with some funding for transformation work, although more may be needed in this area as work progressed over the coming years.

In response to a query from another Member as to how stability could be achieved in the housing service given the negative comments and perception of its performance, the Deputy Chief Executive-Resources advised that external organisations were supporting the service at the moment to review and improve its functions, including the delivery of a full housing stock condition survey, the outcome of which would help to inform the new 30-year business plan, and a full review of the service's IT systems to ensure processes were working and that value for money responsibility could be demonstrated to the external auditors.

In response to a query from another Member as to what the timescale was for completion of the stock condition survey, the Deputy Chief Executive-Resources advised it was originally the end of September 2024, but this had been delayed due to technical issues with awarding the contract and so now looking likely to be the end of 2024.

In response to a query from another Member as to whether it was too early to know yet what feedback the new resident engagement officer had had from residents, the Head of Transformation & Assurance advised this was correct as the individual had only been in post for circa 4 or 5 weeks.

Resolved:

That the progress at the end of 2023-24 in the delivery of the Value for Money Improvement Plan as set out in report appendix 1 be noted.

7. **Annual Governance Statement 2023-24**

Consideration was given to the report of the Head of Transformation and Assurance (Item 7.1 - 7.22).

The Head of Resources and Transformation raised the following points in respect of the report:

- It pulled together all matters previously discussed on this meeting's agenda as they helped to inform the content of the Annual Governance Statement.

- The Annual Governance Statement as set out in report appendix 1 set out the Council's requirements for its governance arrangements, how they were reviewed and how the Statement was developed.

- Section 5 of the Statement set out that as with the Chief Internal Auditor's annual report, a 'limited assurance' had been given for the Council's governance framework.

- Section 6 of the Statement set out details of the significant governance issues identified which had informed the opinion set out in section 5.

In response to a query from a Member as to what the deed of variation was for Inspiring Healthy Lifestyles (IHL), the Deputy Chief Executive-Resources advised it had been drawn up prior to his employment with the Council, but its purpose had been to help IHL with their cash flow crisis during the covid-19 pandemic by allowing the Council to give them more money than in the original contract and relax some contractual requirements where needed. There was a need now though to get back to the original contract requirements.

Resolved:

That:

(A) The Annual Governance Statement for 2023-24 as set out in report appendix 1 be approved.

(B) The updated Improvement Plan as set out in report appendix 2 be approved.

The meeting closed at 7:00 p.m.

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Chair

VFM Progress Report - Quarter 1 2024/25

Committee: Audit & Governance Committee

Date of Meeting: 19 September 2024

Report of: Head of Transformation and Assurance

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1   Purpose of Report

1.1   To advise Members on the progress in the delivery of the VFM Improvement Plan at the end of Quarter 1 2024-25.

2   Recommendations

2.1   To note the progress at the end of Quarter 1 2024/25 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). The improvement plan has been updated with two additional actions arising from the Annual Governance Review for 2023-24.

3.3   This report sets out the progress made up to the end of Quarter 1 2024/25.

3.4   Of the 14 actions due in quarter 1, 7 have been completed or are on target and 7 have slipped. Overall, 56% of the actions due up to the end of quarter 1 have been completed or are in progress.

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. A commentary on progress for each of the actions up to the end of Quarter 1 2024/25 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	11		1	5	1	18
Q1 2024/25	2	5	7			14
TOTAL	13 (40%)	5 (16%)	8 (25%)	5 (16%)	1 (3%)	32

5.5   At the end of quarter 1, of the 32 actions due for delivery:

- 56% have been completed or are in progress;

- 41% of actions are behind schedule; and

- 3% are no longer applicable.

Of the 14 actions due in quarter 1, 7 have been completed or are on target and 7 have slipped. Progress in quarter 1 has been impacted by the need to deliver two elections; the planned local elections in May and the Parliamentary election in July.   Priority has also been given to delivery of the regeneration schemes, which has particularly affected the actions planned for the Finance Team.

5.6   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 464 411
Ward Interest:	All Wards
Report Track:	Audit & Governance Committee 19/09/24 and Cabinet 26/09/24
Key Decision:	No

VFM Improvement Plan - Progress Report

Summary of Progress at 30 June 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	11		1	5	1	18
Q1 2024/25	2	5	7			14
Q2 2024/25						19
Q3 2024/25						15
Q4 2024/25						10
2025/26						5
TOTAL	13 (40%)	5 (16%)	8 (25%)	5 (16%)	1 (3%)	32 at end of Q1

Commentary on Progress

Whilst progress continues to be made in delivering the improvement plan, this has been hampered in Quarter 1 2024-25 by resources being diverted to support the delivery of the local elections in May and the Parliamentary Election in July.

A number of the actions that have slipped relate to the revision of strategies. The strategies have been updated but are currently awaiting review by the Head of Service prior to consideration by Leadership Team. These will move forward in Quarter 2.

Priority has also been given to delivery of the regeneration schemes, which has particularly affected the actions planned for the Finance Team.

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 which was put back onto the work plan for Parliament to be approved December 2024.	N/A

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. We are looking at bringing in additional resource to support with this work.	❌
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)	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.	Risk Management (Key Recommendation 2)	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. Awaiting review by Head of Service. Will be presented to Leadership team in Q2	❌
12.	Risk Management (Key Recommendation 2)	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. Awaiting review by Head of Service. Will be presented to Leadership team in Q2	❌

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
13.	Risk Management (Key Recommendation 2)	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	Staff have completed cyber training	★
15.	IT (Key Recommendation 3)	Finalise the change management strategy	Chief Technology Officer	Quarter 4 - 2023/24	Strategy has been drafted. Awaiting review by Head of Service. Will be presented to Leadership team in Q2	✖
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 but has been delayed. This has been rescheduled and will be issued to Heads of Service for updating in Q3	✖
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. Job descriptions have been drafted and evaluated. Adverts due to be placed in Q2	✔️
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	Due to the pressures on delivering the outturn and supporting various departments in their current objectives this has been delayed. This will be revisited as soon as possible and an update presented.	🔺
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	As a savings programme is developed as part of budget setting, reporting on this will take place as budget monitoring is reestablished.	🔺
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	Rapleys initial survey report has been shared with Savills who have presented initial basis of HRA business plan May 2024. Stock Condition survey work by Rapleys commenced and additional survey information will be fed through over the survey period August '24 to March '25	✔️

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
					As appropriate volume of data is received, this can be used to review and update the HRA investment plan and works programme.	
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	Final Version of contract agreed August 2024 and signed by Rapleys	★
23a New	HRA 30 Year Business Plan (Statutory Recommendation 2)	Delivery of the stock condition survey	Head of Housing and Corporate Assets Housing Property Services Manager	• 10% by end Q2 • 50% by end of Q3 • 100% by end of Q4	Rapley commenced survey work with batch 1 & 2 surveys totaling 878 homes	✔
24.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Review and update of the Housing Allocations Policy. • 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	Completed. Approved at Cabinet 28 March 2024. Implementation Phase commenced.	★

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
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	Regular Inspections of properties and Blocks in HRA continue to be undertaken and recorded. KPIs to be included in quarterly performance reports to Cabinet and Scrutiny Committee. Will be reported to Housing Board when this has been set up. Work continues to obtain Compliance Documentation from Shop Leaseholders - 17 occupied units in 4 blocks (4 void shops subject to relet works)	🔺
26.	Risk Management (Key Recommendation 2)	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	Deferred to Q3 due to delay in taking the updated policy/strategy to Leadership Team for approval	🔺
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	The policy has been updated and includes cyber security. Draft policy with HOS for review prior to going to Leadership Team for approval.	✔️

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
28.	IT (Key Recommendation 3)	Provide refresher training to ensure compliance with process for 3rd party data transfers and completion of privacy impact assessments	Chief Technology Officer and Information Manager	Quarter 1 - 2024/25	The Data Transfer Policy has been reviewed. The refresher training is going to be delivered in Q3.	🔺
29.	IT (Key Recommendation 3)	Complete the IT strategy	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2024/25	Strategy has been drafted and been to Leadership Team for discussion. To be submitted to Cabinet for approval in Q2	✔
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	A meeting has taken place with a potential facilitator for this piece of work. Timing and scope has yet to be agreed.	🔺
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	Work on this has been deferred to Q2 due to capacity issues in the HR Team and work on the Service Manager restructure taking precedence.	🔺

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
	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		
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		
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)	Set up the new Housing Board to enhance governance and oversight of delivery of the improvement plan. The Board will comprise: • 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		
41.	Risk Management (Key Recommendation 2)	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.	Risk Management (Key Recommendation 2)	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		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
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		
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		
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		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
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		
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		
51.	Other Related Actions (from AGS 2023-24)	Review of project management arrangements and project planning for the delivery of the town centre schemes.	Head of Economic Development & Planning	Quarter 2 - 2024/25		
	QUARTER 3 2024/25					
52.	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		
53.	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)		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
54.	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		
55.	Corporate Savings & Transformation Programme (Key Recommendation 1)	Process to be established for developing savings options - this will comprise a service reduction programme and a service transformation/efficiency programme. Initial steps for both: • 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	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
		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				
		Service Reduction:				
		• 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.				
		Transformation:				
		• 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;				

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
		• Training of managers and key officers in transformation techniques.				
56.	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		
57.	Fraud (Key Recommendation 4)	Review Anti-Fraud & Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25		
58.	Fraud (Key Recommendation 4)	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 3 - 2024/25		
59.	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		
60.	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		
61.	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	Head of Housing and Corporate Assets Corporate Assets Manager	Quarter 3 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
		safety checks completed, compliance data and other inspections.				
62.	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		
63.	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		
64.	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		
65.	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		
66.	Other Related Actions	Establish an inventory of key policies and a programme of periodic reviews	Leadership Team	Quarter 3 - 2024/25		
67.	Other Related Actions (from AGS 2023-24)	Review of Scheme of Delegations as part of shared services transformation.	Monitoring Officer and Leadership Team	Quarter 3 - 2024/25		
	QUARTER 4 2024/25					
68.	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		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
69.	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		
70.	HRA 30 Year Business Plan (Statutory Recommendation 2)	Undertake a full stock condition survey. • 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		
71.	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	✔

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
					surveys by December 2024 First reports planned to be made to Housing Board September 2024 and Cabinet meeting thereafter with further reports each quarter	
72.	HRA 30 Year Business Plan (Statutory Recommendation 2)	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. • 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 and Corporate Assets Head of Economic Development & Planning	Quarter 4 2024/25		
73.	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		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
74.	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		
75.	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		
76.	Performance Management (Key Recommendation 5)	Performance reporting for waste and leisure: • 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		
77.	Other Related Actions	Review of Code of Governance	Head of Transformation & Assurance	Quarter 4 - 2024/25		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
	2025/26					
78.	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: • 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: • DCE-S151 re treasury management & use of reserves fund • Head of Hsg & Corp Assets-re works programme from survey information • This work will continue throughout the survey period and as Rapleys data is received.	✔️
79.	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		
80.	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		

No	Theme	Action	Lead Officer	Timescale	Progress Update	Progress Rating
81.	Other Related Actions	Development of Assurance Model	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	2025/26		
82.	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		

Internal Audit Update - August 2024

Committee: Audit & Governance

Date of Meeting: 19 September 2024

Report of: Chief Internal Auditor & Risk Manager

1   Purpose of Report

1.1   To present to the Audit and Governance Committee for information a progress report on the work of Internal Audit up to 31st August 2024.

2   Recommendations

2.1   That the Committee notes the progress report.

Reasons for Recommendations

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

3   Key Issues

3.1   Attached is a progress report showing the audits which have been issued between 1st April 2024 and 31st August 2024.

4   Relationship to Corporate Priorities

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

5   Report Detail

5.1   This report is a summary of the Internal Audit work between 1st April 2024 and 31st August 2024 and is a report of progress against the audit plan. **Appendix 1** contains progress monitoring information.

5.2   In previous years the progress against the approved audit plan would have been included in this update. However as a detailed plan was not approved and instead a planning methodology which would focus on scheduling work for each quarter was agreed by the Audit Committee on 21st March 2024. The current indicative list of areas for review is contained in **Appendix 5.** This list has been compiled following discussions with Heads of Service.

5.3   As previously reported to the Audit Committee the Internal Audit Section has been carrying 2 vacancies for a significant time and work has been bought in from external contractors to support the delivery of the audit plan. Following previously unsuccessful recruitment exercises further interviews were held in July. It is pleasing to report that offers have been made to candidates for both posts. The successful candidate for the Auditor post has confirmed a start date at the end of September and we have a conditional offer with a candidate for the Senior Auditor post which is awaiting final HR clearance before a start date can be confirmed. This will impact on the amount of work that can be delivered in 2024-25 so some work has again been given to the external a contractor.

5.4   The report is a snapshot view of the areas at the time that they were reviewed and does not necessarily reflect the actions that have been or are being taken by managers to address the weaknesses identified. The inclusion or comment on any area or function in this report does not indicate that the matters are being escalated to Members for further action. Internal Audit routinely follow-up the recommendations that have been made and will bring to the attention of the committee any relevant areas where significant weaknesses have not been addressed by managers.

5.5   The table below gives a summary of the level of assurance for each of the audits completed in the period. More detailed information on each of the reports issued is contained in **Appendix 2**.

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

Number of Audits	Assurance	Definition
0	**No Assurance** ✖	One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan.

5.6 **Appendix 3** lists the audits that were in progress but had not been completed to draft report stage by the end of the quarter.

5.7 **Appendix 4** shows information relating to follow-ups.

6 Implications

6.1 Financial

Nil

6.2 Legal

Nil

6.3 Human Resources

Nil

6.4 Risk Management

Nil

6.5 Equalities and Diversity

Nil

6.6 Health

Nil

6.7 Climate Change

Nil

7 Appendices

Appendix 1: Progress Monitoring

Appendix 2: Audits Completed 1st April to 31st August

Appendix 3: Audits in Progress

Appendix 4: Follow-ups Completed 1st April to 31st August

Appendix 5: Provisional Audit Plan work for 2024-25 not yet started

8   Previous Consideration

None

Contact Officer: Stephen Baddeley

Telephone Number: 01543 464415

Report Track: Audit & Governance only

Progress Monitoring

Audits Completed to Draft	Audits In Progress
4	4

The completed and in progress figures include audits from the 2023-24 Audit Plan which have been completed this year.

Level of Assurance	No Assurance	Limited	Partial	Substantial
Number of Audits Issued in Year to date	0	1	2	1

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

Audits Completed 1ˢᵗ April 2024 to 31ˢᵗ August 2024

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
Levelling Up Fund Project	Economic Development & Planning	Final	0	13	Limited !	- There was a need for greater risk management and the risk register should be reviewed at each project Board. - There was a need to update the project delivery plan due to changes in the scope of the scheme. - Project Board and Project Delivery Group meetings should be held regularly with decisions documented and an action plan produced and monitored. - Contracts required to deliver the scheme should be identified and procurement scheduled. - Cost control measures should be implemented and assessments made on the impact of the spending on the Council's finances, including ongoing revenue implications. - An appropriate insurance programme should be put in place for the scheme. - Returns should be completed and submitted on time - Regular reporting to Leadership Team and Members should be established. - Written confirmation from MHCLG approving the changes to the project should be obtained to evidence the verbal approval of the variances provided to Officers.

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
Cloud Computing (IT)	Transformation & Assurance	Final	0	2	Partial ▲	It was found that IT were not involved in the procurement of all new Cloud Systems and Data Protection Impact Assessments had not been completed for all new systems.
Community Infrastructure and s106 Arrangements	Economic Development & Planning	Final	0	8	Partial ▲	• There was a need to establish a process for approving CIL spending in non-parished areas. • Administration/monitoring fees are not routinely included in s106 contribution calculations • Site visits are routinely undertaken to identify if agrred s106 payment trigger points have been reached (eg number of houses built/occupied on a site, % of site developed etc). • Records are held in manual systems and spreadsheets and a centralised record should be created. • It was found that the CIL 5% admin fee charge was not being correctly calculated and charged. • There is a need to have formal monitoring and review of s106 balances
Chargeable Garden Waste Scheme	Operations	Final	0	0	Substantial ✓	

Other Work Completed

In addition to the scheduled audits a piece of work was carried out in relation to Disabled Facilities Grants to allow a sign-off of an Assurance Statement for the County Council.

Audits in Progress

Audit	Head of Service
Tree Management	Operations
Homelessness and Housing Options	Wellbeing
IT Starters and Leavers Process	Transformation & Assurance
Capital Strategy & Capital Programme	DCE Resources

Follow-ups Completed 1st April 2024 to 31st August 20204

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Building Control 2nd Follow-up	Regulatory Services	Partial ▲	0	1	0	1	Partial ▲	The outstanding recommendation related to market testing an external supplier. This has been delayed due to a limited number of suppliers in the market.
Housing Void Management (3rd Follow-up)	Housing & Corporate Assets	Partial ▲	2	3	0	5	Partial ▲	• The voids policy has been rewritten but had not been approved at the time of the follow-up • The disposals policy was in the process of being written. • The rechargeable repairs policy was in the process of being updated.
IT Strategy Resources and operational plans	Transformation & Assurance	Partial ▲	0	1	0	1	Partial ▲	• A digital strategy has been produced and is awaiting Cabinet approval.
IT Asset Management	Transformation & Assurance	Partial ▲	0	1	0	1	Partial ▲	Work to look at centralising budgets is ongoing. This will allow IT to take control of the asset renewal process for laptops and ensure a rolling programme is established.

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Wireless Network Security	Transformation & Assurance	Partial ▲	3	2	0	5	Partial ▲	• The wifi and Security Policies have been updated and are waiting approval. • It has been agreed an annual report with the results of the IT Healthcheck including the security of the Wifi network will be produced for Leadership Team annually.
Critical Applications security	Transformation & Assurance	Partial ▲	7	2	0	9	Partial ▲	• Information Asset Register entries had not been completed for all critical applications. • Information on patching of critical systems is planned to be reported to Leadership Team as part of an annual report on IT Security.
Sheltered Housing Schemes	Housing & Corporate Assets	Partial ▲	2	0	0	2	Substantial ✓	
Remote Working	Transformation & Assurance	Partial ▲	5	0	0	5	Substantial ✓	
Replacement Customer Relationship	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓	

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Management System Project								
Cyber & Network Security (4th Follow Up)	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✔	
Document Retention & IT Records (3rd Follow Up)	Transformation & Assurance	Partial ▲	0	0	0	0	Substantial ✔	One recommendation outstanding has now been superseded therefore the assurance has been changed to Substantial. The recommendation relation to a document marking/classification scheme however these are no longer seen as worthwhile due to the cost and manual processes required to operate.
IT Third Party Supplier Management & External Data Sharing (3rd Follow-up)	Transformation & Assurance	Partial ▲	1	0	0	1	Substantial ✔	

Appendix 5 - Provisional Audit Plan work for 2024-25 not yet started

Audit Area	Head of Service	Indicative Quarter
Civil Contingencies	Regulatory Services	Q3
Tree Preservation Orders	Operations	Q3
Development Management - Receipt of Applications & Validations	Economic Development & Planning	Q3
UKSPF Grants & Projects	Economic Development & Planning	Q2
Food & Safety Arrangements	Regulatory	Q3
CCDC Levelling-up	Economic Development & Planning	Q3
Bank reconciliation	DCE Resources	Q3
Planning Enforcement	Economic Development & Planning	Q3/Q4
Development Management - Determinations	Economic Development & Planning	Q3/Q4
Capital transitional **grant** to support the delivery of weekly food waste collections (Grant Claim)	Operations	Q3/Q4
Housing Benefits	DCE Resources	Q3/Q4
NNDR	DCE Resources	Q3/Q4
Council Tax	DCE Resources	Q3/Q4
Payroll	DCE Resources	Q3/Q4
Sale of Council Houses	Housing & Corporate Assets	Q4 or 2025-26
Civica Finance System (IT Audit)	DCE Resources	Q3/4
BACS Security and Processing (IT Audit)	DCE Resources	Q3/4
IT Service Desk, 1st Line Support and Incident management (IT Audit)	Transformation and Assurance	Q3/4
Website Security (IT Audit)	Transformation and Assurance	Q3/4