



**Please ask for:** Matt Berry  
**Extension Number:** 4589  
**Email:** [mattberry@cannockchasedc.gov.uk](mailto:mattberry@cannockchasedc.gov.uk)

17 March 2025

Dear Councillor,

**Audit & Governance Committee**  
**6:00pm, Tuesday 25 March 2025**  
**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 meetings held on 19 November 2024 and 19 February 2025 (enclosed).

**4. Value for Money Progress Report - Quarter 3 2024-25**

Report of the Head of Transformation and Assurance (Item 4.1 - 4.29).

*(Report is in the format as considered by Cabinet on 13 March 2025.)*

**5. Internal Audit Update - February 2025**

Report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.14).

**6. Internal Audit Plan 2025-26**

Report of the Chief Internal Auditor & Risk Manager (Item 6.1 - 6.7).

**7. Revised Internal Audit Standards**

Presentation from the Chief Internal Auditor & Risk Manager.

**Cannock Chase Council**  
**Minutes of the Meeting of the**  
**Audit and Governance Committee**

**Held on Tuesday 19 November 2024 at 6:00pm**

**In the Esperance Room, Civic Centre, Cannock**

**Part 1**

**Present:**

Councillors

Hill, J.O. (Chair)

Thornley, S. (Vice-Chair)

Bishop, L. Hill, J.

Gaye, D. Hughes, G.

**13. Apologies**

None received.

**14. 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.

**15. Minutes**

**Resolved:**

That the Minutes of the meeting held on 19 September 2024 be approved.

**16. Statement of Accounts 2021/22 and 2022/23**

Consideration was given to the report of the Deputy Chief Executive-Resources & S151 Officer (Item 4.1 - 4.206).

The S151 Officer raised the following points in respect of the report:

- Thanks were given to the Deputy S151 Officer and the wider Finance team for being able to get two years' worth of accounts completed for both this Council and Stafford Borough Council.
- Because of the date of the 'backstop' set by the Government, it would not be possible for the audit of the 2021/22 and 2022/23 accounts to be completed. This situation would also apply for the 2023/24 accounts as the Government had brought the proposed backstop date forward.
- The External Auditors had given a modified opinion on the 2021/22 and 2022/23 accounts. This should not be seen as a negative as it had been given in relation to the backstop dates set by the Government.
- Additional resource had been brought in to help with the preparation of the 2023/24 accounts and it was aimed to publish these by mid-to-late January 2025.

A Member raised that the total amount of members' allowances paid for the 2021/22 financial year had been written incorrectly in the statement of accounts. The S151 Officer advised this would be corrected accordingly.

**Resolved:**

That:

- (A) The Statements of Accounts for 2021-22 and 2022-23 be noted.
- (B) The findings of the External Auditors on the Statements of Accounts for 2021-22 and 2022-23, as detailed in agenda item 5, be noted.
- (C) The impact of the audit backlog legislation be noted.
- (D) The Management Representation letter, as included at appendix 3 of the report, be approved.

**17. Findings of the External Auditors on the Statement of Accounts**

Consideration was given to the report of the External Auditors (Item 5.1 - 5.12) *(presented by the Deputy Chief Executive-Resources and S151 Officer)*.

The Deputy Chief Executive-Resources raised that the modified opinion on the statements of accounts as referenced in the previous agenda item brought to a close the Council's relationship with its previous External Auditors. This opinion was as expected by the new External Auditors, and they were pleased with it.

A Member noted the previous External Auditors had raised a lot of concerning issues as part of their audit work. The Deputy Chief Executive-Resources advised those concerns related to their work undertaken as part of the value for money audits, whereas this work was focused on the statements of accounts.

The Head of Transformation and Assurance further advised that prior to the Covid-19 pandemic the External Auditors would have provided a full response to its audit of the accounts as well as providing an annual audit letter detailing their work undertaken during the year. Their report included on this agenda set out a final position of their work as well as acknowledging the value for money work.

The Head of Transformation and Assurance then also referred to the IT audit findings reports provided by the previous External Auditors and the accompanying responses to it provided by the Council.

**Resolved:**

That the reports of the External Auditors be noted.

**18. Value for Money Progress Report - Quarter 2024-25**

Consideration was given to the report of the Head of Transformation and Assurance (Item 6.1 - 6.28).

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

- As at the end of September 2024, of the 53 actions that were due to be completed, 57% had been completed or were on target to be, with slippage on the remainder.

- The 2023/24 quarter 4 actions had been caught up on and work was progressing on the actions for quarter 1 of 2024/25. As such, this meant progressed had slipped on delivery for quarter 2 2024/25.
- The Deputy Chief Executive-Resources had met with the new External Auditors, and they had accepted that completion of the action plan would be a longer piece of work than originally envisaged. Therefore, all outstanding actions had been reviewed and revised timescales set for completion to reflect available resources and capacity within the organisation.

In response to a query from a Member as to how the Council was getting on with resolving capacity issues given that these were causing the continual problems faced, the Deputy Chief Executive-Resources replied as follows:

- The Council found itself in a challenging position in this regard. The two senior posts in the Finance team recently advertised had only received two applications, neither of which were considered suitable for the roles. As such, consideration was being given to re-advertising with a market supplement included. There was however a nervousness that the posts would still not be filled given the private sector was also experiencing recruitment issues even though it was in a position to pay higher salaries than the Council.
- Beyond this, the appointment of apprentices into the team was also being considered, but this brought its own challenges owing to the need to train up these roles up to the required standard which would take at least a few years.
- Consultancy firms had also been spoken to about providing some additional resources, but the costs to do so would be astronomical. It had however been possible to bring someone in with significant finance experience whose services had been highly sought after by other councils.

The Head of Transformation and Assurance further advised that it was also hoped to advertise posts in the team at a lower level, but again, there was uncertainty as to how successful this would be.

In response to a query from a Member as to whether the shared services model was a help or hinderance to the Council, the Deputy Chief Executive-Resources advised it was a help as it provided more resource and scale, and a greater skill set to the Council.

**Resolved:**

That the progress at the end of quarter 2 2024-25 in the delivery of the value for money improvement plan, as set out in report appendix 1, be noted.

**19. Strategic Risk Register Update**

Consideration was given to the report of the Head of Transformation and Assurance (*presented by the Chief Internal Auditor & Risk Manager*) (Item 7.1 - 7.13).

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

- It presented an update as at the end of September 2024 and all for all existing strategic risks, the risk level was unchanged from April 2024, although there had been progress on delivery of actions associated with each one.

- Page 7.13 set out details of a new risk included that specifically related to the Cannock town centre regeneration project. Owing to the size of the project it was considered appropriate to include a standalone risk separated out from the 'economy risk'.
- All existing risks had progressed as intended and it was important to note the financial and capacity position of the Council would not change overnight but work was ongoing to try and address these issues.

In response to a query from a Member as to why the housing compliance risk had not changed, the Chief Internal Auditor & Risk Manager replied as follows:

- It was felt the rating could not be changed as yet, although it was acknowledged work to address this risk was being monitored through the register and the value for money improvement plan.
- A lot of work had been done on the compliance element, including the purchase of new software, and progressing with the stock condition survey. Whilst not all the issues had dealt with, they were in a better position to know what needed to be addressed.

The Head of Transformation & Assurance further advised that the value for money improvement plan included reference to a standalone plan being developed for the Housing service. This work would pick up the outcome of the review undertaken by Savills and the review of the Housing IT system. Once this plan had been developed it would provide a clearer picture of what work was being done and progress reports provided to the Housing Board and Cabinet.

**Resolved:**

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

**20. Risk Management Policy, Strategy and Risk Appetite Statement**

Consideration was given to the report of the Head of Transformation and Assurance (Item 8.1 - 8.18).

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

- Updating the policy strategy had been included as an action within the value for money improvement plan, but this was not the only reason the work had been done as officers had already recognised that risk management was not operating across the Council as wanted.
- Going forward, the Committee would receive risk monitoring reports on a quarterly rather than half-yearly basis.
- The new risk appetite statement set out that the risk level the Council was prepared to accept would be moderate. There was however recognition that in some circumstances a more risk-taking approach would be needed, and appropriate safeguards would be in place to monitor this via the statutory officers.
- A new risk matrix based on a 4x4 (rather than 4x3) model was also proposed as part of the strategy, which would allow for a more nuanced approach to be taken on how risks were scored and monitored.

- Training on the new policy and strategy was going to be arranged and Committee members would be encouraged to attend.
- Cabinet was responsible for approving the updated policy and strategy, but the views of the Committee were sought beforehand on the proposed changes.

A Member then raised the following questions:

- Were there any individual risk appetites in areas that would attract a higher level of risk?

*The Head of Transformation and Assurance advised that directorate level risk registers were going to be developed for the Deputy Chief Executives to monitor risks in their own areas and link into the overarching strategic risk register. It was also expected to see risk registers developed for individual projects.*

- How would the strategy be implemented through existing systems and processes and would all risks be reviewed periodically and at regular intervals?

*The Head of Transformation and Assurance advised that the aim of the aforementioned training would be to help make this work live and relevant for Members and make sure that risk implications included in Cabinet and committee reports were improved and well-articulated so that Members had a better awareness and understanding of what the specific risks were. The relevant Cabinet member would also be encouraged to question officers if it was felt this had not been done sufficiently.*

*The Chief Internal Auditor & Risk Manager further advised that since the current version of the policy had been adopted, it had been a long-time since any training was delivered but refresher training would include a greater focus on the risk implications in the reports. A toolkit was also in place to provide guidance to staff on this area of work and how to embed it throughout the organisation.*

- For those risks not being managed through the risk appetite, how would they be monitored?

*The Head of Transformation & Assurance advised that detailed action plans sat behind the strategic risk register and had previously been included in the committee progress report. Work would be done to look at how more reporting could be provided than at present.*

*The Chief Internal Auditor & Risk Manager further advised that one of reasons the actions were pulled from the progress updates was that they made for a long report. It was noted that the balance was still not quite right hence why this position was being revisited. It was also aimed that in future, risks reported to Cabinet were those of a genuinely strategic nature and it would be for the Deputy Chief Executives to ensure work was happening in their respective services areas and relevant risks being monitored.*

In response to a query from a Member as to whether the training would also be offered to the Cabinet, the Head of Transformation and Assurance advised the aim was to offer it to all Members, but liaison was happening with the identified trainer to determine what could be delivered.

**Resolved:**

That:

- (A) The Risk Management Policy and Strategy as set out in report appendix 1 be noted.
- (B) The Risk Appetite Statement be noted and the risk appetite be set at moderate.

**21. Annual RIPA Review**

Consideration was given to the report of the Head of Law & Governance (Item 9.1 - 9.3) *(presented by the Head of Transformation and Assurance)*.

The Head of Transformation and Assurance advised that the Council had not used any powers under the Regulation of Investigatory Powers Act during the previous 12 months. The report set out the detail of what the powers were, and which Council officers were authorised to use them. It was also considered good practice for an annual report to be provided to Members.

**Resolved:**

That the report be noted.

The meeting closed at 6:34 p.m.

---

**Chair**



**Cannock Chase Council**  
**Minutes of the Meeting of the**  
**Audit and Governance Committee**

**Held on Wednesday 19 February 2025 at 6:00pm**

**In the Esperance Room, Civic Centre, Cannock**

**Part 1**

**Present:**

Councillors

Thornley, S. (Vice-Chair)

Gaye, D. Hill, J.

**Also in Attendance:**

- A. Reid, Key Audit Partner, Azets (External Auditors)

**22. Apologies**

Apologies for absence were received from Councillors J.O. Hill (Chair), L. Bishop, and G. Hughes.

In the Chair's absence the meeting was chaired by Councillor S. Thornley (Vice-Chair).

**23. 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.

**24. 2023-24 Cannock Chase District Council Audit Plan**

Consideration was given to the report of the External Auditors (Item 3.1 - 3.25).

The External Auditor raised the following points in respect of the report:

- Owing to a national issue of audit backlogs, the Government introduced backstop dates for audit completions which meant work on the 2023/24 audit could not start until previous years' audits had been cleared (the work undertaken by the previous External Auditors for 2021/22 and 2022/23 was signed off by the Committee in November 2024). A disclaimer opinion was being issued for 2023/24 as it had not been possible to fully complete the required audit work.
- It was a requirement to submit an audit plan for the Committee's consideration which set out the approach taken for the 2023/24 audit. The audit had been planned as it normally would and set out what approach would be taken under usual circumstances had the backlog and backstop position not existed. It was also a requirement to show that auditing standards had been complied with, but it had not been possible to carry out work on asset valuations etc. as normal.

- A value for money assessment still had to be completed for 2023/24. The previous External Auditors had issued their opinion for 2022/23 in February last year, which included 3 statutory and 7 key recommendations for the Council to address. The 2023/24 annual audit plan referenced that the Auditor's Annual Report would provide a progress update on achieving those recommendations.
- In respect of the fee scale set by Public Sector Audit Appointments (PSAA), because it had not been possible to complete the audit the full fee would not be charged, but a fee would be payable for planning and other work undertaken.

A Member raised concern about the lack of Council capacity as shown throughout the report and so queried what savings were being achieved if capacity was already reduced. In response, the Deputy Chief Executive-Resources advised that departments had been struggling with capacity issues, and it had been necessary to appoint agency staff at a significant cost to the Council. The issue was also impacted by current market rates and a small team being in place that was having to work on several significant projects such as the Levelling Up Fund scheme, Prince of Wales Theatre, and Local Government Reorganisation (LGR).

The same Member then requested an update on how the housing issues detailed in the value for money report were being addressed. In response, the Head of Transformation & Assurance advised that the Head of Housing & Corporate Assets was pulling together a housing improvement plan which would be a combination of the value for money actions and other matters that had come up since. The plan was to be considered by Cabinet in April ready for reporting to the new Housing Board. Progress was being made on the value for money actions, but further work was required.

The Head of Transformation & Assurance then advised that some of the value for money actions may be taken over by needing to focus on LGR work, so the action plan would be reviewed to assess what could still be delivered or progressed.

The Deputy Chief Executive-Resources advised that in respect of budget monitoring work, period 6 information was ready, period 9 was due to be ready shortly and year-end would be on track.

The External Auditor advised that a national exercise would be happening to rebuild assurance on disclaimer opinions by ensuring auditors could get back to a position of giving assurances and opinions on local authorities' statements of accounts. Discussions would be required on how best to do this given the capacity of audit teams and councils involved.

A Member queried what progress had been made in respect of the recommendations on ICT controls. In response, the Head of Transformation & Assurance advised that all work had been completed other than sign off of the security policy aspect.

The same Member then queried whether the Council had a performance management framework in place. In response, the Head of Transformation & Assurance advised this was the case, but it was not a documented framework. The External Auditor further advised that many of the value for money recommendations related to the need for having documented processes and procedures in place.

The External Auditor then further advised it was important to note that many of the matters being discussed were now historic and so for 2024/25 the focus would be much more on what had been addressed and what plans were in place.

### **Resolved:**

That the report of the External Auditors be noted.

## **25. Statement of Accounts 2023-24**

Consideration was given to the report of the Deputy Chief Executive-Resources & S151 Officer (Item 4.1 - 4.101).

The Deputy Chief Executive-Resources & S151 Officer raised the following points in respect of the report:

- The statement of accounts set out the financial position of the Council for the 2023/24 financial year, including the balance sheet, income and expenditure, creditors and debtors and fixed assets.
- It was a statutory requirement to present the accounts to the Committee.
- It was hoped to do some training with Members to improve their understanding of the accounts, but this may be impacted by work on the LGR proposals.

In response a query from a Member regarding the Council's deficit on the pension fund (as referenced on page 9 of the accounts) the Deputy Chief Executive-Resources advised that the scheme was fully funded and so the Council's contributions to the Scheme would be altered in future.

In response to a query from the same Member regarding long-term debtors, the Deputy Chief Executive-Resources advised these primarily related to Council Tax and Business Rates collections. A balancing act was taken on how to approach the collection of such debts, but if Members wanted a firmer approach to be taken than officers could be instructed to work on that basis.

The Deputy Chief Executive-Resources then thanked the External Auditors for their attendance at the meeting.

### **Resolved:**

That:

- (A) The Statement of Accounts for 2023-24, as attached at appendix 1 to the report, be noted.
- (B) That the findings of the External Auditors, as detailed in agenda item 5, be noted.
- (C) The impact of the audit backlog legislation be noted.
- (D) The Management Representation letter, as provided alongside the External Auditor's report at agenda item 5, be approved.

## **26. 2023-24 Cannock Chase District Council Audit Completion Report**

Consideration was given to the report of the External Auditors (Item 5.1 - 5.45).

The External Auditors raised the following points in respect of the report:

- It was part of the formal reporting process and confirmed what the completed audit process would have been had a full audit been undertaken. The key points of which were as included in the 2023/24 audit plan report.
- The need to build back in assurance was fully recognised and work was being done with the Council on this.

- The 2023/24 position for the value for money audit was that the weaknesses identified by the previous External Auditors still existed given the late time in the year in which their report came forward. A detailed review of the 2024/25 position would be undertaken to see what had been addressed, but it was expected that some of the recommendations would come off the list and the statutory recommendations would likely be downgraded to key recommendations as the Council had identified the necessary actions required to address them.

**Resolved:**

That the report of the External Auditors be noted.

**27. Annual Treasury Management Report 2023-24**

Consideration was given to the report of the Deputy Chief Executive-Resources & S151 Officer (Item 6.1 - 6.14).

The Deputy Chief Executive-Resources & S151 Officer raised the following points in respect of the report:

- This and the following two reports on the agenda were about the Council becoming compliant again with its reporting processes on treasury management activities. It had been a big piece of work by the Finance team, in particular the Deputy S151 Officer to bring all this information together.
- The reports contained details of the Council's treasury strategy, operational and authorised limits, Capital Financing Requirements (CFR) and Minimum Revenue Provision (MRP).
- There had been no breaches of the key performance indicators during the 2023/24 and 2024/25 and no investments were made with any organisations not included on the approved list.
- The Money Market Funds were robust and secure.
- There were no land or property investment funds as any buildings and/or land purchased were for demolition and redevelopment purposes.
- Borrowing for the Housing Revenue Account needed to be refinanced within the next couple of years, so the Council was working now to be ready for it.
- MUFG Pension & Market Services (formerly Link Group) would be delivering treasury management training for the Committee in the near future.

**Resolved:**

That:

- (A) The treasury management report for 2023-24 be noted.
- (B) The actual 2023/24 prudential and treasury indicators as set out in report appendix 1 be approved.

**28. Treasury Management Mid-Year Report 2024-25**

Consideration was given to the report of the Deputy Chief Executive-Resources & S151 Officer (Item 7.1 - 7.15).

**Resolved:**

That the report, treasury activity, and Prudential Indicators for 2024-25 be noted.

**29. Treasury Management Strategy, Minimum Revenue Provision Policy, and Annual Investment Strategy 2025-26**

Consideration was given to the report of the Deputy Chief Executive-Resources & S151 Officer (Item 8.1 - 8.35).

**Resolved:**

That the following for 2025-26 be noted for approval by Council on 26 February 2025:

- (A) The Prudential and Treasury Indicators.
- (B) The Minimum Revenue Provision Policy Statement.
- (C) The Treasury Management Strategy.
- (D) The Annual Investment Strategy.

The meeting closed at 6:51 p.m.

---

**Chair**

## VFM Progress Report - Quarter 3 2024/25

<b>Committee:</b>	Cabinet / Audit & Governance Committee
<b>Date of Meeting:</b>	13 March 2025 / 25 March 2025
<b>Report of:</b>	Head of Transformation and Assurance
<b>Portfolio:</b>	Resources and Transformation

---

### 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 3 2024-25.

### 2 Recommendations

- 2.1 To note the progress at the end of Quarter 3 2024/25 in the delivery of the VFM Improvement Plan set out at Appendix 1.

#### Reasons for Recommendations

- 2.2 The information allows Cabinet 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 was subsequently 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 3 2024/25. Of the 37 actions due to be completed, 75% have been completed or are on target.

### 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

- 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 relating to the Council’s financial, governance and asset arrangements and made recommendations for addressing these. Three statutory recommendations have been made and these are being progressed as a priority.
- 5.3 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.
- 5.4 A VFM improvement plan has been produced to address the issues raised in the AAR. The timescales for implementation were revised in discussions with the Council’s new External Auditors and approved by Cabinet in November 2024. A commentary on progress for each of the actions up to the end of Quarter 3 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 Actions
	Action completed	Work on target	Work < 3 months behind schedule	Work > 3 months behind schedule		
Q4 2023/24	16					16
Q1 2024/25	3		3			6
Q2 2024/25	1	2				3
Q3 2024/25	3	3	5	1		12
<b>TOTAL</b>	<b>23</b> <b>(62%)</b>	<b>5</b> <b>(13%)</b>	<b>8</b> <b>(22%)</b>	<b>1</b> <b>(3%)</b>		<b>37</b>

- 5.5 At the end of quarter 3, of the 37 actions due for delivery:
- 28 (75%) have been completed or are in progress; and
  - 9 (25%) of actions are behind schedule or are no longer applicable.
- 5.6 Steady progress continues to be made in completing the actions set out in the improvement plan. Capacity in the Finance Team continues to be an issue, with the recruitment to the two senior posts unsuccessful. However, recruitment is underway for two other posts and shortlisting is in progress.
- 5.7 Housing have continued to make progress with their actions. Work is continuing on the development of the Housing Improvement Plan, and this is due to be reported to Cabinet in March 2025 for approval. Work on the stock condition survey is in progress, but started later than was planned. It is estimated that this will be now be completed by the end of September 2025.

5.8 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:** Cabinet: 13/3/25 and  
Audit & Governance Committee: 25/3/25

**Key Decision:** No

## VFM Improvement Plan - Progress Report

### Summary of Progress at 31 December 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	16					16
Q1 2024/25	3		3			6
Q2 2024/25	1	2				3
Q3 2024/25	3	3	5	1		12
Q4 2024/25						13
Q1 2025/26						12
Q2 2025/26						11
Q3 2025/26						7
Q4 2025/26						4
<b>TOTAL</b>	<b>23</b>	<b>5</b>	<b>8</b>	<b>1</b>		<b>37 at end of Q3</b>

#### Commentary on Progress

Steady progress continues to be made. 2 key strategies/policies have been approved in quarter 3 (transformation and digital) with work is progressing on the review of hybrid working.

Capacity in the Finance Team continues to be an issue. The recruitment to the 2 senior posts has been unsuccessful but recruitment has commenced for 2 other posts and shortlisting is in progress.

There was a delay in the commencement of the contractors to undertake the stock condition survey, but work has commenced. It is estimated that 60% of the survey will be completed by the end of 2024/25 and the remainder will be completed by the end of September 2025.

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
<b>QUARTER 4 2023/24</b>						
1.	Financial Sustainability (Statutory Recommendation 1)	<p>Medium Term Financial Strategy for 2024/25 to 2026/27 drafted and approved by Cabinet. Due for approval at Council 21 February 2024.</p> <p>Modelling, assumptions and risk assessment included as part of the budget report. MTFS includes assessment of likely future government funding.</p>	Deputy Chief Executive (Resources) & S151 Officer		Completed	★
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)	<p>Produce draft financial statements in line with statutory requirements and working with external auditors to deliver audits effectively.</p> <p>(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).</p>	Deputy Chief Executive (Resources) & S151 Officer	This is to be discussed with Azets as to approach	<p>Agreed with GT/Azets not to audit the 21/22 and 22/23 accounts. This is in line with the national statutory dispensation which has been approved by Parliament</p> <p>The Accounts for both years have been completed and reported to the Audit &amp; Governance Committee (20 November 2024).</p>	★



No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
5 (a)	Financial Sustainability (Statutory Recommendation 1)	Draft accounts published up to 2023/24.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2023/24	The draft accounts for 2021-22 and 2022-24 have been published.	★
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	Revised Timescale	Progress Update	Progress Rating
9.	HRA 30 Year Business Plan (Statutory Recommendation 2)	<ul style="list-style-type: none"> <li>• Review of Housing Register to ensure it is maintained up-to-date</li> <li>• Larger scale review completed in October 2023; and</li> <li>• Ongoing monthly review of application forms on the anniversary of the application form date.</li> </ul>	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	★
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	Approved by Leadership Team. To be approved by Cabinet on 28 November 2024.	★
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	Approved by Leadership Team.	★

## Item No. 4.9



## Appendix 1



No	Theme	Action	Lead Officer	Revised 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	Change Management Strategy has been approved by Leadership Team	★
16.	IT (Key Recommendation 3)	Finalise Information Governance Framework	Head of Law & Governance	Quarter 4 - 2023/24	Completed - approved by Cabinet	★
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	★
	<b>QUARTER 1 2024/25</b>					
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.	★






No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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	<ul style="list-style-type: none"> <li>Rapleys initial survey report has been shared with Savills who have presented initial basis of HRA business plan May 2024.</li> <li>Stock Condition survey work by Rapleys commenced but started later than planned and is now due to be completed in quarter 2 25/26.</li> <li>As appropriate volume of data is received, this can be used to review and update the HRA investment plan and works programme.</li> </ul>	
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	Quarter 1 - 2024/25	Final Version of contract agreed August 2024 and signed by Rapleys	





No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
23 (a)	HRA 30 Year Business Plan (Statutory Recommendation 2)	Delivery of the stock condition survey	Head of Housing and Corporate Assets Housing Property Services Manager	<ul style="list-style-type: none"> <li>• 10% by end Q2</li> <li>• 50% by end of Q3</li> <li>• 100% by end of Q4</li> </ul>	<p>Rapley commenced survey work with batch 1 &amp; 2 surveys totalling 878 homes.</p> <p>Delayed start of October 24 when contracts were finally signed, mean that Rapleys will achieve 60% by end of Q4, with survey completion by Q2 25/26.</p>	
24.	HRA 30 Year Business Plan (Statutory Recommendation 2)	<p>Review and update of the Housing Allocations Policy.</p> <ul style="list-style-type: none"> <li>• Consultation complete, Policy going to Cabinet in March 2024 with implementation in April 2024.</li> </ul>	Head of Housing and Corporate Assets Tenancy Services Manager	Quarter 1 - 2024/25	<p>Completed.</p> <p>Approved at Cabinet 28 March 2024.</p> <p>Implementation Phase commenced.</p>	
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	Quarter 1 - 2024/25	<p>Regular Inspections of properties and Blocks in HRA continue to be undertaken and recorded. KPIs included in quarterly corporate performance reports to Cabinet and Scrutiny Committee.</p> <p>Will be reported to Housing Board when this has been set up; first full meeting in Q1 25/26.</p>	




No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
					Work continues to obtain Compliance Documentation from Shop Leaseholders - 17 occupied units in 4 blocks. Recruitment process underway for additional compliance (Building Safety) staff resources.	
	<b>QUARTER 2 2024/25</b>					
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	Recruitment for 2 senior posts was unsuccessful. Recruitment in progress for two other vacant posts; currently shortlisting.	
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	Quarter 2 - 2024/25	The Savills review contained a review of HRA compliance systems and the actions arising from this are to be included in wider HRA Improvement Plan. The following policies were approved by Leadership Team in Q3: Building Safety, Gas Safety, Fire Risk, Electrical, Water Hygiene, Lifting, and Asbestos Policy.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
					<p>Procedures will be updated based on the Policies and ICT requirements are being developed.</p> <p>Compliance checks are being collated for General Fund Council Premises and Leased Properties.</p> <p>Legionella Testing - for General Fund a new contractor is being procured.</p>	
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	<p>Additional interim consultancy resource has been appointed to support the programme/ project management of the town centre regeneration project.</p> <p>Board meetings, steering groups and weekly project team meetings have been re-established; with regular review of project plans and programmes.</p>	
	<b>QUARTER 3 2024/25</b>					
2.	Financial Sustainability (Statutory Recommendation 1)	Capital Strategy to be updated in accordance with the revised Prudential Code.	Deputy Chief Executive (Resources) & S151 Officer	Quarter 3 - 2024/25	This is currently being worked on and will be submitted to Council for approval in February 2025.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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 3 - 2024/25	Period 6 monitoring for 2024-25 has been completed and has been reported in the budget setting report for 2025/26.	
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 3 - 2024/25	The savings will be reported on as part of budget monitoring from 2025/26.	
27.	IT (Key Recommendation 3)	Update IT security policy and adopt a cyber security policy	Head of Transformation & Assurance and Chief Technology Officer	Quarter 3 - 2024/25	The policy has been updated and is back with the Head of Service for review. There has been some slippage and the draft will be now be submitted to Leadership Team for approval in Q4.	
28.	IT (Key Recommendation 3)	Provide refresher training to ensure compliance with process for 3 <sup>rd</sup> party data transfers and completion of privacy impact assessments	Chief Technology Officer and Information Manager	Quarter 3 - 2024/25	The Data Transfer Policy has been reviewed. The refresher training has been delivered.	
29.	IT (Key Recommendation 3)	Complete the IT strategy	Deputy Chief Executive (Resources) & S151 Officer	Quarter 3 - 2024/25	Completed. Approved by Cabinet 28 November 2024	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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 3 - 2024/25	A report has been drafted and is with the Head of Transformation & Assurance for review. Will now be considered by Leadership Team in Q4	
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 3 - 2024/25	Work on this has been deferred due to the ongoing capacity issues in the Finance Team and the need to prepare the budget. It has now been rescheduled for Q1.	
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 3 - 2024/25	The first session has been delivered to Leadership Team. The sessions with managers will be delivered during Q1 25/26.	
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 3 - 2024/25	The team structure was approved as part of the report to Cabinet on the Transformation Strategy (5 December 2024).	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
55.	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"> <li>• a discussion with the Cabinet after the May elections to review priorities and key projects;</li> <li>• 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).</li> <li>• Range of options for service reduction and efficiency savings/ transformation</li> </ul> <p>Service Reduction:</p> <ul style="list-style-type: none"> <li>• Savings options to be assessed for impact and deliverability and discussed with Cabinet.</li> <li>• Range of options to be refined and consultation exercise to be undertaken with public and partners where relevant;</li> </ul>	Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance	Quarter 3 - 2024/25	<p>A transformation strategy and plan has been developed. This was approved by Cabinet on 28 November 2024.</p> <p>A workshop has been held with managers setting out the transformation process and the preparatory work stages are underway.</p> <p>A review of key priority projects has been undertaken and this was approved by Cabinet on 24 October 2024.</p>	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
		<ul style="list-style-type: none"> <li>• Outcome of consultation to be used to inform savings options to be progressed as part of development of budget.</li> </ul> <p>Transformation:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Project Manager and Project support officer to be recruited to support delivery of transformation programme, funding allocated in budget 2024/25 to fund posts;</li> <li>• Training of managers and key officers in transformation techniques.</li> </ul>				
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		Interim review of corporate plan completed. Priorities remain unchanged but underpinning projects have been revised. Report to Cabinet 24 October 2024.	★

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	<b>QUARTER 4 2024/25</b>					
5 (b)	Financial Sustainability (Statutory Recommendation 1)	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) & S151 Officer	Quarter 4 - 2024/25		
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 - 2024/25		
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 4 - 2024/25		
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 4 - 2024/25		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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"> <li>• The Deputy Chief Executive - Place;</li> <li>• Head of Housing &amp; Corporate Assets;</li> <li>• Cabinet Member for Housing;</li> <li>• Shadow Cabinet Member for Housing;</li> <li>• Tenant representatives from across the District; and</li> <li>• independent person with housing expertise</li> </ul>	<p>Deputy Chief Executive (Place) Head of Housing and Corporate Assets</p>	Quarter 4 - 2024/25		
40.	HRA Compliance (Statutory Recommendation 3)	<p>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.</p>	<p>Head of Housing and Corporate Assets Strategic Housing Manager</p>	Quarter 4 - 2024/25		



No	Theme	Action	Lead Officer	Revised 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 4 - 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 4 - 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 4 - 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 4 - 2024/25		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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 4 - 2024/25		
70.	HRA 30 Year Business Plan (Statutory Recommendation 2)	<p>Undertake a full stock condition survey.</p> <ul style="list-style-type: none"> <li>• An approach to delivering the full stock condition survey has now been developed with the contractor on a phased basis.</li> <li>• Performance and programme delivery to be monitored on monthly and quarterly basis and reported to Housing Board.</li> </ul>	<p>Head of Housing and Corporate Assets Housing Property Services Manager</p>	Quarter 4 - 2024/25		
72.	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"> <li>• Housing Needs Assessment completed.</li> <li>• SHLAA and Brownfields register completed.</li> <li>• Draft Local Plan has well informed evidence base (proposed submission Summer 2024).</li> </ul>	<p>Deputy Chief Executive (Place) Head of Wellbeing Head of Housing and Corporate Assets Head of Economic Development &amp; Planning</p>	Quarter 4 - 2024/25		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	<b>QUARTER 1 2025/26</b>					
35.	Financial Sustainability (Statutory Recommendation 1)	Review of Financial Regulations	Deputy Chief Executive (Resources) & S151 Officer	Quarter 1 - 2025/26		
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 1 - 2025/26		
42.	Risk Management (Key Recommendation 2)	Establish escalation process between other risk registers and the SRR eg services, projects	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
50.	Procurement and Contract Management (Key Recommendation 7)	Provide training for managers on procurement and contract management	Head of Transformation & Assurance	Quarter 1 - 2025/26		
57.	Fraud (Key Recommendation 4)	Review Anti-Fraud & Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
58.	Fraud (Key Recommendation 4)	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
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 1 - 2025/26		
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 1 - 2025/26		
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 1 - 2025/26		
76.	Performance Management (Key Recommendation 5)	Performance reporting for waste and leisure: <ul style="list-style-type: none"> <li>• review of KPIs for monitoring and reporting on performance;</li> <li>• establish internal validation process of contract performance; and</li> <li>• review information reported to Cabinet / Scrutiny</li> </ul>	Head of Transformation & Assurance, Head of Operations and Head of Wellbeing	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
77.	Other Related Actions	Review of Code of Governance	Head of Transformation & Assurance	Quarter 1 - 2025/26		
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	Quarter 1 - 2025/26		
<b>QUARTER 2 2025/26</b>						
36.	Financial Sustainability (Statutory Recommendation 1)	Training for managers on Financial Regulations	Deputy Chief Executive (Resources) & S151 Officer	Quarter 2 - 2025/26		
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	Quarter 2 - 2025/26		
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 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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	Quarter 2 - 2025/26		
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 2 - 2025/26		
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 2 - 2025/26		
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 2 - 2025/26		
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 2 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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 2 - 2025/26		
73.	Fraud (Key Recommendation 4)	Assess fraud risks and include in risk registers as appropriate	Chief Internal Auditor & Risk Manager and Leadership Team	Quarter 2 - 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: <ul style="list-style-type: none"> <li>• Business plan to be updated on a rolling basis as stock condition data increases.</li> <li>• Business plan review to be undertaken on a quarterly basis.</li> <li>• HRA recovery lead to develop and roll out training for housing staff on business plan and assumptions.</li> <li>• Develop HRA asset management strategy</li> </ul>	Head of Housing and Corporate Assets HRA recovery lead Deputy Chief Executive (Resources) & S151 Officer Deputy Chief Executive (Place)	Quarter 2 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	<b>QUARTER 3 2025/26</b>					
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 - 2025/26 for 2026/27 budget setting		
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	Quarter 3 - 2025/26		
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	Quarter 3 - 2025/26		
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 - 2025/26		



No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
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 - 2025/26		
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 - 2025/26		
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 - 2025/26		
	<b>QUARTER 4 2025/26</b>					
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 safety checks completed, compliance data and other inspections.	Head of Housing and Corporate Assets Corporate Assets Manager	Quarter 4 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
66.	Other Related Actions	Establish an inventory of key policies and a programme of periodic reviews	Leadership Team	Quarter 4 - 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	Quarter 4 - 2025/26		
81.	Other Related Actions	Development of Assurance Model	Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2025/26		

## Internal Audit Update - February 2025

**Committee:** Audit & Governance

**Date of Meeting:** 25 March 2025

**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 28<sup>th</sup> February 2025.

### 2 Recommendations

- 2.1 That the Committee notes the progress report.

#### Reasons for Recommendations

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

### 3 Key Issues

- 3.1 Attached is a progress report showing the audits which have been issued between 1<sup>st</sup> September 2024 and 28<sup>th</sup> February 2025.

### 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 1<sup>st</sup> September and 28<sup>th</sup> February 2025 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, a change in our approach to a more flexible planning methodology which focuses on scheduling work for each quarter was agreed by the Audit Committee on 21<sup>st</sup> 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 had 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. Both posts were filled, and the employees joined the team in September and October.

This had an impact on the amount of work that can be delivered in 2024-25 so some work has been delivered by an external a contractor. The new staff have progressed well but there has been significant learning for them which has impacted on their productivity since joining the team. However, they have settled in well and are delivering audit work against the plan.

- 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
4	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.
3	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.
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.

- 5.8 It is pleasing to note that the majority of follow-ups had shown that progress had been made in the implementation of the recommendations. However, progress is slow in some areas and in relation to the Asset Management Strategy & Records audit this remained Limited Assurance after the follow-up had been completed.

## **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 - 1<sup>st</sup> April to 28<sup>th</sup> February

Appendix 2: Audits Completed 1st September to 28<sup>th</sup> February

Appendix 3: Audits in Progress

Appendix 4: Follow-ups Completed 1st September to 28<sup>th</sup> February

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

## **8 Previous Consideration**

None

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Audit & Governance Committee: 25/03/25

**Progress Monitoring - 1<sup>st</sup> April to 28<sup>th</sup> February**

<b>Audits Completed to Year to Date</b>	<b>Audits In Progress</b>
11	9

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

<b>Level of Assurance</b>	<b>No Assurance</b>	<b>Limited</b>	<b>Partial</b>	<b>Substantial</b>	<b>N/A</b>
<b>Number of Audits Issued in Year to date</b>	0	1	4	5	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.

Included in the above are the 8 reports issued since the last progress update (September 2024) more detail is contained in Appendix 2 for these reports.

<b>Level of Assurance</b>	<b>No Assurance</b>	<b>Limited</b>	<b>Partial</b>	<b>Substantial</b>	<b>N/A</b>
<b>Number of Audits Issued since last update</b>	0	1	3	4	0

Audits Completed 1<sup>st</sup> September 2024 to 31<sup>st</sup> August 2024

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
Tree Management	Operations	Final	0	6	Limited !	<p>The main issues identified relate to</p> <ul style="list-style-type: none"> <li>• Tree surveys not being carried out regularly</li> <li>• Service requests not being actioned and a backlog of update of work/inspections meaning the database is out of date</li> <li>• No performance indicators in place</li> <li>• Procurement regulations not being followed for the commissioning of additional work</li> <li>• Task and Post specific risk assessments were not available</li> <li>• Compliance with LIDOR Code of Practice could not be confirmed for the use of climbing equipment</li> </ul>
Homelessness and Housing Options	Wellbeing	Final	0	3	Partial ▲	<p>The main issues identified related to</p> <ul style="list-style-type: none"> <li>• The system relied on manual records with no automation or ability to easily run reports. This also meant there was little standardisation for storing information associated with the applications.</li> <li>• Over reliance on temporary accommodation leading to exceeding 6 week limit for families. Work is needed to secure additional temporary self-contained units.</li> <li>• Absence of current risk assessment for posts and tasks</li> </ul>

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
IT Starters and Leavers Process	Transformation & Assurance	Final	0	5	Partial ▲	<p>The main issues identified relating to</p> <ul style="list-style-type: none"> <li>• The process could be streamlined by the use of standard profiles which can be used as IT are not always given 10 days notice</li> <li>• Cyber Security and Data Protection training was not mandated on the first day for new starters.</li> <li>• Leaver forms are not always completed where a user transfers to a new department/role meaning previous access no longer required may not be removed.</li> <li>• There are no periodic checks of equipment held by employees.</li> <li>• There is no recorded use of the Microsoft 365 portal to verify all ex-employees have been appropriately removed.</li> </ul>
CCDC Levelling-up	Economic Development and Planning	Final	0	10	Partial ▲	<ul style="list-style-type: none"> <li>• There was a need to complete and regularly review project risk registers</li> <li>• Project documentation needs to be regularly reviewed and updated as required</li> <li>• A schedule of contracts should be maintained</li> <li>• Budget spends should be regularly reviewed and reported to the project board.</li> <li>• Insurance requirements for the scheme need to be monitored and additional cover requested as required.</li> <li>• There is a need to improve reporting of the project to the Board and Leadership Team.</li> </ul>



Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
Housing Benefits	DCE (Resources)	Final	0	0	Substantial ✓	
NNDR	DCE (Resources)	Final	0	0	Substantial ✓	
Council Tax	DCE (Resources)	Final	0	0	Substantial ✓	
Payroll	Transformation & Assurance	Draft	0	0	Substantial ✓	

## Audits in Progress February 2025

Audit	Head of Service
BACS Security and Processing	DCE Resources
Debtors	DCE Resources
Development Management - Receipt of Applications & Validations	Economic Development & Planning
UK Shared Prosperity Fund	Economic Development & Planning
Tree Preservation Orders	Operations
Civil Contingencies	Regulatory Services
Food Safety	Regulatory Services
Website Security	Transformation & Assurance
IT Service Desk, 1st Line Support and Incident management (IT Audit)	Transformation and Assurance

Follow-ups Completed 1<sup>st</sup> September 2024 to 28<sup>th</sup> February 2025

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments / Key Issues
Asset Management Strategy & Records (2 <sup>nd</sup> Follow-up)	Housing & Corporate Assets	Limited !	0	6	0	6	Limited !	<p>No progress has been made in implementing any of the recommendations as management state they have no capacity to deal with the recommendations. Issues outstanding include</p> <ul style="list-style-type: none"> <li>• Asset Management reviews of assets not undertaken</li> <li>• No action plans produced for assets</li> <li>• No progress made on implantation of the Corporate Landlord model to clarify responsibilities</li> <li>• No progress made to implement an Asset Management system</li> <li>• No progress in producing a centralised asset register</li> </ul>

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments / Key Issues
Housing Property Services	Housing & Corporate Assets	Limited !	9	5	0	14	Partial ▲	<p>Some progress has been made and the assurance has been change to Partial. Work is still required on the following</p> <ul style="list-style-type: none"> <li>• An asset management solution needs to be selected and implemented</li> <li>• Information held on assets needs to be verified and updated so it is complete.</li> <li>• Performance reports still need to be developed.</li> <li>• All work should be updated on the NEC system when completed</li> <li>• A job scheduling system should be implemented.</li> </ul>
Payroll	Transformation & Assurance	Limited !	1	7	0	8	Partial ▲	<p>Some progress has been made and the assurance has been change to Partial. The outstanding issues relate to</p> <ul style="list-style-type: none"> <li>• Training for the manager still required but has been scheduled</li> <li>• Work on defining levels of access is still in progress</li> <li>• Procedure noted still in the process of being updated</li> <li>• A reconciliation document needs to be produced.</li> </ul>

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments / Key Issues
Pest and Dog Control	Operations	Limited !	1	3	0	4	Substantial ✓	
CDM Compliance	Housing & Corporate Assets / DCE Place	Partial ▲	2	2	1	5	Partial ▲	Work was still required to produce a corporate CDM Framework/Policy
Office 365 Security	Transformation & Assurance	Partial ▲	3	1	0	4	Partial ▲	Work was still needed to update and approve the relevant policies in IT. Rollout of training was still required to relevant staff.
Wireless Network Security (2 <sup>nd</sup> Follow Up)	Transformation & Assurance	Partial ▲	1	1	0	2	Partial ▲	The Wi-Fi and IT Security Policies had been updated but were awaiting approval.

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments / Key Issues
s106 and Community Infrastructure Levy	Economic Development & Planning	Partial ▲	1	6	0	7	Partial ▲	<p>The outstanding recommendations relate to</p> <ul style="list-style-type: none"> <li>• Need to produce procedure notes defining roles and responsibilities in the process.</li> <li>• A decision is still needed about the introduction of admin/monitoring fees</li> <li>• A central record/database to record s106 and CIL agreements/transactions</li> <li>• There is a need to undertake periodic site visits to monitor if trigger points have been met.</li> <li>• Regular monitoring of balances and agreements is still required</li> <li>• Guidance documents for bidders for CIL funds are needed as are clarification for the use of ward related money.</li> </ul>
Change Control (3 <sup>rd</sup> Follow Up)	Transformation & Assurance	Partial ▲	3	0	0	3	Substantial ✓	
Environmental Protection & Pollution Control	Regulatory Services	Partial ▲	1	0	0	1	Substantial ✓	

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments / Key Issues
Planning & Building Control IT Project	Economic Development & Planning	Partial ▲	1	0	0	2	Substantial ✓	
Risk Management	Transformation & Assurance	Partial ▲	5	0	0	5	Substantial ✓	
Housing Consumer Standards Compliance (3 <sup>rd</sup> Follow Up)	Housing & Corporate Assets	Partial ▲	2	0	0	2	Substantial ✓	
Cloud Computing	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓	
Building Control (3 <sup>rd</sup> Follow-up)	Regulatory Services	Partial ▲	1	0	0	1	Substantial ✓	
Critical Applications security (2 <sup>nd</sup> Follow-up)	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓	

## Provisional Audit Plan work for 2024-25 not yet started

Audit Area	Head of Service	Indicative Quarter
Bank Reconciliation	DCE Resources	Q3
Planning Enforcement	Economic Development & Planning	Q3/Q4
Development Management - Determinations	Economic Development & Planning	Q3/Q4
Capital transitional <b>grant</b> to support the delivery of weekly food waste collections (Grant Claim)	Operations	Q3/Q4
Sale of Council Houses	Housing & Corporate Assets	Q4 or 2025-26
Civica Finance System (IT Audit)	DCE Resources	Q3/4



## Internal Audit Plan - 2025-26

**Committee:** Audit & Governance Committee

**Date of Meeting:** 25 March 2025

**Report of:** Chief Internal Auditor & Risk Manager

---

### 1 Purpose of Report

- 1.1 To present to the Audit and Governance Committee the Internal Audit Plan methodology for 2025-26.

### 2 Recommendations

- 2.1 That the Committee approves the Internal Audit Plan methodology for 2025-26.

#### Reasons for Recommendations

- 2.2 Internal Audit has a duty to provide the Council with an annual conclusion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement
- 2.3 The planned time allocated to audit work across the year is deemed to be sufficient to ensure that Chief Internal Auditor will be able to deliver an appropriate conclusion on the control environment and governance arrangements at the Council as required by the Global Internal Audit Standards (UK Public Sector).

### 3 Key Issues

- 3.1 Internal Audit has a duty to provide the Council with an annual conclusion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement.
- 3.2 Internal Audit is required to produce a plan of work to ensure that it can give an appropriate opinion on the Council's key risk areas and systems and provide sufficient coverage to inform the Annual Governance Statement.
- 3.3 In 2024-25 Internal Audit developed a flexible planning methodology which has proved successful in being reactive to changes in risk in the year and allowed Internal Audit to be more proactive and responsive in the work carried out.
- 3.4 This proved successful in allowing Internal Audit to develop a fluid Audit Plan which was discussed and updated quarterly with Heads of Service and allowed the team to be reactive to developing areas of risk. It is therefore proposed that the same methodology will be used for 2025-26. There will also be a focus on Compliance as a key theme underpinning the work of Internal Audit in 2025-26.

- 3.5 In addition the Council has launched a revised risk management methodology which will see risk registers updated quarterly. These will feed into the audit planning process to further focus the work of Internal Audit onto the highest risk areas.

#### 4 Relationship to Corporate Priorities

- 4.1 This report supports all of the Council's Corporate Priorities by helping to ensure that there are effective governance arrangements in place.

#### 5 Report Detail

- 5.1 Internal Audit is an assurance function which primarily provides an independent and objective opinion to the Council on its governance arrangements and internal controls. The Internal Audit Section does this by conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole of the Council and to all levels of management.
- 5.2 To provide this assurance Internal Audit conducts an annual risk assessment and determines an audit plan for the year. Meetings are held with Heads of Service and the Council's s151 Officer as part of the risk assessment process to obtain views and comments in relation to the composition of the Internal Audit Plan.

##### Resources

- 5.3 The resource available for the delivery of the Internal Audit Plan across both authorities in 2025-26 is estimated to be 515 days for general audit work plus an additional 60 days for IT Audit work; the full details are shown in **APPENDIX 1**. This is an increase from the 482 days for the 2024-25 which is due to the team being fully staffed and which will also mean there is no need to buy-in additional support for General Audit work which amounted to 150 days in the 2024-25 plan.
- 5.4 The Internal Audit Section has previously carried out work for Cannock Chase District Council's Leisure Contractor, IHL (Inspiring Healthy Lifestyles) in return for a small fee. However, despite putting time in the plan no work was carried out in 2024-25 and there are no plans to deliver any audit work for IHL in 2025-26 which means all of the resources of the team can be focused on delivering audit work for the two Councils.
- 5.5 The resources can be broken down into:

##### Allocation of Resources to Audit Plan Requirements

<b>Audits covering both Councils</b>	<b>350</b>
SBC only Audits	75
CCDC only Audits	90
IT Audit Plan	60
<b>Total Days</b>	<b>575</b>

Time allocated to CCDC only audits is proportionally larger than SBC only audits due to the Housing functions.

- 5.6 The resources available for the year are considered sufficient to cover enough work to adequately inform the Annual Audit Conclusion for 2025-26

### Annual Audit Plan

- 5.7 Normally, a full review of the “Audit Universe” would take place and be presented to Committee setting out all the possible areas for review and the risk scores determined for 2024-25. A review of the Audit Universe has been undertaken and discussions held with managers to inform the outline audit plan included as Appendix 2.
- 5.8 We are proposing to retain the more flexible approach introduced in 2024-25 in 2025-26 so that we can be more responsive to a number of factors including:
- Local Government Reorganisation / Transformation.
  - Work relating to the delivery of both Council’s Improvement Plans.
  - New External Auditor’s and any additional requirements from them on the Internal Audit Team.
  - Delivery of a number of high-profile major projects.

We are also looking to have an underlying theme to focus Internal Audit work on compliance in the year and focus on the Corporate Plan priorities and Strategic Risks following the launch of a revised more comprehensive risk management framework for the Council.

- 5.9 The Audit Plan methodology is that the Chief Internal Auditor in consultation with the Deputy Chief Executive Resources & s151 Officer and the Head of Transformation & Assurance will compile an indicative work plan for each quarter alongside a higher level outline plan listing of areas for potential review later in the year which will be informed by information and requests from managers.
- 5.10 The quarterly plan will be derived from discussions with Leadership Team and other relevant Managers as well as awareness of work being carried out on the Corporate Improvement Plans and Major Projects. The plan will also take into account any changes to the risks following the quarterly update of the risk registers. Where necessary the plan will be flexible and be revised and updated within each quarter to focus on the highest risk areas and emerging issues.
- 5.11 The Audit Committee will receive updates on the indicative list of audits for each quarter and progress on the delivery of audit work throughout the year.
- 5.12 Work this year will focus on the following areas:
- (i) Corporate Improvement Plans, Transformation and Local Government Reorganisation Plans;
  - (ii) major projects;
  - (iii) key financial systems;
  - (iv) Compliance.
- 5.13 Any additional time will be spent on operational areas deemed to be higher risk or where low assurances have previously been provided by Internal Audit
- 5.14 A table setting out the key areas for audit work which have already been identified and how they relate to each Council grouped to align with corporate objectives is set out in **APPENDIX 2**.

5.15 An IT Audit Plan has not yet been produced. Discussions will take place with the IT Audit Contractor, the Chief Technology Officer and the Chief Internal Auditor & Risk Manager to determine an IT Audit Plan for the year which will be reported to Audit Committee separately.

## **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: Available Audit Resources 2025-26

Appendix 2: Internal Audit Plan Areas 2025-26

## **8 Previous Consideration**

None

## **9 Background Papers**

File of working papers held by the Chief Internal Auditor and Risk Manager

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Audit & Governance Committee: 25/03/25

## Internal Audit Plan 2025-26

## Estimated Available Audit Resources 2025-26

	General Audit Total	IT Audit Support	Total Days
Staffing of the Team (Excludes Chief Internal Auditor)	4		
<b>In House Total Days</b>	<b>1,044</b>		<b>1,044</b>
<b>External Support</b>	0	60	<b>60</b>
<b>Days Available</b>	<b>1,044</b>	<b>60</b>	<b>1,104</b>
Less Non-Operational (leave, training etc)	379		<b>379</b>
<b>Chargeable Days</b>	<b>665</b>	<b>60</b>	<b>725</b>
<b>Chargeable Work</b>			
NFI	8		<b>8</b>
Advice, Consultancy	22		<b>22</b>
Contingency Budget	90		<b>9</b>
Follow-ups	30		<b>30</b>
<b>Audits</b>	<b>515</b>	<b>60</b>	<b>575</b>
<b>Chargeable Days</b>	<b>665</b>	<b>60</b>	<b>725</b>

## Internal Audit Plan 2025-26

## Audit Plan Outline Areas - 2025-26

## The Economy

Shared Areas	CCDC	SBC
CCDC Levelling Up Scheme	Y	
SBC - Regeneration Schemes (Future High Streets / Levelling-up) <ul style="list-style-type: none"> <li>• Guildhall Site</li> <li>• Coop Site</li> <li>• Station Gateway</li> </ul>		Y
Delivery of Planning Review Outcomes	Y	Y
Planning Enforcement (deferred from 2024-25)	Y	Y

## Health &amp; Wellbeing

Audit Area	CCDC	SBC
Housing Improvement Plan Actions <ul style="list-style-type: none"> <li>• Building Safety &amp; Compliance</li> <li>• Aelfgar Project</li> </ul>	Y	
Housing Rents and Arrears	Y	
Leisure Contracts, New Procurement and Changes in Service Delivery	Y	Y
Housing Partnership Arrangements	Y	Y
Private Sector Housing	Y	Y
Health Agenda	Y	Y

## Community, Environment and Climate Change

Audit Area	CCDC	SBC
Private Water Supply & Distribution	Y	Y
Community & Voluntary Sector Grants	Y	Y
Licensing arrangements	Y	Y
Land Charges Transfer and New System	Y	Y
Vehicle Workshop	Y	
Fleet Management Compliance	Y	Y
Tree Management IT Project	Y	Y
Food Waste Project	Y	Y
Closed Churchyards	Y	Y
Pest and Dog Control	Y	Y

## The Council

Audit Area	CCDC	SBC
Key Systems (for Q3/4) <ul style="list-style-type: none"> <li>• HB</li> <li>• Council Tax</li> <li>• NNDR</li> <li>• Payroll</li> </ul>	Y	Y
Corporate VFM Actions <ul style="list-style-type: none"> <li>• Asset Management &amp; Compliance</li> </ul>	Y	Y
Industrial & Commercial Lease Management	Y	Y
New Customer Relationship System (GOSS)	Y	Y
HR <ul style="list-style-type: none"> <li>• Recruitment &amp; Selection</li> <li>• Managing Absence</li> </ul>	Y	Y
Data Quality Arrangements (Deferred from 2024-25)	Y	Y
Finance <ul style="list-style-type: none"> <li>• New finance System Implementation Lessons Learnt</li> <li>• Bank Reconciliation (Deferred 2024-25)</li> <li>• Creditors &amp; Purchasing Cards</li> </ul>	Y	Y
Sub-Contractor Management	Y	Y
Major Project Governance	Y	Y
Local Government Reorganisation / Transformation Plans	Y	Y
Grants Procedures	Y	Y