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18 November 2025

Dear Councillor,

**Audit & Governance Committee**  
**6:00pm, Wednesday 26 November 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)  
Boulton, C. (Vice-Chair)  
Gaye, D.      Johnson, J.  
Hill, J.      Lyons, O.

# **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 17 September 2025 (enclosed).

### **4. Cannock Chase District Council Auditor's Annual Report 2023-24**

Report of the External Auditors (Item 4.1 - 4.38).

### **5. Cannock Chase District Council Auditor's Annual Report 2024-25**

Report of the External Auditors (Item 5.1 - 5.12).

### **6. Internal Audit Update - October 2025**

Report of the Chief Internal Auditor & Risk Manager (Item 6.1 - 6.8).

### **7. Updated Strategic Risk Register**

Report of the Head of Transformation and Assurance (Item 7.1 - 7.24).

### **8. Governance Improvement Plan - Progress Report for Quarter 2 2025/26**

Report of the Head of Transformation and Assurance (Item 8.1 - 8.14).

### **9. Annual RIPA Review**

Report of the Head of Law & Governance (Item 9.1 - 9.3).

**Cannock Chase Council**

**Minutes of the Meeting of the**

**Audit and Governance Committee**

**Held on Wednesday 17 September 2025 at 6:00pm**

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

**Part 1**

**Present:**

Councillors

Hill, J.O. (Chair)

Thornley, S. (Vice-Chair)

Gaye, D.     Johnson, J.

Hill, J.

**8. Apologies**

Apologies were noted for Councillor G. Hughes.

Apologies were also noted for the Chief Internal Auditor & Risk Manager.

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

No declarations of interests were made.

**10. Minutes**

**Resolved:**

That the Minutes of the meeting held on 17 June 2025 be approved.

**11. Internal Audit Progress Update - August 2025**

Consideration was given to the report of the Chief Internal Auditor & Risk Manager (Item 4.1 - 4.13) *(presented by the Head of Transformation & Assurance)*.

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

- Paragraph 5.3 - following one of the Senior Auditors leaving their role at the end of July 2025, it was not intended to fill the vacancy at this time, and it would be potentially held for the existing Auditor in the team.
- Appendix 1 set out that 7 audits had been completed in the year to date, and 6 audits were in progress. Of those completed, 4 had been given a 'partial' assurance rating, 2 'substantial' and 1 'no rating'.
- Appendix 2 provided further details of the audits completed so far, and for those given a 'partial' rating, the key reasons why.

In response to a query from a Member regarding how longstanding was the entry on the sundry debtors suspense account, the Head of Transformation and Assurance advised this would be checked and reported back separately.

*(Following the meeting, it was confirmed that the longstanding entry related to an entry of £70 which had been on the account since 2023. Further enquiries after the audit had led them to believe it was a duplicate entry and Finance were in the process of deleting it with the approval of the Deputy s151 Officer.)*

In response to a concern raised by the same Member about whether checks were in place for VAT recovery on written-off debts, the Head of Transformation and Assurance advised this would also be checked and reported back separately.

*(Following the meeting, it was confirmed that no process was in place for this to be done due to the lack of a facility within the Civica system to do this. The Exchequer Accountant was in the process of drafting a process note which would be agreed with PWC as our VAT advisors and this would be used to ask CIVICA if the finance system could be adapted to do this. Depending on what could be done and the cost, a decision would need taking on whether this was worth pursuing. The Deputy s151 Officer had advised that the amount of VAT not reclaimed was of a low value.)*

- Appendix 3 set out details of audits in progress as at August 2025.
- Appendix 4 set out details of the follow-ups completed between 1 April and 31 August 2025, with some not showing progress made that would have been expected.
  - o Asset Management Strategy & Records audit (third follow-up) - it was expected that an update could be provided at the next meeting on what aspects could and could not be delivered. Because of local government reorganisation it was expected that the strategy would not be done, along with the introduction of a new asset management system.
  - o Housing Property Services audit (second follow-up) - this had not progressed as much as it linked back to the IT system issue and also some of the team's focus had been on completing the stock condition survey work.
  - o Pest and Dog Control audit (second follow-up) - there had been no change in the rating.
  - o IT Asset Management audit (fourth follow-up) - there was one outstanding item, with the replacement strategy nearly finalised and the budget aspect being determined.
  - o Payroll audit (third follow-up) - work on this was still progressing.
  - o Three IT related audits had been re-rated from 'partial' to 'substantial' assurance.

In respect of the Housing Property Services replacement IT system, a Member raised that their understanding was the request for funding had been denied. The Deputy Chief Executive-Resources clarified that the request had not been denied, but the service needed to evidence that there was sufficient funding within the Housing Revenue Account to be able to fund the project and it be made clear to them that no modifications could be made to the system being purchased. The project needed to be owned and led by the Head of Housing and Corporate Assets and the wider housing service as the wider Council did not have the resource available to support it.

- Appendix 5 set out details of the audits planned to be delivered during the remainder of 2025/26.

In response to a query from a Member regarding the planned 'Managing Absence' audit, specifically the Council's absence rates, the Head of Transformation and Assurance advised that a current figure could not be provided, but historically the Council had been above the national average, which had mainly been due to the Council having an ageing workforce with staff employed in a lot of manual roles and suffering from musculoskeletal issues. There had also been an added impact of long waiting times for treatment because of the Covid-19 pandemic.

In response to a query from another Member as to whether the Council managed back injuries for those staff in desk-based roles, the Head of Transformation and Assurance advised that all staff were required to have workplace assessments and specialist equipment would be provided if deemed necessary. The Council did not have an in-house physiotherapy service, but did offer outsourced counselling and occupational health advice/support. Work had been done pre-pandemic to look at different options for reducing sickness levels but it mainly came down to cost issues.

**Resolved:**

That the progress report be noted.

**12. Internal Audit Charter, Strategy and Quality Assurance and Improvement Programme**

Consideration was given to the report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.31) *(presented by the Head of Transformation & Assurance)*.

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

- The Internal Audit Charter and Quality Assurance & Improvement Programme (QAIP) were being presented to the Committee for information as only minor updates had been made to them.
- The Internal Audit Strategy was a new document that the Council was required to produce, acting as a key document sitting between the Charter and QAIP and set out the proposed approach for Internal Audit over the next two to five years.

A Member noted they were happy for the documents to be noted/approved as the Council was required to have them in place.

In response to a query from a Member as to what impact the documents had on the way the Council functioned, the Head of Transformation and Assurance advised that the Charter was there to fall back on if a problem arose, but the Chief Internal Auditor had powers available in the Council's Financial Regulations to use if need be.

**Resolved:**

That:

- (A) The updated Internal Audit Charter, as set out in report appendix 1, be approved.
- (B) The contents of the updated Quality Assurance & Improvement Programme and the Internal Audit Strategy, as set out in report appendices 3 and 2, respectively, be noted.

### **13. Updated Strategic Risk Register**

Report of the Head of Transformation and Assurance (Item 6.1 - 6.22)

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

- There had been no change to the number or rating of risks since 1 April 2025.
- Risk 1 (Financial Stability) had its target score changed from 8 to 12 as most of the factors related to it were outside of the Council's control.
- Risk 6 (Corporate Capacity) had its target score changed from 8 to 12 owing to market challenges with recruiting suitably qualified staff for specialist roles, uncertainties with local government reorganisation and major projects impacting core services.
- Risk 2 (Health and safety arrangements for properties) had been split out to present more clearly issues and associated with the Council's housing stock and non-housing related assets.
- Risk 3 (Local Government Reorganisation) had been updated to reflect the current position with development of the final proposals for submission to the Government in November 2025.
- Risk 15 (Delivery of Town Centre Regeneration Project) had a change in implementation dates for one action from quarter 1 to quarter 2.

The S151 Officer advised that the position finance wise was challenging at the moment, with other S151 Officers in Staffordshire in a similar position. It was not known at this stage what the final fairer funding position would look like, and no confirmation had been received about other existing grants, what would happen with Business Rates pooling and capital funding etc. A lot of hard work had been done to stabilise the Council, so it was frustrating to have that stability taken away by the Government through its proposed changes.

In respect of the tree management risk, a Member raised that the main bugbear of complaints from residents was that when reporting issues about trees next to their land, those reports were taken to the Council's tree officer but then told nothing could be done. The concern was that something could happen if the tree appeared to be unsafe/unstable. The Head of Transformation and Assurance advised that the Head of Operations would be able to advise if there was a policy in place setting out what works could/could not be done.

In response to a query from a Member as to whether the Council had enough money in reserves to get through the next 12 months if things went haywire, the S151 Officer advised that he thought there was enough money in place for this scenario.

Members then raised that the Council apparently had money invested in the West Midlands Combined Authority and had a good return on that investment to the value of circa £200,000-£300,000. The Deputy Chief Executive-Resources recommending the Members seek clarification from the Deputy Chief Executive-Place or the Head of Economic Development and Planning on this particular matter.

#### **Resolved:**

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

#### **14. Governance Improvement Plan - Progress Report for Quarter 1 2025/26**

Consideration was given to the report of the Head of Transformation & Assurance (Item 7.1 - 7.13).

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

- Of the 25 actions due for completion by the end of June, 10 had been done, 14 were behind schedule and 1 was no longer applicable.
- Most of the actions fell to the Head of Transformation & Assurance and the Deputy Chief Executive-Resources to complete, both of whom had been tied up by work on local government reorganisation and other matters.
- It was intended to have a discussion with the external auditors about which actions it was not intended to progress before local government reorganisation as there would be no benefit to do so.
- By the time of the next update similar slippage on progress would still be seen on both the improvement plan and strategic risk register.
- The external auditors were engaging with the Council as the moment as the value for money opinion for 2024/25 needed to be prepared along with other work for 2025/26. As such, it was expected that the December meeting of the Committee may need to be brought forward to accommodate this.

In response to a query raised by a Member as to why many actions were three months behind schedule, the Head of Transformation & Assurance advised this was entirely down to capacity of the relevant officers, especially because of the local government reorganisation work. Progress was being made but had slowed.

In response to a further query from the same Member as to whether serious capacity issues were still being faced, the Deputy Chief Executive-Resources advised this was the case, and would be until the end of local government reorganisation.

In response to a query from another Member as to whether the Government had provided any support or funding to the Council for the reorganisation work, the Deputy Chief Executive-Resources advised that a small sum had been received, but this had gone toward the costs of the KPMG work.

In response to a query from another Member as to what would happen if the Government decided to kick the reorganisation work into the long grass, the Deputy Chief Executive-Resources advised that it was expected phase 1 would have to be completed as it was too far down the process, but could see phase 2 being delayed given the costs involved so far.

#### **Resolved:**

That the progress made in the delivery of the Governance Improvement Plan as set out in report appendix 1 be noted.

Meeting closed 6:50pm.

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**Chair**

# Cannock Chase District Council

## Auditor's Annual Report

*Year ended 31 March 2024*

**April 2024**



*We are required to satisfy ourselves under s20(1)(c) of the Local Audit and Accountability Act 2014 that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We report to you if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements are operating effectively.*

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Detailed findings from our audit of the financial statements are communicated in the following reports:

- audit opinion on the financial statements for the year ended 31 March 2024
- audit findings (ISA 260) report to Those Charged with Governance

We performed our audit in accordance with International Standards on Auditing (UK). This report has been prepared in line with the National Audit Office's Code of Audit Practice 2024 (the "Code") and is required to be published by the Council alongside the annual report and accounts. Our reports are prepared in accordance with ISAs (UK), the Code, all associated Audit Guidance Notes issued by the National Audit Office and relevant requirements of the Local Audit and Accountability Act 2014.

# Key messages

Item No. 4.3

The purpose of the Auditor's Annual Report is to bring together all the auditor's work over the year. This includes our audit work on the Council's financial statements and our audit work on value for money (VFM) arrangements.

A key element of this report is our commentary on VFM arrangements, which aims to draw to the attention of the members of the Council and the wider public relevant issues, recommendations arising from the auditor's work and the auditor's view on whether previous recommendations have been implemented satisfactorily.

| Area of work         | Our responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial statements | <p>We were appointed as auditors to perform an audit of the financial statements of the Council in accordance with International Standards on Auditing (UK) (ISAs (UK)), which are directed towards forming and expressing an opinion on the financial statements.</p> <p>However, <a href="#">The Accounts and Audit Regulations 2015</a>, as amended by the <a href="#">Accounts and Audit (Amendment) Regulations 2024</a>, impose a statutory backstop date of 28 February 2025 for the publication by the Council of their audited Statement of Accounts for 2023/24. The Code specifies that (except in a few exceptional circumstances) auditors are required to issue their auditor's report before this date, even if planned audit procedures are not fully complete, so that local government bodies can comply with this statutory reporting deadline.</p> <p>We have therefore considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support our audit opinion in compliance with the ISAs (UK). These time constraints were further restricted by the earlier statutory backstop date of 13 December 2024, which led to the financial statements for 2021/22 and 2022/23 being disclaimed by the predecessor auditor.</p> | <ul style="list-style-type: none"><li>• The disclaimed audit opinions issued by the predecessor auditor on each of the last two years' financial statements resulted in a lack of assurance on the Council's opening balances at 1 April 2023. The lack of assurance over opening balances, together with the statutory backstop date for 2023/24 impacted on the audit procedures that we had planned to undertake to gain assurance on the 2023/24 financial statements. There was insufficient time and resource available for us to gain sufficient assurance during the 2023/24 audit, including recovering missing assurance from earlier years, before the statutory backstop date.</li><li>• We have therefore disclaimed our opinion on the Council's 2023/24 accounts.</li><li>• The responsibilities of the Council, the Audit Committee and management remain unchanged. The Council's Responsible Finance Officer has a responsibility under <a href="#">The Accounts and Audit Regulations 2015</a> to confirm that the Accountability Statements included in the Statement of Accounts give a true and fair view. The Audit Committee have an essential role in ensuring that they have assurance over the quality and accuracy of the financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit.</li><li>• As part of our 2024/25 audit, we will work with management to develop a recovery plan setting out the work required to return to unmodified audit opinions in the coming years.</li></ul> |

# Key messages

Item No. 4.4

| Area of work                                            | Our responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Conclusions                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Value for money</b>                                  | <p>We are required under Section 20(1)c of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code requires us to report to you our commentary relating to proper arrangements under specified criteria: Financial sustainability, Governance and Improving economy, efficiency and effectiveness.</p> <p>We have summarised our findings in the commentary later in this report. We are also required to report if we have identified any significant weaknesses from this work.</p> | <p>We have identified ten significant weaknesses which cover all areas of our Value for Money assessment for 2023/24. Full details are set out on pages 9 to 30 of this report.</p> <p>The predecessor auditor raised significant weaknesses in the same areas as a result of their 2022/23 Value for Money assessment, and raised three statutory recommendations.</p>                                                           |
| <b>Key recommendations</b>                              | <p>The Code requires that where auditors identify significant weaknesses as part of their review of the Council's arrangements to secure value for money, they should make recommendations setting out the actions that should be taken by the Council. We consider these to be key, or essential, recommendations.</p>                                                                                                                                                                                                                                                                                                           | <p>We have made recommendations in relation to the significant weakness identified above. Details can be found on page 23 to 30.</p>                                                                                                                                                                                                                                                                                              |
| <b>Narrative report and annual governance statement</b> | <p>We are required to read and report if the other information included in the Statement of Accounts (including the Narrative Report and Annual Governance Statement) is materially inconsistent with the financial statements and our knowledge obtained from the audit, or otherwise appears to be materially misstated.</p> <p>We are also required to assess whether the Annual Governance Statement complies with the disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit.</p>                                               | <p>Because of the significance of the matters described in the "Financial Statements" section on the previous page, we have been unable to form an opinion on whether the other information published together with the financial statements in the Statement of Accounts and Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> |

# Key messages

Item No. 4.5

| Area of work              | Our responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Conclusions                                                                                                                                                                                  |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public interest report    | Under Section 24, Schedule 7(1)(1) of the Local Audit and Accountability Act 2014 the auditor of the Council must consider whether to make a report in the public interest if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public.                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>We did not identify any matters for which we considered a public interest report to be required as part of our external audit for 2023/24.</li> </ul> |
| Statutory recommendations | Under Section 24, Schedule 7(2) of the Local Audit and Accountability Act 2014 the auditor of a Council can make written recommendations to the Council which need to be considered by the Council and responded to publicly.                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>We did not identify any matters for which we considered statutory recommendations are required as part of our external audit for 2023/24.</li> </ul>  |
| Application to the court  | Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think than an item of account is contrary to law, they may apply to the court for a declaration to that effect.                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>We did not make an application to the court.</li> </ul>                                                                                               |
| Advisory notice           | Under Section 29, Schedule 8 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if they think that the Council, or an officer of the Council, is about to make, or has made, a decision which involves or would involve the Council incurring unlawful expenditure, is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or is about to enter an item of account, the entry of which is unlawful. | <ul style="list-style-type: none"> <li>We did not issue any advisory notices.</li> </ul>                                                                                                     |
| Judicial review           | Under Section 31, Schedule 8 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure to act by an authority, which it is reasonable to believe would have an effect on the accounts of that body.                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>We did not make an application for judicial review.</li> </ul>                                                                                        |

# Financial statements

Item No. 4.6

*The Statement of Accounts and financial statements included therein are an important tool for the Council to show how it has used public money and how it can demonstrate its financial health.*

*We were appointed as auditors to perform the audit in accordance with International Standards on Auditing (UK) (ISAs (UK)).*

*We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.*

| Area of work                                     | Conclusions                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Audit opinion on the financial statements</b> | We issued a disclaimer of opinion on the Council's financial statements for 2023/24 on 28 February 2025.                                                                                                                                                                                                                                                                                                                                                            |
| <b>Whole of Government Accounts (WGA)</b>        | <p>We are required to carry out specified procedures on behalf of the NAO on the WGA consolidation pack under WGA group audit instructions.</p> <p>The Council does not exceed the threshold for detailed testing however we are required to issue an assurance statement to the NAO (even if we have issued a disclaimer of opinion on the financial statements).</p> <p>We have submitted our assurance statement to the NAO in line with their requirements.</p> |
| <b>Preparation of the accounts</b>               | Under <a href="#">The Accounts and Audit Regulations 2015</a> , the deadline for the production and approval for the draft financial statements was 31 May 2024. The Council did not meet this deadline for the production of the draft 2023/24 financial statements, publishing the draft financial statements on 16 January 2025.                                                                                                                                 |

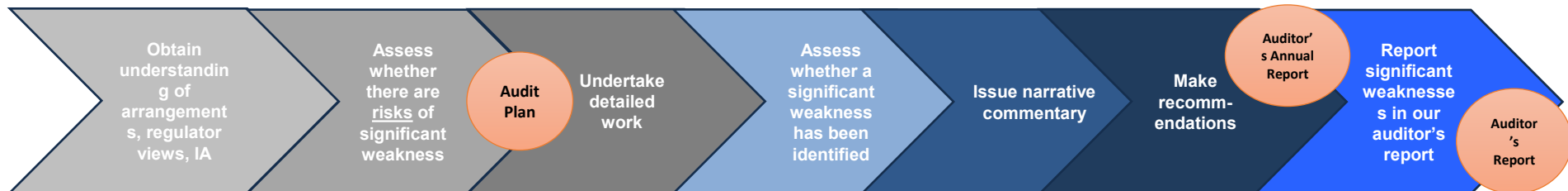
The findings from the audit procedures we completed on the Council's 2023/24 financial statements are set out in our Audit Completion Report to the Council's Audit & Governance Committee on 18 February 2025. Requests for this report should be directed to the Council. This report summarises the significant risks we identified for the 2023/24 financial statements audit and the work we completed. No significant adjustments were made to the 2023/24 financial statements submitted for audit.

The significant risks we identified as part of our audit are set out in Appendix 1.

# Value for money

Item No. 4.7

We are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources, as set out in the NAO Code of Practice (2024) and the requirements of Auditor Guidance Note 3 ('AGN 03'). Where significant weaknesses are identified we report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.



In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, as set out in AGN 03), we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures.

The predecessor auditor made 3 statutory recommendations and 7 key recommendations as a result of their value for Money assessment for the 2021/22 and 2022/23 years, and reported significant weaknesses in their 2022/23 audit opinion as a result..

## Prior year recommendations and impact on 2023/24 Value for Money assessment

We recognise that management, alongside the findings of the 2021/22 and 2022/23 predecessor auditor work, presented an action plan/ tracker as part of the Audit and Governance Committee in February 2024, detailing actions to be taken to address these associated significant weaknesses, with a number of elements already being completed in Q4 of 2023/24.

However, as these significant weaknesses identified were prevalent for most of the 2023/24 financial year, and work undertaken by management will take time to be embedded within the Local Authority's internal control environment, we consider that the significant weaknesses reported by the predecessor auditor for 2022/23 and the corresponding recommendations remain applicable for 2023/24 (which have been detailed on the following pages for completeness).

Further detail will be included as part of our Auditor's Annual Report (AAR), in terms of documenting steps taken by management.

# Value for money 2023/24 outcome

Item No. 4.8

| Reporting criteria                                                                                                                                                              | Planning – risk of significant weakness identified? | Final – significant weakness identified? | Key recommendations made? | Other recommendations made? |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------|---------------------------|-----------------------------|
| <b>Financial sustainability</b><br>How the body plans and manages its resources to ensure it can continue to deliver its services                                               | Yes                                                 | Yes                                      | Yes                       | No                          |
| <b>Governance</b><br>How the body ensures it makes informed decisions and properly manages risk                                                                                 | Yes                                                 | Yes                                      | Yes                       | No                          |
| <b>Improving economy, efficiency and effectiveness</b><br>How the body uses information about its costs and performance to improve the way it manages and delivers its services | Yes                                                 | Yes                                      | Yes                       | No                          |

In addition to our financial statements work we performed a range of procedures to inform our value for money commentary, including:

- Meeting with management and regular meetings with senior officers
- Interviews as appropriate with other executive officers and management
- Review of Council and committee reports and attendance at audit committee meetings
- Reviewing reports from third parties
- Considering the findings from our audit work on the financial statements
- Review of the Council's Annual Governance Statement and Narrative Report and other publications
- Considering the work of internal audit and the counter fraud function
- Consideration of other sources of external evidence.

Councils are responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This includes managing key operational and financial risks and taking properly informed decisions so that they can deliver their objectives and safeguard public money.

As auditors, we are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We performed risk assessment procedures at the audit planning stage to identify any potential areas of significant weakness which could result in value for money not being achieved. This included considering the findings from other regulators and internal auditors, reviewing records at the Council and performing procedures to gain an understanding of the high-level arrangements in place. The resulting risk areas we identified were set out in our audit plan.

For each identified risk area, we performed further procedures during our audit to consider whether there were significant weaknesses in the processes in place at the Council to achieve value for money.

The NAO Code of Audit Practice requires us to structure our commentary on VFM arrangements under three reporting criteria: financial sustainability, governance and improving economy, efficiency and effectiveness.

We have set out on the following pages our commentary and findings on the arrangements at the Council in each area.

## Summary of findings

Based on the audit work performed, we identified ten significant weaknesses in the Council's arrangements for 2023/24 which covered all criteria of the Value for Money assessment. These significant weaknesses had already been reported by the predecessor auditor for 2021/22 and 2022/23. which had already raised recommendations.

We have carried forward recommendations relating to weaknesses not yet addressed by the Council.

# Summary of significant weaknesses for 2023/24

Item No. 4.10

Grant Thornton as the predecessor auditors of the Council issued their Auditors Annual Report covering the 2021/22 and 2022/23 financial years in February 2024. In total this report included three statutory and six key recommendation relating to significant weaknesses in the Council's arrangements for securing value for money.

In undertaking our 2023/24 VFM assessment we have assessed to what extent the significant weaknesses previously reported by Grant Thornton remained in place for the 2023/24 financial year. This assessment requires consideration of the arrangements in place for the full year – as such we may conclude that a significant weakness still existed for the 2023/24 financial year if action had been taken by the Council to address the weakness identified late in the financial year. Given that the predecessor auditors reported their detailed findings for the 2021/22 and 2022/23 financial years in February 2024, this gave the Council limited opportunity to fully address the weaknesses raised for the entire 2023/24 financial year.

We set out the basis of our assessment on the following pages but in summary we have concluded that significant weaknesses still existed for 2023/24 in relation to:

## Financial sustainability and governance

- Weaknesses in arrangements for financial planning and financial monitoring, and finance team capacity not being adequate.

## Financial sustainability and improving economy, efficiency and effectiveness

- Weaknesses in arrangements for Housing Revenue Account (HRA) management, business planning and financial sustainability

## Financial sustainability

- The Council not having a robust plan to address its financial gap in the medium-term, instead it was making planned use of reserves.

# Summary of significant weaknesses for 2023/24

Item No. 4.11

## Governance

- Weaknesses in risk management arrangements for strategic and operational arrangements
- Weaknesses in internal controls in respect of Information Technology (IT)
- Weaknesses in internal controls relating to fraud

## Economy, efficiency and effectiveness

- The Council failing to meet minimum service standards in its housing service
- The lack of a performance management framework to deliver its business plan.
- Weaknesses in arrangements for asset management that have caused the risk of harm to its tenants
- Weaknesses in procurement and contract management arrangements.

In total the above represents ten significant weaknesses which we reported in our 2023/24 audit opinion.

Since these weaknesses were first reported by the Council's predecessor auditors in February 2024 it has developed an implementation plan setting out a range of actions planned to the areas raised. However, given the scope and extent of the actions required it had not been able to fully implement all agreed actions at the time of our 2023/24 assessment which we completed in February 2025. We summarised the extent to which the Council had been able to address the issues raised, both by the end of the 2023/24 financial year and in the period since to the date of the issue of our 2023/24 audit report in February 2025 in the following sections.

We have raised key recommendations in relation to all areas of significant weakness, but where appropriate have sought to reflect actions already taken by the Council in relation to the weaknesses identified.

This relates to how the Council plans and manages its resources to ensure it can continue to deliver its services.

We considered the following areas:

- how the Council identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into the plans;
- how the Council plans to bridge its funding gaps and identifies achievable savings;
- how the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- how the Council ensures that its financial plan is consistent with workforce, capital, investment, and other operational plans, which may include working with other local public bodies as part of a wider system; and
- how the Council identifies and manages risks to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## Follow up of prior year weaknesses identified and recommendations made

Grant Thornton as the predecessor auditors of the Council issued their Auditors Annual Report covering the 2021/22 and 2022/23 financial years in February 2024. This report included two statutory and one key recommendation in relation to financial sustainability which recommended that the Council:

Improve its financial planning arrangements:

- Put in place a Medium Term Financial Strategy built on robust modelling and assumptions and an updated Capital Strategy that complies with the revised Prudential Code

Improve financial management of the Housing Revenue Account:

- Deliver a full stock condition survey to inform a revised 30-year business plan which includes sensitivity analysis and put in plan an investment strategy and update these annual aligned to the budget setting timescales
- Review HRA reserves to ensure it has a major repairs reserve in place for planned maintenance and compliance

# Financial sustainability (continued)

Item No. 4.13

## Follow up of prior year weaknesses identified and recommendations made (continued)

Develop a corporate saving and transformation programme:

- Use the corporate business plan to identify its budget priorities and review service budgets.
- Develop an understanding of the cost of delivering its core statutory services and discretionary spend where it meets clear Council priorities and identify reductions to nonessential spending.
- Identify ways to deliver for less by using unit cost benchmarking to review the cost effectiveness of existing activities.
- Identify any discretionary activity that could be reduced or curtailed where it does not contribute to corporate business plan priorities.
- Consult on service changes and future spending plans with the public and include public engagement annually as part of business planning.
- Ensure the requisite skills are in place to manage the programme, lead change and explore new ways of working.
- Develop early ideas for savings with budget holders and present these members to enable early engagement with key stakeholders and to enable members to see options and the impact of savings on residents across the Council.

Given the extent of significant weaknesses identified in relation to the 2022/23 audit which were reported to the Council in February 2023, the focus of our 2023/24 Value for Money work has been to assess to what extent the Council had been able to take action to address the significant weaknesses for the 2023/24 financial year.

In response to the prior year recommendations the Council developed an improvement plan to address the issues identified which was approved by the Audit & Governance Committee and Council in February 2024. The improvement plan was further reviewed and updated in a report to the Audit & Governance Committee in November 2024.

# Financial sustainability (continued)

Item No. 4.14

## Follow up of prior year weaknesses identified and recommendations made (continued)

Our review of the improvement plan indicated that the Council had taken some action before the end of the 2023/24 financial year, including:

- Approval of a Medium Term Financial Strategy for 2024/25 to 2026/27 by Council in February 2024;
- Use the corporate business plan to identify its budget priorities and review service budgets – which was undertaken as part of the budget setting process in February 2024,
- Included provision in the capital programme for 2024/25 to fund the housing stock condition survey.
- Undertaking a review of the Housing Register.

The improvement plan includes agreed actions in response to all other elements of the recommendation raised, but the implementation dates for these actions date from Q1 of 2024/25. As such we consider that the management were not in a position to fully address the significant weaknesses reported for the financial year covered by our assessment and so have concluded that the significant weaknesses identified remained in place for 2023/24.

This relates to the arrangements in place for overseeing the Council's performance, identifying risks to achievement of its objectives and taking key decisions.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- how the Council monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

## Follow up of prior year weaknesses identified and recommendations made

Grant Thornton as the predecessor auditors of the Council issued their Auditors Annual Report covering the 2021/22 and 2022/23 financial years in February 2024. This report included one statutory and three key recommendation in relation to governance which recommended that the Council:

Improve its financial monitoring arrangements:

- Ensure it has adequate capacity in its finance team and ensure that budget holders receive formal financial monitoring reports during the year, and
- Produce draft financial statements in line with statutory requirements and working with external auditors to deliver audits effectively

Improve internal controls relating to Information Technology:

- Ensure its systems are fully supported by IT, Cyber and Network Security and making sure all policies are up to date and shared with staff who are appropriately trained and ensuring regular performance monitoring to address any evolving security weaknesses identified.
- Ensure the Council has appropriate arrangements in place to meet information governance requirements including third party data transfers, privacy impact assessments and governance frameworks and ensuring staff know how to use these and access appropriate support and training.
- Work with procurement and commissioning to embed ICT controls and information governance in procurement and commissioning decisions.

## Follow up of prior year weaknesses identified and recommendations made (continued)

Improve risk management arrangements;

- Updating the Risk Management Strategy and Policy Framework including adding an escalation process between the strategic and service risk registers, including risk data transfer and ownership, risk types and agreed risk appetites for each type. The Strategy needs to set the risk levels - leadership / strategic, programme / project level and service level, an escalation process between the corporate and service risk registers, and risk types and agreed risk tolerances for each. It also needs to update risk responsibility which changed in 2017 and separate responsibility for risk management from internal audit.
- Formatting the SRR to separate risks from their causes and impact and include whether risks are dynamic or static, identify for each risk type and appetite. It also needs to set out likelihood, impact, score, mitigation to date, likelihood and impact scores after mitigation, direction of travel, planned completion date, linked risks and provide members and the leadership team with a direction of travel at least quarterly
- Ensuring services and projects and programmes have their own effective risk management arrangements that mirror changes to the SRR. integrating corporate risks, their references and their scores into all report writing for committee papers giving members risk assurance and helping them to understand the impact of their decision making on risk and include risk considerations in committee paper sign-off.
- Integrate risk, performance and financial reporting and report these quarterly to the Cabinet.
- Ensuring risks identified in the annual budget report are sufficiently detailed and consistent with the SRR revised format.
- Significantly improving risk management arrangements for capital projects.
- Adding risks on climate change mitigation and net zero to the SRR and reviewing other risks considering the recommendations identified in this AAR
- Adopting the CIPFA 2014 code of practice on managing the risk of fraud and corruption and integrate fraud and anti-corruption risks as part of risk management improvement.
- Ensuring key risks are updated to include financial planning and monitoring and the lack of HRA compliance with safety measures.
- Developing a housing risk register aligned to the SRR and using this to drive improvement and inform the development of the revised 30-year business plan.
- Ensuring FRA risks have a clear escalation process to the SRIR to ensure that strategic risks such as non-compliance with statutory responsibilities are mitigated and controlled. It is important that the housing risks are managed with assurances in place and reported to elected members.

## Follow up of prior year weaknesses identified and recommendations made (continued)

Improve internal controls relating to fraud by:

- Ensuring there is central coordination for the National Fraud Initiative (NFI) matches.
- Putting in place a dedicated counter fraud officer.
- Updating the anti-Fraud and Bribery Framework and the Confidential Reporting Framework.
- Ensuring work to detect fraud is extended to cover the finance system and procurement arrangements in the Council.

Given the extent of significant weaknesses identified in relation to the 2022/23 audit which were reported to the Council in February 2023, the focus of our 2023/24 Value for Money work has been to assess to what extent the Council had been able to take action to address the significant weaknesses for the 2023/24 financial year.

In response to the prior year recommendations the Council developed an improvement plan to address the issues identified which was approved by the Audit & Governance Committee and Council in February 2024. The improvement plan was further reviewed and updated in a report to the Audit & Governance Committee in November 2024.

Our review of the improvement plan indicated that the Council had taken some action before the end of the 2023/24 financial year, including:

- Review of the Risk Management Strategy and Policy Framework, and the format of the Strategic Risk Register
- Ensuring risks identified in the annual budget report are sufficiently detailed and consistent with the strategic risk register revised format – which was addressed as part of the process of review of the MTFS approved in February 2024
- Completion of staff cyber security training
- Approval of the IT change management strategy and Information Governance Framework

## Follow up of prior year weaknesses identified and recommendations made (continued)

The improvement plan includes agreed actions in response to all other elements of the recommendation raised, but the implementation dates for these actions date from Q1 of 2024/25. As such we consider that the management were not in a position to fully address the significant weaknesses reported for the financial year covered by our assessment and so have concluded that the significant weaknesses identified remained in place for 2023/24.

Since April 2024 the Council has made further progress in addressing areas of the improvement plan, including:

- A restructure of the finance team has been agreed
- Financial statements for the periods to 2023/24 have now been published
- Updating IT security and cyber security policies
- Review and update of the risk management policy and framework

We have assessed which specific elements of the previous recommendations raised remain relevant going forward and have provided details in the section on Key Recommendations.

# Improving economy, efficiency and effectiveness

Item No. 4.19

This relates to how the Council seeks to improve its systems so that it can deliver more for the resources that are available to it.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- how financial and performance information has been used to assess performance and identify areas for improvement;
- how the Council evaluates service quality to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve; and
- where the Council commissions or procures services, how it ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how it assesses whether it is realising the expected benefits.

## Follow up of prior year weaknesses identified and recommendations made

Grant Thornton as the predecessor auditors of the Council issued their Auditors Annual Report covering the 2021/22 and 2022/23 financial years in February 2024. This report included two statutory and three key recommendation in relation to improving economy, efficiency and effectiveness which recommended that the Council:

The Council should:

- Develop a place-based housing strategy for Cannock Chase District working with its housing and other key partners
- Update the Housing Allocations Policy and the Housing Register and ensure these are reviewed regularly
- Develop an HRA asset management strategy and effective housing asset management record keeping for reach property which are updated regularly, including regular review of its HRA asset register aligned to stock condition data, compliance data and finance and implementing regular planned maintenance

The Council needs to urgently address its significant weaknesses in compliance with statutory HRA obligations by:

- Addressing the breaches to its statutory responsibilities concerning tenant health and safety and considering if it needs to be short-term measures in place while it is doing so to minimise risks to tenants and ensuring non-compliance is report to the Regulator for Social Housing.
- Developing a risk-based improvement plan to address its health and safety breaches work with the Regulator for Social Housing
- Ensuring it has an asset register for its homes and that each one has a unique record for building safety compliance checks which is regularly review and updated and monitored against robust performance targets for building safety which are reported to members.
- Undertaking a review of its compliance against the updated housing consumer standards, July 2023, ahead of them being mandated on 1<sup>st</sup> April 2024.

# Improving economy, efficiency and effectiveness Item No. 4.20

## Follow up of prior year weaknesses identified and recommendations made

The Council needs to improve its performance management arrangements by:

- Establishing a golden thread for the Council, by creating a performance management framework at corporate and service levels linking outcomes to expected annual measures to track success and report these to the public;
- Developing annual delivery plans aligned with the Corporate Plan and reduce the number of service specific strategies to ensure the golden thread is in place;
- Agreeing performance outcomes, that can be measured, at least annually as part of the new performance management framework;
- Improving performance reporting to include targets, RAG rating, and actual measures and benchmarking. Reports should use previous year and 'nearest neighbours' data where possible, integrating performance, risk and finance reporting to drive improvement;
- Ensuring the Cabinet receives quarterly performance, finance and risk reports to enable it to hold officers to account;
- Using performance and financial data and benchmarking to look at delivery levels of statutory services to ensure the Council is achieving value for money;
- Extending the new performance management framework and reporting to key contracts such as waste and leisure;
- Developing a strategic approach to assessing the levels of statutory services needed to save money;
- Agreeing corporate programme and project management methodology and ensuring its understood and applied across the Council and when commissioning these services.
- Internally validating contract performance management, including outcomes, together with cost and risk and reporting these regularly to Cabinet; and
- Engaging key stakeholders, where appropriate, to determine local priorities for resources or opportunities for savings.
- Developing a data quality policy and ensuring the quality of the Council's core datasets.
- Developing a strategic approach to asset management including putting in place a comprehensive asset register and a detailed improvement plan for asset management.
- Ensuring the Council learns from complaints and external Ombudsman recommendations to improve its performance.

# Improving economy, efficiency and effectiveness <sup>Item No. 4.21</sup>

## Follow up of prior year weaknesses identified and recommendations made

The Council needs to improve its asset management arrangement by developing:

- A corporate asset management strategy and plan
- An HRA asset management strategy and plan asset registers and keeping them updated management information systems to support asset management processes.
- Systems to ensure compliance with building safety inspections.

The Council needs to improve its procurement and contract management arrangement by;

- Developing a procurement strategy.
- Ensuring the contracts register is developed, monitored, kept updated used by all services.
- Updating its procurement regulations.
- Ensuring it fully meets the Local Government (Transparency Requirements) (England) Regulations 2015 legislation.
- Having a suitably trained client lead for procurement and contract management.
- Developing a procurement pipeline to improve planning.
- Maintaining a central waivers record.
- Providing training for officers and members on procurement and contract management to enable them to fully understand their responsibilities for social value and VFM
- Ensuring the Council's shared arrangements for fraud also include procurement and contract management.
- Complying with the Local Government Transparency Code by ensuring P card expenditure is kept updated.

# Improving economy, efficiency and effectiveness <sup>Item No. 4.22</sup>

## Follow up of prior year weaknesses identified and recommendations made

In response to the prior year recommendations the Council developed an improvement plan to address the issues identified which was approved by the Audit & Governance Committee and Council in February 2024. The improvement plan was further reviewed and updated in a report to the Audit & Governance Committee in November 2024.

Our review of the improvement plan indicated that the Council had taken some action before the end of the 2023/24 financial year, including:

- Appointment of HRA Recovery Lead to support the delivery of the HRA action plan in February 2024
- Review of the Housing Register
- Review of the risk management policy and framework
- Review of risks in the annual budget report, as part of the budget setting process for 2024/25

The improvement plan includes agreed actions in response to all other elements of the recommendation raised, but the implementation dates for these actions date from Q1 of 2024/25. As such we consider that the management were not in a position to fully address the significant weaknesses reported for the financial year covered by our assessment and so have concluded that the significant weaknesses identified remained in place for 2023/24.

Since April 2024 the Council has taken further action in relation to the HRA recommendations, including the commissioning of a review undertaken by Savills which included review of HRA compliance systems, and the development of a wider HRA Improvement Plan.

We have assessed which specific elements of the previous recommendations raised remain relevant going forward and have provided details in the section on Key Recommendations.

# Key recommendations

Item No. 4.23

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria                        | Recommendation                                                                                                                                                                   | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Sustainability</b> | We recommended that the Council should deliver a full stock condition survey, develop a placed based housing strategy and HRA asset management strategy, and review HRA reserves | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>This includes agreement of provision in the 2024/25 budget to undertaken the full stock condition survey required and the appointment of a contractor to undertake this work.</p> | <i>A stock condition survey has been commissioned. To date 3,050 surveys out of 4,500 properties visited have been completed. The remainder exhausted the no access procedure (3 contact attempts). A follow-up project to complete surveys on outstanding properties will be undertaken. The final data and report is awaited and will be used to inform the development of the HRA 30 Year Business Plan and the HRA Asset Management Strategy.</i> |

# Key recommendations

Item No. 4.24

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria                        | Recommendation                                                                                                                                                     | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial sustainability</b> | We recommended that the Council develop a corporate saving and transformation plan to help it reduce spending by looking at different ways of delivering services. | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>The 2024/25 budget setting process was used to identify its budget priorities and review service budgets. Further action is required to fully implement the corporate saving and transformation plan in place.</p> | <p><i>It was agreed that a transformative programme to review service delivery and processes would be implemented over the next two years as part of our planned approach to bringing services together.</i></p> <p><i>The Transformation Strategy to underpin this work was approved by Cabinet In December 2024 with funding of £200k having already been approved as part of the budget for 2024/25 to support the delivery of transformation work.</i></p> <p>This is now under review in light of Local Government Re-organisation.</p> |

# Key recommendations

Item No. 4.25

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria          | Recommendation                                                                                                                                                                                                                                                                                                                                                                              | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                   | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b> | <p>We recommended that the Council ensure it has adequate capacity in its finance team to be able to:</p> <ul style="list-style-type: none"><li>• Provide budget holders with formal financial monitoring reports during the year</li><li>• Produce draft financial statements in line with statutory requirements and work with external auditors to deliver audits effectively.</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>The Council has agreed a restructure of the finance team and has produced financial statements up to 2023/24.</p> | <p><i>The need to increase the capacity of the finance team is acknowledged. This was reflected in the 2024/25 budget setting with investment totalling £300k for the two Councils being included in the base budget to increase the capacity in the finance team.</i></p> <p><i>A review of the Finance Team structure has been undertaken. Attempts to recruit to the 2 new senior posts were unsuccessful but 3 new staff have been appointed to cover vacancies/new posts elsewhere in the team. Capacity continues to be an issue due ongoing difficulties in recruiting experienced staff, but agency staff have been brought in to cover specific pieces of work, including the preparation of the accounts.</i></p> |

# Key recommendations

Item No. 4.26

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria   | Recommendation | Observation and implication / impact | Management response                                                                                                                                                                                                                                                                                                                                                            |
|------------|----------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance |                |                                      | <p><i>Some progress was made in 2023-24 with formal monitoring restarting, engagement with budget holders and a zero-based budgeting exercise to identify and rectify budget areas of recurring over/underspending. But there is still work to be done.</i></p> <p><i>Progress has been made in producing the draft financial statements and these are now up-to-date.</i></p> |

# Key recommendations

Item No. 4.27

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria          | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b> | <p>We recommended that the Council address significant weaknesses in its internal controls relating to IT by ensuring</p> <ul style="list-style-type: none"><li>• Systems are fully supported by IT, Cyber and Network Security and all policies are up to date</li><li>• Regular performance monitoring addresses any evolving security weaknesses identified</li><li>• Appropriate arrangements to meet information governance requirements</li><li>• ICT controls and information governance are embedded in procurement and commissioning decisions</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>The Council has now addressed some elements of the recommendations:</p> <ul style="list-style-type: none"><li>• Completion of staff cyber security training</li><li>• Approval of the IT change management strategy and Information Governance Framework</li><li>• Update of IT security and cyber security policies</li></ul> | <p><i>At the time of the 2022/23 audit it was acknowledged that the focus had been on putting controls in place and ensuring the security of our systems. But since then the IT team has also been working to update its policies and procedures.</i></p> <p><i>Our key priorities of updating the Security Policy and ensuring that refresher training for staff have been completed. The last key action of developing an assurance reporting framework is being progressed.</i></p> |

# Key recommendations

Item No. 4.28

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria          | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b> | <p>We recommended that the Council improve risk management arrangements by:</p> <ul style="list-style-type: none"><li>• Updating the Risk Management Strategy and Policy Framework</li><li>• Updating the format of the Strategic Risk Register</li><li>• Ensuring services and projects and programmes have their own effective risk management arrangements that mirror changes to the Strategic Risk Register</li><li>• Integrating risk, performance and financial reporting and report these quarterly to the Cabinet.</li><li>• Significantly improving risk management arrangements for capital projects.</li><li>• Adopting the CIPFA 2014 code of practice on managing the risk of fraud and corruption and integrate fraud and anti-corruption risks as part of risk management improvement.</li><li>• Developing a housing risk register aligned to the Strategic Risk Register.</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>The Council has taken action to address elements of the recommendation, including:</p> <ul style="list-style-type: none"><li>• Update of the Risk Management Strategy and Policy Framework</li><li>• Update of the format of the Strategic Risk Register</li><li>• ensuring risks identified in the annual budget report are sufficiently detailed and consistent with the strategic risk register revised format.</li></ul> | <p><i>The risk management strategy has undergone a fundamental review and re-write. To support the roll out of the new strategy we've done training and workshops with Leadership Team and all Service Managers. We've also done training with the Cabinet and the Audit Committee. A full revision of the strategic risk register has taken place and we've revised the reporting arrangements for this. Work is in progress to establish directorate risk registers, an HRA risk register and an IT risk register. We are also working to improve the risk management of the major regeneration schemes.</i></p> |

# Key recommendations

Item No. 4.29

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria          | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Observation and implication / impact                                                                                                                                                                                                                                                                                 | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance</b> | <p>We recommended that the Council address its significant weaknesses in its internal controls relating to fraud by:</p> <ul style="list-style-type: none"><li>• Ensuring there is central coordination for the National Fraud Initiative (NFI) matches.</li><li>• Putting in place a dedicated counter fraud officer.</li><li>• Updating the anti-Fraud and Bribery Framework and the Confidential Reporting Framework.</li><li>• Ensuring work to detect fraud is extended to cover the finance system and procurement arrangements in the Council.</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> | <p><i>We have had a central co-ordinator for the NFI Data Matching in place since 2007.</i></p> <p><i>We do not consider it realistic to have a dedicated Counter Fraud Officer given the size of the Council, the nature of our spending and we don't have a high incidence of fraud.</i></p> <p><i>The Anti- Fraud and Bribery Framework and the Confidential Reporting Framework are scheduled for review and updating in 2025/26. As part of the review of the framework , we will ensure that this is extended to cover all aspects of the Council's financial processes and procurement.</i></p> |

# Key recommendations

Item No. 4.30

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria                                     | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economy, efficiency and effectiveness</b> | <p>We recommended that the Council:</p> <ul style="list-style-type: none"> <li>Develop a place-based housing strategy for Cannock Chase District working with its housing and other key partners</li> <li>Update the Housing Allocations Policy and the Housing Register and ensure these are reviewed regularly</li> <li>Develop an HRA asset management strategy and effective housing asset management record keeping for each property which are updated regularly.</li> </ul>                                                                                                      | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan. It has appointed a HRA Recovery Lead to support delivery of the HRA action plan and implement recovery actions.</p>                                                                    | <p><i>The Housing Allocations Policy has been updated and was approved by Cabinet on 28 March 2024.</i></p> <p><i>Work on the place based housing strategy is to be commissioned in 2025/26</i></p>                                                                                                                                                                                                                                                                                                                                                |
| <b>Economy, efficiency and effectiveness</b> | <p>The Council needs to urgently address its significant weaknesses in compliance with statutory HRA obligations by:</p> <ul style="list-style-type: none"> <li>Developing a risk-based improvement plan to address its health and safety breaches work with the Regulator for Social Housing</li> <li>Ensuring it has an asset register for its homes and that each one has a unique record for building safety compliance checks which is regularly review and updated and monitored against robust performance targets for building safety which are reported to members.</li> </ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>This includes a review undertaken by Savills which included review of HRA compliance systems which has been completed, and the development of a wider HRA Improvement Plan.</p> | <p><i>A full review is being 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 are being explored. It is anticipated that this work will be completed in 2025/26</i></p> |

# Key recommendations

Item No. 4.31

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria                                     | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economy, efficiency and effectiveness</b> | <p>The Council needs to improve its performance management arrangements by:</p> <ul style="list-style-type: none"><li>Establishing a golden thread for the Council, by creating a performance management framework at corporate and service levels linking outcomes to expected annual measures</li><li>Developing annual delivery plans aligned with the Corporate Plan</li><li>agreeing performance outcomes, that can be measured, at least annually as part of the new performance management framework;</li><li>Improving performance reporting and project management</li><li>developing a strategic approach to assessing the levels of statutory services needed to save money:</li><li>Agreeing corporate programme and project management methodology and ensuring its understood and applied across the Council and when commissioning these services.</li><li>Developing a data quality policy and ensuring the quality of the Council's core datasets.</li><li>Developing a strategic approach to asset management including putting in place a comprehensive asset register and a detailed improvement plan for asset management.</li><li>Ensuring the Council learns from complaints and external Ombudsman recommendations to improve its performance</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>Review of actions taken to date in this area indicate that the Council plans to implement the majority of actions in 2024/25 and beyond.</p> | <p><i>The Council has performance management arrangements in place to deliver the Corporate Business Plan. This includes annual delivery plans which set out key actions to be delivered against each of the 4 key priorities in the Corporate Business Plan. The Delivery Plans are monitored and performance is reported to the Cabinet and relevant Scrutiny Committees. It is intended to review the current arrangements in 2025/26 and formalise them into a documented Performance Management Framework which will include guidance on ensuring data quality.</i></p> |

# Key recommendations

Item No. 4.32

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria                                     | Recommendation                                                                                                                                                                                                                                                                                                                                                                              | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Management response                                                                                                                                                  |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economy, efficiency and effectiveness</b> | <p>We recommended that the Council develop</p> <ul style="list-style-type: none"><li>• A corporate asset management strategy and plan</li><li>• An HRA asset management strategy and plan asset registers and keeping them updated management information systems to support asset management processes.</li><li>• Systems to ensure compliance with building safety inspections.</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>This includes a review undertaken by Savills which included review of HRA compliance systems which has been completed, and the development of a wider HRA Improvement Plan.</p> | <p>To date work has focussed on ensuring compliance and the safety of our housing stock.</p> <p>The HRA Asset Management Strategy is to be developed in 2025/26.</p> |

# Key recommendations

Item No. 4.33

These recommendations relate to significant weaknesses we have identified during the course of our work.

| Criteria                                     | Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Observation and implication / impact                                                                                                                                                                                                                                                                                                                                                                                                                                        | Management response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economy, efficiency and effectiveness</b> | <p>The Council needs to improve its procurement and contract management arrangement by;</p> <ul style="list-style-type: none"><li>• Developing a procurement strategy.</li><li>• Ensuring the contracts register is developed, monitored, kept updated used by all services.</li><li>• Updating its procurement regulations.</li><li>• Ensuring it fully meets the Local Government (Transparency Requirements) (England) Regulations 2015 legislation.</li><li>• Having a suitably trained client lead for procurement and contract management.</li><li>• Developing a procurement pipeline to improve planning.</li><li>• Maintaining a central waivers record.</li><li>• Providing training for officers and members on procurement and contract management to enable them to fully understand their responsibilities for social value and VFM</li><li>• Ensuring the Council's shared arrangements for fraud also include procurement and contract management.</li><li>• Complying with the Local Government Transparency Code by ensuring P card expenditure is kept updated.</li></ul> | <p>Recommendation was raised in 2022/23 by the predecessor auditor and was not fully addressed by the Council in for the full 2023/24 financial year.</p> <p>The Council has developed a detailed action plan to implement the recommendations raised and is continuing to monitor delivery of this action plan.</p> <p>The Council has been working to develop and update its procurement strategy ahead of the implementation of new Procurement regulations in 2025.</p> | <p>Our procurement regulations provide the framework for our approach to procuring goods and services and include reference to our strategy for procurement. The procurement regulations have been updated to ensure compliance with the Procurement Act 2023. Training has been provided to managers on the updated Regulations.</p> <p>Specialist advice on procurement is provided by the County Council's Procurement Team. The Head of Transformation &amp; Assurance acts as the client liaison and has sufficient experience to carry out this role.</p> <p>Work is planned to develop a contracts register in 2025/26.</p> <p>We have a record of procurement waivers (maintained by the Head of Law &amp; Governance) and this has been in place for a number of years</p> |

# Appendices

Item No. 4.34

Appendix I: Financial statements audit risks and findings

Appendix II: Internal control recommendations arising from the audit

# Appendix I: Financial statements significant risks Item No. 4.35

## Significant risks at the financial statement level

The table below summarises our work in relation to significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

| Significant risk                                              | Fraud risk? | Planned approach to controls   | Level of judgement / estimation uncertainty | Work completed                                                                                                                                                                                               |
|---------------------------------------------------------------|-------------|--------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prior year opinion on the financial statements                | No          | N/A                            | High                                        | The work we completed is set out on the next page.                                                                                                                                                           |
| Management override of controls                               | Yes         | Assess design & implementation | High                                        | Due to the missing assurance for prior periods and the time constraints imposed by the statutory backstop we have been unable to complete all our planned procedures on the significant risks we identified. |
| Presumption of fraud in revenue recognition                   | Rebutted    | Assess design & implementation | Low                                         |                                                                                                                                                                                                              |
| Expenditure recognition                                       | Rebutted    | Assess design & implementation | Low                                         |                                                                                                                                                                                                              |
| Valuation of land and buildings (including council dwellings) | Yes         | Assess design & implementation | High                                        | As a result of the material and pervasive nature of missing assurance, and the imminent statutory backstop date of 28 February 2025 for the 2023/24 audit, we intend to issue a disclaimer of opinion.       |
| Valuation of pension assets and liabilities (IAS19)           | Yes         | Assess design & implementation | High                                        |                                                                                                                                                                                                              |

# Significant risks, response and outcome

Item No. 4.36

| Identified risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Audit procedures completed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Outcome                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Prior year opinion on the financial statements</b></p> <p>In our audit plan we highlighted that we had not yet obtained a copy of the audit opinion from your predecessor auditor for the 2022/23, 2021/22 and 2020/21 financial years. We therefore reported that:</p> <ul style="list-style-type: none"> <li>There was a risk that issues not yet identified in these audit years could impact the current audit year;</li> <li>There was a further risk that an audit backstop may prevent the prior year audits from being completed, resulting in prior year audit opinions being qualified by a 'limitation of scope' or disclaimed in full.</li> </ul> <p>As a result, we reported the significant risk that:</p> <ul style="list-style-type: none"> <li>there may be limited assurance available over the Council's opening balances, including those balances which involve higher levels of management judgement and more complex estimation techniques (e.g. defined benefit pensions valuations and property, plant and equipment valuations, amongst others).</li> <li>significant transactions, accounting treatment and management judgements may not have been subject to audit for one or more years – or at all. This may include management judgements and accounting treatment in respect of significant or complex schemes or transactions which came into effect during the qualified or disclaimed periods.</li> </ul> | <p>In response to this risk, we have:</p> <ul style="list-style-type: none"> <li>considered the findings and outcomes of your prior year audits and their impact on our 2023/24 audit;</li> <li>considered the impact on our 2023/24 audit of the prior year disclaimed audit opinions you have now received from your predecessor auditor, with particular regard to opening balances and 'unaudited' transactions and management judgements made in previous disclaimed years which continue into 2023/24; and</li> <li>considered the impact of any changes in the CIPFA Code requirements for financial reporting in previous and current audit years.</li> </ul> | <p>The audit opinions in the Council's accounts for 2022/23, 2021/22 and 2020/21 were all disclaimed. This means we have no assurance over the comparators in the 2023/24 financial statements and no assurance over transactions occurring in those years which impact the figures reported in the financial statements for 2023/24.</p> <p>Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) imposes a backstop date of 28 February 2025. By this date we are required to issue our opinion on the financial statements.</p> <p>We have considered whether the time constraints imposed by the backstop date allow us to complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).</p> <p>Taking the above into account, for the year ended 31 March 2024 we have determined that we cannot meet the objectives of the ISAs (UK) and we anticipate issuing a disclaimer of opinion.</p> |

# Significant risks of material misstatement

| Identified risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Planned audit procedures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Impact of the Local Government accounts backlog and statutory backstop arrangements</b></p> <p>Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024", imposes a statutory backstop date of 28 February 2025 for the publication by the Council of its final Statement of Accounts for 2023/24. The Code of Audit Practice specifies that auditors are required to issue their auditor's report before this date, even if planned audit procedures are not fully complete, so that local government bodies can comply with the statutory reporting deadline.</p> <p>For 2023/24, the work required to complete the audit has increased greatly because the statutory backstop date of 13 December 2024 for outstanding periods to 31 March 2023 – all preceding audit periods – resulted in the issue of disclaimed audit opinions by the Council's predecessor auditor for the financial years ended 31 March 2022 and 31 March 2023 on 29 November 2024. This means we have no assurance on the Council's opening balances as at 1 April 2024.</p> <p>Under Local Audit Reset and Recovery Implementation Guidance (LARRIG) guidance issued by the NAO in September 2024, the approach we have taken to the 2023/24 audit for the Council has been to:</p> <ul style="list-style-type: none"> <li>Commence the engagement with the intention of meeting all the relevant objectives of the audit, in accordance with ISA (UK) 200. This has meant we have undertaken planning and risk assessment procedures to the extent possible.</li> <li>Assess whether it is possible to complete all necessary audit procedures to allow for the issue of an unmodified audit opinion on the 2023/24 financial statements given the combination of the lack of assurance on opening balances as at 1 April 2024 and the time constraints created by the imposition of the statutory backstop date of 28 February 2025. In particular, in order to issue an unmodified audit opinion on the 2023/24 financial statements we would need to rebuild the missing assurance over the preceeding two years on which disclaimed audit opinions have been issued.</li> </ul> | <p>Our assessment is that the time constraints imposed by the backstop dates mean we are unable to complete all necessary procedures, including rebuilding the missing assurance over the preceding two years on which disclaimed audit opinions have been issued, to obtain sufficient, appropriate audit evidence in line with the requirements of ISAs (UK) to support an unmodified audit opinion for 2023/24.</p> <p>We have therefore determined that we cannot meet the objectives of the ISAs (UK) and we will be issuing a disclaimer of opinion in our auditor's report for 2023/24.</p> |



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# Cannock Chase District Council

Auditor's Annual Report  
Year ended 31 March 2025

November 2025

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# Headlines from our audit



# Headlines from our audit

## Purpose of this report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our audit of the Council for 2024/25. This report has been prepared in line with the requirements set out in the Code of Audit Practice and supporting guidance published by the National Audit Office and is required to be published by the Authority alongside the annual report and accounts.

## Our responsibilities

| Financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Narrative report and Annual Governance Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Value for money                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Authority and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting ('the Code').</p> <p><b>Due to the challenges of undertaking an audit where the previous 3 years have been disclaimed because of the local authority backstop, it will not be possible to regain full assurance, and it is not possible for us to undertake sufficient work to support an unmodified audit opinion ahead of the backstop date of 27 February 2026. The limitations imposed from this lack of assurance on opening balances and closing balances in key areas means we are unable to form an opinion on the 2024/25 financial statements. We therefore intend to disclaim our audit report.</b></p> | <p>We assess whether the Narrative report and Annual Governance Statement is consistent with our knowledge of the Authority.</p> <p><b>We are unable to conclude the other information included in the statement of accounts is consistent with our knowledge of the Council and the financial statements we have audited. This is because it has not been possible to undertake sufficient audit work to reach a conclusion at the time of writing this report. Further updates will be provided by February 2026.</b></p> | <p>We are required under Section 20(1)c of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness (value for money) in its use of resources and provide a summary of our findings in the commentary in this report.</p> <p>We are required to report if we have identified any significant weaknesses as a result of this work.</p> <p><b>At the time of writing this report, we have not concluded our assessment of whether any significant weaknesses exist in the arrangements for securing economy, efficiency and effectiveness in the use of resources at the Council for 2024/25. Further detail is provided in this report.</b></p> |



# Headlines from our audit

## Statutory powers

We may exercise other powers we have under the Local Audit and Accountability Act 2014. These powers include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

| Public interest report                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Statutory recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Advisory notice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Judicial review                                                                                                                                                                                                                                                                                                                                                                                                                                | Application to the court                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.</p> <p>If we issue a Public Interest Report, the Authority is required to consider it and to bring it to the attention of the public.</p> <p><b>At the time of writing this report, we have not issued a Public Interest Report this year.</b></p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p> | <p>We may make written recommendations to the Council under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Authority must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.</p> <p><b>At the time of writing this report, we have not made any statutory recommendations this year.</b></p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p> | <p>We may issue an advisory notice if we believe that the Council, or an officer of the Council, has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency. If we issue an advisory notice, the Authority is required to stop the course of action for 21 days, consider the notice and then notify us of the action it intends to take and why.</p> <p><b>At the time of writing this report, we have not issued an advisory notice this year.</b></p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p> | <p>We may make an application for judicial review of a decision of the Council, or of a failure to act by the Council, which it is reasonable to believe would have an effect on the accounts of that body.</p> <p><b>At the time of writing this report, we did not make an application for judicial review this year.</b></p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p> | <p>We may apply to the courts for a declaration that an item of expenditure the Authority has incurred is unlawful.</p> <p><b>At the time of writing this report, we have not applied to the courts this year.</b></p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p> |



# Headlines from our audit

## Findings and recommendations

### Findings from our financial statements audit

Detailed findings from our audit of the financial statements, including our consideration of significant risks, are communicated in the following reports:

- audit opinion on the financial statements for the year ended 31 March 2025
- audit completion (ISA 260) report to Those Charged with Governance

Our audit completion report will be reported to the Council's Audit Committee in February 2026.

Requests for our audit completion (ISA260) report should be directed to the Council.

### Recommendations arising from our financial statements audit

Recommendations relating to internal controls and other matters arising from our financial statements work are contained in the audit completion (ISA 260) report.

**At the time of writing this report, our work remains outstanding and on-going in respect of the Local Authority's financial statements audit.**

### Key recommendations arising from our value for money work

We provide a summary of our findings in respect of value for money in the commentary in this report.

Where we identify significant weaknesses as part of our review of the Council's arrangements to secure value for money, we make key, or essential, recommendations setting out the actions that should be taken by the Council.

**At the time of writing this report, our work remains outstanding and on-going in respect of the Local Authority's value for money arrangements.**

### Other recommendations arising from our value for money work

We make other recommendations if we identify areas for improvement which do not relate to identified significant weaknesses.

**At the time of writing this report, our work remains outstanding and on-going in respect of the Local Authority's value for money arrangements.**

# Value for money



# Value for money

We are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources, as set out in the NAO Code of Practice 2024 and the requirements of Auditor Guidance Note 3 (‘AGN 03’).

We have carried out an initial risk assessment to identify any risks of significant weakness in respect of the three specific areas of proper arrangements using the guidance contained in AGN 03. A significant weakness is a risk requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the body to deliver value for money.

We will re-evaluate this risk assessment during the course of the audit and, where appropriate, update our work to reflect emerging risks or findings that may suggest a significant weakness in arrangements. When considering the Council’s arrangements, we will have regard to the three reporting criteria set out in AGN03, as well as performing additional work in the areas identified below which are the potential areas of significant weaknesses, we have identified at the planning stage.

| Reporting criteria                                                                                                                                                              | Planning –risk of significant weakness identified? | Final – significant weakness identified?                    | Recommendations made |     |       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------|----------------------|-----|-------|
|                                                                                                                                                                                 |                                                    |                                                             | Statutory            | Key | Other |
| <b>Financial sustainability</b><br>How the body plans and manages its resources to ensure it can continue to deliver its services                                               | Yes                                                | Assessment not complete at the time of issue of this report |                      |     |       |
| <b>Governance</b><br>How the body ensures it makes informed decisions and properly manages risk                                                                                 | Yes                                                |                                                             |                      |     |       |
| <b>Improving economy, efficiency and effectiveness</b><br>How the body uses information about its costs and performance to improve the way it manages and delivers its services | Yes                                                |                                                             |                      |     |       |



# Value for money: Risks of significant weakness identified for 2024/25

| Criteria                                        | Risk of significant weakness identified at planning                                                                                                                                                                                                                                                                                          | Our risk based procedures and evaluation approach includes (but is not limited to)                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Sustainability                        | <p>Refer to the following page in respect of risks of significant weaknesses identified for 2024/25.</p> <p>These risks of significant weakness for 2024/25 were identified following the reporting of significant weaknesses in arrangements in our 2023/24 audit, and which were also reported by the predecessor auditor for 2022/23.</p> | <p>We will review actions taken by the Council in response to the previously raised significant weakness and assess whether this remains an area of significant weakness in 2024/25.</p> <p><b>November 2025 update</b></p> <p>At the time of writing this report we have not yet concluded on whether the significant weaknesses reported for 2023/24 remain in place for 2024/25.</p> <p>Further updates will be provided in an additional Auditor's Annual Report (AAR), that will be presented to Committee in February 2026.</p> |
| Governance                                      |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Improving economy, efficiency and effectiveness |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# Value for money: Risks of significant weakness identified for 2024/25

## Risk of significant weakness identified at planning – assessment for 2024/25 not yet concluded

We identified one risk of significant weakness in the Council's arrangements for **financial sustainability** and **governance** for 2023/24. This was in relation to arrangements for financial planning and financial monitoring and finance team capacity not being adequate.

We identified one significant weakness in the Council's arrangement for **financial sustainability** and **improving economy, efficiency and effectiveness** for 2023/24. This was in relation to improvement required in respect of its Housing Revenue Account (HRA) management, business planning and financial sustainability.

We identified one significant weakness in the Council's arrangements for **financial sustainability** for 2023/24. This was in relation to the Council not having a robust plan to address its financial gap in the medium-term, instead it was making planned use of reserves.

We identified three significant weaknesses in the Council's arrangements in respect of **governance** for 2023/24. These were in relation to the Council's:

- risk management for strategic and operational arrangements.
- internal controls in respect of Information Technology (IT), which could expose the Council to significant financial or service loss including fraud and cyber-attacks and the Council has failed to follow-up on external audit recommendations in these areas.
- internal controls relating to fraud, which could expose the Council to significant financial loss, and the Council has failed to follow-up on external audit recommendations in this area.

For all of the above areas of significant weakness which were identified and reported in 2023/24 and 2022/23, we will assess whether the significant weakness remains in place for 2024/25.



# Value for money: Risks of significant weakness identified for 2024/25

## Potential risk of significant weakness – assessment for 2024/25 not yet concluded

We identified four significant weaknesses in the Authority's arrangements in respect of **improving economy, efficiency and effectiveness** for 2023/24.

These were in relation to the Council's:

- failing to meet minimum service standards in its housing service and there being a historic failure to achieve improvements in building safety. The Council was also failing to meet statutory equalities duties.
- lack of a performance management framework to deliver its business plan.
- arrangements for asset management that have caused the risk of harm to its tenants.
- procurement and contract management arrangements.

For all of the above areas of significant weakness which were identified and reported in 2023/24 and 2022/23, we will assess whether the significant weakness remains in place for 2024/25.





## Internal Audit Update - October 2025

**Committee:** Audit & Governance

**Date of Meeting:** 26 November 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 31<sup>st</sup> October 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 and 31<sup>st</sup> October 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> April and 31<sup>st</sup> October 2025; full details are given in **APPENDIX 1**. It is noted that this is a shorter time period than would normally be reported on due to the timings of the Audit Committee. This is the reason why a low number of audits is stated in the report.
- 5.2 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 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.

- 5.4 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                                                                                                                                                                                                                                                             |
|------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0                | Substantial<br>✓  | All High (Red), Medium (Amber) and Moderate (Yellow) risks have appropriate controls in place and these controls are operating effectively.                                                                                                                            |
| 1                | Partial<br>▲      | One or more Moderate (Yellow) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks.<br><br>Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan. |
| 0                | Limited<br>!      | One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks.<br><br>Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.    |
| 0                | No Assurance<br>✗ | One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks.<br><br>Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan.     |
| 2                | N/A               | Audit Work and Consultancy Reports which have not been given an Assurance                                                                                                                                                                                              |

- 5.5 **APPENDIX 3** lists the audits that were in progress but had not been completed to draft report stage by the end of the quarter.
- 5.6 **APPENDIX 4** shows information relating to follow-ups.
- 5.7 It is pleasing to note that the majority of follow-ups had shown that progress had been made in the implementation of the recommendations.
- Tree Management had been revised from Limited to Partial Assurance
  - Climate Change has been revised from Partial to Substantial Assurance

## 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 31<sup>st</sup> October 2025

Appendix 2: Audits Completed 1<sup>st</sup> September to 31<sup>st</sup> October 2025

Appendix 3: Audits in Progress

Appendix 4: Follow-ups Completed 1<sup>st</sup> September to 31<sup>st</sup> October 2025

Appendix 5: Provisional Audit Plan work for 2025-26 not yet started

**8 Previous Consideration**

None

**9 Background Papers**

None.

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Audit & Governance Committee: 26/11/25

**Progress Monitoring - 1<sup>st</sup> April to 31st October 2025**

| <b>Audits Completed to Year to Date</b> | <b>Audits In Progress</b> |
|-----------------------------------------|---------------------------|
| 10                                      | 12                        |

The completed and in progress figures include audits from the 2024-25 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                   | 0              | 5              | 2                  | 3          |

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 10 audits above are the 3 reports issued since the last progress update (August 2025) 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                   | 0              | 1              | 0                  | 2          |

## Audits Completed 1st September to 31st October 2025

| Audit                                            | Head of Service                 | Status | Number of High Recommendations | Number of Medium Recommendations | Assurance    | Comments and Key Issues                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------|---------------------------------|--------|--------------------------------|----------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cannock Levelling-up Scheme                      | Economic Development & Planning | Final  | 0                              | 1                                | Partial<br>▲ | <p>Work is progressing on the project but reporting arrangements could be improved.</p> <p>Whilst a lot of work has been carried out to improve the project management arrangements due to the complexity of the project further enhancements to the control environment are required.</p>                          |
| Housing Property Services - Disabled Adaptations | Housing & Corporate Assets      | Final  | 0                              | 14                               | N/A          | <p>This was a consultancy piece of work not in the original audit plan to work with management on reviewing the system after some issues had been identified. As the focus of the review was only around the Occupational Therapy input to the arrangements it was not deemed appropriate to issue an assurance</p> |
| Standby and Overtime Claims                      | Transformation & Assurance      | Final  | 0                              | 4                                | N/A          | <p>This was a high-level review of returns across both Councils in terms of the amounts claimed and the types of tasks the claims were related to. Inconsistencies were identified which should be reviewed. Due to the nature of the work it was not deemed appropriate to issue an assurance.</p>                 |

**Audits in Progress October 2025**

| <b>Audit</b>                                                       | <b>Head of Service</b>             |
|--------------------------------------------------------------------|------------------------------------|
| Creditors & Purchasing Cards                                       | Deputy Chief Executive (Resources) |
| Land Charges Transfer and New System                               | Economic Development & Planning    |
| UKSPF Grants & Projects                                            | Economic Development & Planning    |
| Corporate VFM Actions -<br>Asset Management & Compliance           | Housing & Corporate Assets         |
| Housing Improvement Plan Actions -<br>Building Safety & Compliance | Housing & Corporate Assets         |
| Aelfgar Project                                                    | Housing & Corporate Assets         |
| Sale of Council Houses                                             | Housing & Corporate Assets         |
| Vehicle Workshop                                                   | Operations                         |
| Fleet Management Compliance                                        | Operations                         |
| Food Waste Project                                                 | Operations                         |
| Private Water Supply & Distribution                                | Regulatory Services                |
| Payroll                                                            | Transformation & Assurance         |

Follow-ups Completed 1st September to 31<sup>st</sup> October 2025

| Audit           | Head of Service     | Original Assurance | Recommendations Implemented | Recommendations In Progress | Recommendations Not Implemented | Total | Revised Assurance | Comments/Key Issues                                                                                                                                                                                                                                            |
|-----------------|---------------------|--------------------|-----------------------------|-----------------------------|---------------------------------|-------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tree Management | Operations          | Limited<br>!       | 3                           | 2                           | 0                               | 5     | Partial<br>▲      | <ul style="list-style-type: none"> <li>Work is still required to procure and implement new Tree Management software.</li> <li>Work is also required to ensure Procurement Regulations are complied with when contracting out tree work and surveys.</li> </ul> |
| Climate Change  | Regulatory Services | Partial<br>▲       | 5                           | 0                           | 0                               | 5     | Substantial<br>✓  |                                                                                                                                                                                                                                                                |

**Provisional Audit Plan work for 2025-26 not yet started**

| <b>Audit Area</b>                                                                                                       | <b>Head of Service</b>          |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Local Government Reorganisation / Transformation Plans                                                                  | Corporate                       |
| Major Project Governance                                                                                                | Corporate                       |
| Sub-Contractor Management                                                                                               | Corporate                       |
| Civica Finance                                                                                                          | DCE (Resources)                 |
| Council Tax                                                                                                             | DCE (Resources)                 |
| Grants Procedures                                                                                                       | DCE (Resources)                 |
| Housing Benefits                                                                                                        | DCE (Resources)                 |
| National Non-Domestic Rates                                                                                             | DCE (Resources)                 |
| Delivery of Planning Review Outcomes                                                                                    | Economic Development & Planning |
| Planning Enforcement (deferred from 2024-25)                                                                            | Economic Development & Planning |
| Housing Partnership Arrangements                                                                                        | Housing & Corporate Assets      |
| Housing Rents and Arrears                                                                                               | Housing & Corporate Assets      |
| Industrial & Commercial Lease Management                                                                                | Housing & Corporate Services    |
| Closed Churchyards                                                                                                      | Operations                      |
| Pest and Dog Control                                                                                                    | Operations                      |
| Tree Management IT Project                                                                                              | Operations                      |
| Licensing arrangements                                                                                                  | Regulatory Services             |
| Bank Reconciliation (Deferred 2024-25)                                                                                  | DCE (Resources)                 |
| Managing Absence                                                                                                        | Transformation & Assurance      |
| New Customer Relationship System (GOSS)                                                                                 | Transformation & Assurance      |
| New finance System Implementation Lessons Learnt -<br>Now not being completed following discussion with DCE (Resources) | DCE (Resources)                 |
| Recruitment & Selection                                                                                                 | Transformation & Assurance      |
| Community & Voluntary Sector Grants                                                                                     | Wellbeing                       |
| Health Agenda                                                                                                           | Wellbeing                       |
| Leisure Contracts, New Procurement and Changes in Service Delivery                                                      | Wellbeing                       |
| Private Sector Housing                                                                                                  | Regulatory                      |

## Updated Strategic Risk Register

**Committee:** Audit & Governance

**Date of Meeting:** 26 November 2025

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

---

### 1 Purpose of Report

- 1.1 To set out details of the Council's Strategic Risk Register as at 30<sup>th</sup> September 2025

### 2 Recommendations

- 2.1 That Audit Committee Notes the Strategic Risk Register and considers the progress made in the identification and management of the strategic risks.

#### Reasons for Recommendations

- 2.2 Audit Committee are required to monitor the Strategic Risk Register.

### 3 Key Issues

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

| Risk Status       | Number of Risks at<br>30 <sup>th</sup> June 2025 | Number of Risks at<br>30 <sup>th</sup> Sept 2025 |
|-------------------|--------------------------------------------------|--------------------------------------------------|
| Red (High)        | 7                                                | 7                                                |
| Orange (Medium)   | 5                                                | 5                                                |
| Yellow (Moderate) | 0                                                | 0                                                |
| Green (Low)       | 0                                                | 0                                                |
| <b>TOTAL</b>      | <b>12</b>                                        | <b>12</b>                                        |

### 4 Relationship to Corporate Priorities

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

## 5 Report Detail

### 5.1 The Accounts & Audit Regulations 2015 state that:

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

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

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

#### **Management of Strategic Risks / Opportunities**

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

### 5.4 A new risk management framework was approved for implementation by Cabinet on 28<sup>th</sup> November 2024 and this has been used to do a fundamental review of the Council’s Strategic Risks. This resulted in a fully revised risk register being produced for 1<sup>st</sup> April 2025. This has been reviewed and updated for a second time and a summary of the position at the end of the second quarter of 2025 is attached as **Appendix 1**.

### 5.5 Work continues to enhance and refine the risks and actions identified to manage them as the Strategic Risk Register matures. As such it is anticipated that risks and wordings may change as Leadership Team have a better understanding of the risks.

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

|               |                                                                                                                                                       |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RED</b>    | High risk, score 12 and above (action plan required to reduce risk and/or regular monitoring)                                                         |
| <b>Orange</b> | Medium risk, score 6 to 9 (action plan required to reduce risk)                                                                                       |
| <b>Yellow</b> | Moderate risk, score of 3 to 4 (risk within risk appetite, no action plan required but watching brief to ensure controls are effective and operating) |
| <b>GREEN</b>  | Low risk, score below 3 (risk tolerable, no action plan required)                                                                                     |
| <b>Blue</b>   | Negligible Risk, score of 1 (risk tolerable, no action plan required)                                                                                 |

- 5.7 Cabinet and Audit Committee are receiving summary level information on all the risks as they stand at 30<sup>th</sup> September **Appendix 1** and detailed information of risks which are red at a residual level **Appendix 2**.
- 5.8 Leadership Team have reviewed all risks in detail and are monitoring all the orange risks in addition to the red risks.
- 5.9 At the end of September some actions had been completed, and others are being progressed. There has been some slippage on a few of the actions planned due to a lack of capacity/delays in recruitment and these are highlighted in Appendix 2. There has been no change in risk score for any of the risks during Quarter 2.

## **6 Implications**

### **6.1 Financial**

None.

### **6.2 Legal**

None.

### **6.3 Human Resources**

None.

### **6.4 Risk Management**

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

### **6.5 Equalities and Diversity**

None.

### **6.6 Health**

None.

### **6.7 Climate Change**

None.

## **7 Appendices**

Appendix 1 – Summary of Strategic Risks – 30 Sept 2025

Appendix 2 – Strategic Risk Register Red Risks – 30 Sept 2025

## **8 Previous Consideration**

None.

## 9 Background Papers

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

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Cabinet 04/12/25  
Audit & Governance Committee 26/11/25

Cannock Chase Council - Summary of Strategic Risk Register as at 30<sup>th</sup> September 2025

| Risk Ref | Risk Owner                         | Risk Name                                                                                            | Inherent Risk Score | Residual Risk Score June | Residual Risk Score Sept | Direction of Travel in Period | Target Score |
|----------|------------------------------------|------------------------------------------------------------------------------------------------------|---------------------|--------------------------|--------------------------|-------------------------------|--------------|
| 2025-01  | Deputy Chief Executive (Resources) | Financial Stability                                                                                  | 16                  | 12                       | 12                       | ↔                             | 12           |
| 2025-02  | Housing & Corporate Assets         | Health and safety arrangements for properties                                                        | 16                  | 12                       | 12                       | ↔                             | 8            |
| 2025-03  | Chief Executive                    | Local Government reorganisation                                                                      | 16                  | 12                       | 12                       | ↔                             | 8            |
| 2025-09  | Operations                         | Tree Management                                                                                      | 16                  | 12                       | 12                       | ↔                             | 8            |
| 2025-15  | Economic Development & Planning    | Delivery of Town Centre Regeneration Project                                                         | 16                  | 12                       | 12                       | ↔                             | 8            |
| 2025-04  | Transformation & Assurance         | IT Resilience                                                                                        | 16                  | 8                        | 8                        | ↔                             | 8            |
| 2025-07  | Housing & Corporate Assets         | Failure to meet required housing standards and not being prepared for inspection.                    | 16                  | 8                        | 8                        | ↔                             | 4            |
| 2025-10  | Deputy Chief Executive (Resources) | Failure to deliver good governance                                                                   | 16                  | 8                        | 8                        | ↔                             | 4            |
| 2025-05  | Wellbeing                          | Sustainable leisure provision                                                                        | 12                  | 12                       | 12                       | ↔                             | 8            |
| 2025-06  | Chief Executive                    | Corporate capacity is insufficient to maintain provision of core services and deliver major projects | 12                  | 12                       | 12                       | ↔                             | 12           |
| 2025-12  | Chief Executive                    | Health and safety arrangements for people                                                            | 12                  | 8                        | 8                        | ↔                             | 4            |
| 2025-14  | Housing & Corporate Assets         | HRA Financial Sustainability                                                                         | 12                  | 8                        | 8                        | ↔                             | 4            |

## Key to Direction of Travel



Risk has decreased



Risk level unchanged



Risk has increased

## Cannock Chase Council

Strategic Risk Register - Red Risks as at 30<sup>th</sup> September 2025

|                                 |                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-01                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Risk Owner</b>               | Deputy Chief Executive (Resources)                                                                                                                                                                                                                                                                                                                                                   |
| <b>Risk Name</b>                | Financial Stability                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Risk Description</b>         | Internal - Poor budget planning, over commitment of financial resources or significant use of reserves to fund schemes leading to a financial shortfall, reduced financial resilience or overspends that undermine the Council's ability to deliver services or corporate priorities.<br>External - central government policy changes which impact the Council's financial position. |
| <b>Consequences</b>             | s114 notice / Government intervention<br>Damage to reputation with stakeholders<br>May affect ability to bid for funding<br>Poor PR                                                                                                                                                                                                                                                  |
| <b>Corporate Objective CCDC</b> | Responsible Council                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Main Risk Category</b>       | Financial                                                                                                                                                                                                                                                                                                                                                                            |

| <b>Inherent Impact</b>                                                                                                                                                                                                                                                                                                               | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| 4                                                                                                                                                                                                                                                                                                                                    | 4                          | 16                         |
| <b>Residual Impact</b>                                                                                                                                                                                                                                                                                                               | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                    | 3                          | 12                         |
| <b>Target Score</b>                                                                                                                                                                                                                                                                                                                  |                            | 12                         |
| <b>Comment on Target Score:</b><br>Inherently uncertain environment regarding financial settlements from the government and limited ability to build reserves mean that it is not currently possible to reduce the risk score to 4. With emerging uncertainty around Fair Funding 2.0, the target score has been revised back to 12. |                            |                            |

| <b>Controls</b>                                                                        | <b>Assurances</b>                 |
|----------------------------------------------------------------------------------------|-----------------------------------|
| Medium term financial plan in place                                                    | Council approval and s151 Officer |
| Working Balances maintained, with tentative proposals to maintain over the medium term | S151 Officer and Deputy           |
| Review of the capital programme is complete                                            | S151 Officer and Deputy           |
| Evaluation of consultations on changes to government funding regimes                   | S151 Officer                      |

| <b>Controls</b>                                                                              | <b>Assurances</b>                               |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|
| Financial regulations in place to be followed                                                | Internal Audit periodic checks and Finance Team |
| Membership of appropriate bodies to gain insights into government funding direction          | S151 Officer                                    |
| Business cases required for drawdown of reserves to ensure VFM and appropriate use of monies | S151 Officer and Deputy / Leadership Team       |
| Internal and audit review of accounts/processes and procedures                               | Internal Audit Reports                          |

### **Actions**

| <b>Actions Planned</b>      | <b>Person Responsible</b> | <b>Timescale</b>  | <b>Progress/Comments</b> |
|-----------------------------|---------------------------|-------------------|--------------------------|
| Quarterly budget monitoring | s151 Officer              | Quarter 1 2025/26 | Not achieved             |

### **Progress Updates**

|                  |                                                                                                                                                                                                                                                                                   |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>The outturn for 2024/25 has been completed and will be reported in November.</p> <p>Due to resource constraints within the Finance Team and increasing workload generated by the wider organisation, it is currently not possible to achieve regular quarterly monitoring.</p> |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                 |                                                                                                                                                                                                                                              |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-02 (A&B)                                                                                                                                                                                                                                |
| <b>Risk Owner</b>               | Head of Housing & Corporate Assets                                                                                                                                                                                                           |
| <b>Risk Name</b>                | Health and safety arrangements for properties                                                                                                                                                                                                |
| <b>Risk Description</b>         | Operational property procedures including CDM compliance, maintenance and management of properties is not sufficient to adequately ensure they are safe for tenants, employees, leaseholders or visitors leading to death or serious injury. |
| <b>Consequences</b>             | Death or serious and minor injury and prosecution by HSE and private legal action.<br>Reputational damage.<br>Deterioration in condition of buildings<br>Depreciation of buildings                                                           |
| <b>Corporate Objective CCDC</b> | Responsible Council                                                                                                                                                                                                                          |
| <b>Main Risk Category</b>       | Health & Safety                                                                                                                                                                                                                              |

|                                                                                                                                                                                                                                               |                            |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Inherent Impact</b>                                                                                                                                                                                                                        | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
| 4                                                                                                                                                                                                                                             | 4                          | 16                         |
| <b>Residual Impact</b>                                                                                                                                                                                                                        | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                                                                                                                                                                                                                                             | 3                          | 12                         |
| <b>Target Score</b>                                                                                                                                                                                                                           |                            | 8                          |
| <b>Comment on Target Score:</b><br>There are situations outside of the control which will lead to accidents and a large housing and property portfolio means that a risk score of 4 is unlikely as accidents and incidents will still happen. |                            |                            |

|                                                                                |                                                                                                       |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Controls</b>                                                                | <b>Assurances</b>                                                                                     |
| Compliance data is held for all properties                                     | Monthly data validation by managers                                                                   |
| TIO system for recording regular compliance checks on all Housing blocks       | Monitoring of spreadsheets by management                                                              |
| Policies approved by Leadership Team and published online, regularly reviewed. | Internal Audit Reviews<br>Housing Board - monitoring Improvement Plan<br>External Audit - VFM Reviews |
| Updated policies and procedures for compliance areas.                          |                                                                                                       |
| Periodic training for staff .<br>Training database records.                    |                                                                                                       |
| Compliance Checks carried out by appropriately qualified staff                 |                                                                                                       |

**Actions Housing - 2A**

| <b>Actions Planned</b>                                                                                                        | <b>Person Responsible</b>                    | <b>Timescale</b>  | <b>Progress/Comments</b>                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monthly data validation to be carried out                                                                                     | Assistant Manager (Compliance)               | Quarter 1 2025/26 | Unable to commence in Q1 due to challenges with recruitment. Validation began in August with a full record expected for Q3 at Q3 end. Previous to August the risk was mitigated with small scale data validation exercises on key risks such as gas servicing dates. |
| Following results of Stock Condition Survey address identified Category 1 hazards                                             | HPS Manager                                  | Quarter 3 2025/26 | 69% of properties accessed for Survey.<br>Next steps to bring the Surveying in-house to access remaining properties. 36 Hazards identified, 7 severe – passed to HM team and prioritised.                                                                            |
| NEC Housing Information System to be further developed to ensure data is collected (additional elements / fields to be built) | NEC Consultant / HMIT                        | Quarter 3 2025/26 | Relies upon the appointment of a Business Analyst - see current position.                                                                                                                                                                                            |
| Further policies and procedures to be developed.                                                                              | Housing Maintenance Manager and HPS Manager. | Quarter 4 2025/26 | Compliance Policies have been completed.<br>Procedures to be developed in line with the appointment of the interim Business Analyst                                                                                                                                  |
| Increase third party assurance of inspections and data collection.                                                            | HPS Manager                                  | Quarter 4 2025/26 | Work in progress, contractor to be procured.                                                                                                                                                                                                                         |

| Actions Planned                                                                                                                                 | Person Responsible             | Timescale         | Progress/Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Damp and Mould, Disrepair, HHSRS system data collection to follow (element/fields to be built) further to requirements arising from Awaabs Law. | Housing Maintenance Manager    | Quarter 1 2026/27 | <p>Processes currently being built in NEC to manage damp and mould in line with the Government Legislation and timescales associated. KPI's to be built off the back of this. 10 damp and mould air purifier units purchased to support rapid response in emergency situations to eradicate the spores and enable time to follow up assess and action work.</p> <p>Go live in NEC - Week Com 13th October. NEC to develop their specific D&amp;M Module in next update (end of October) this to be tested for suitability. Internal Team now in place and operational with a dedicated Supervisor, Repair Responder and Trade Operatives. Communications throughout the Council Internal/external with Updated Website in final completion stages, New Damp and Mould Booklet, Livery on New vehicles (December) and other Social Media Platforms. Training delivered to direct Damp and Mould and general training/communication to other areas in the Council who will come across damp and mould whist at work.</p> <p>Awaab's Law D&amp;M Working Group in action to manage this area.</p> |
| Spreadsheet information put into NEC, following above element/field system build.                                                               | Assistant Manager (Compliance) | Quarter 2 2026/27 | To be developed in line with the appointment of the interim Business Analyst. If time allows delivery team can pick up within next 12months should business analyst not materialise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**Progress Updates Housing - 2A**

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>New procedures - limited progress continues to be made due to capacity issues. Additional resources were requested to Cabinet which were agreed but subject to further approvals on basis of a balanced HRA Business Plan.</p> <p>Damp &amp; Mould work ongoing to build elements - challenging target set ahead of October date for Awaabs Law going live.</p> <p>The recruitment for the Compliance Team in Housing Property Services Team (HPS) is completed and new practices are being rolled out.</p> <p>Until the new software solution is in place to enable performance to be monitored and efficient working practices to be established it will not be able to reduce the risk further.</p> |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Actions Corporate Property - 2B**

| Actions Planned                                                                                     | Person Responsible    | Timescale         | Progress/Comments                                                                                                  |
|-----------------------------------------------------------------------------------------------------|-----------------------|-------------------|--------------------------------------------------------------------------------------------------------------------|
| Monthly validation of corporate assets data (not procuring system so remaining in spreadsheet form) | Interim Asset Manager | Quarter 4 2025/26 | Requested compliance information for leased properties this is being done in batches.                              |
| Statutory Compliance for all Council owned Buildings                                                | Interim Asset Manager | Quarter 4 2025/26 | Year End Target                                                                                                    |
| Lease & Asset Reviews                                                                               | Interim Asset Manager | Quarter 4 2025/26 | Ad-hoc as and when required. Owing to lack of resources and direction regarding a large-scale review ahead of LGR. |

**Progress Updates Corporate Property - 2B**

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>All Tenants have been contacted, and early indications are that a number of compliance certificates are not available. A dialogue has commenced with the tenants, and we will be supporting them to complete their compliance requirements as per the lease agreements. However it is noted that some leases do not require this information to be supplied to the Council.</p> <p>The Compliance Spreadsheet is being updated as and when we are receiving the documentation.</p> <p>The Compliance Spreadsheet is being updated as and when we are receiving the documentation so progress whilst being made will be slow to fully reduce the risk.</p> |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                 |                                                                                                                                                                                                                                          |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-03                                                                                                                                                                                                                                  |
| <b>Risk Owner</b>               | Chief Executive                                                                                                                                                                                                                          |
| <b>Risk Name</b>                | Local Government reorganisation                                                                                                                                                                                                          |
| <b>Risk Description</b>         | The Council has to divert resources to the management of the Council's response plans for Local Government re-organisation which threatens the ability to maintain the quality of services at a time when capacity is already stretched. |
| <b>Consequences</b>             | Core Services and major projects fail to be delivered<br>Reputational damage                                                                                                                                                             |
| <b>Corporate Objective CCDC</b> | Responsible Council                                                                                                                                                                                                                      |
| <b>Main Risk Category</b>       | Capacity / Service Delivery                                                                                                                                                                                                              |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Inherent Impact</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                          | 4                          | 16                         |
| <b>Residual Impact</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3                          | 12                         |
| <b>Target Score</b>                                                                                                                                                                                                                                                                                                                                                                                                                        |                            | 8                          |
| <b>Comment on Target Score:</b><br>As planning for LGR is still in its infancy, it is too soon to be confident that we can mitigate this risk fully and reduce it to a 4. At present it is considered we can reduce the likelihood to a 2 giving a target score of 8. As planning and work progresses, actions and the target score will be reviewed. Progress with this risk is also linked to the risk regarding capacity (ref 2025-06). |                            |                            |

|                              |                    |
|------------------------------|--------------------|
| <b>Controls</b>              | <b>Assurances</b>  |
| LGR lead officers identified | Cabinet            |
|                              | Scrutiny Committee |
|                              | Leadership Team    |

### Actions

|                                                                                                           |                           |                   |                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------|---------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Actions Planned</b>                                                                                    | <b>Person Responsible</b> | <b>Timescale</b>  | <b>Progress/Comments</b>                                                                                                                                                                    |
| Consultants to be appointed to support the development of the business case and work plan to deliver this | Chief Executive           | Quarter 1 2025/26 | Action completed. The Southern & Mid Staffs Councils have collectively appointed consultants to support the development of the business case for submission to Government in November 2025. |

| <b>Actions Planned</b>                                              | <b>Person Responsible</b>          | <b>Timescale</b>  | <b>Progress/Comments</b>                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------|------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Work plan for LGR Submission                                        | Chief Executive                    | Quarter 1 2025/26 | Action completed. A workplan has been prepared by the consultants supporting the preparation of the business case                                                                                                                                                      |
| Assessment of resources needed to deliver the respective work plans | Chief Executive                    | Quarter 1 2025/26 | Action completed. 5 workstreams have been set up to support the development of the business case. Members of Leadership Team were nominated to be the Council's representative on each of the workstreams; with the focus on the corporate functions to lead this work |
| Communications and Engagement Strategy to be prepared               | Communications Manager             | Quarter 1 2025/26 | Action completed. The Communications Working Group prepared a strategy and coordinated the engagement across the Southern and Mid Staffordshire Councils.                                                                                                              |
| Review of resources available to support LGR work                   | Head of Transformation & Assurance | Quarter 2 2025/26 | Report prepared for November Cabinet recommending the redirection of resources allocated to transformation work to LGR and setting out key areas of preparatory work to be done.                                                                                       |

### Progress Updates

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>The actions planned to date have been completed and the proposal for government has been drafted. Whilst there has been no impact on front line service delivery, there has been an impact on the delivery of actions within the Resources Directorate and in particular actions relating to the Governance Improvement Plan. The work on engagement over the summer was particularly resource intensive for the Communications Team.</p> <p>There will be an ongoing resource commitment up to the end of November as members and staff are briefed and the proposal is taken to Council and Cabinet for consideration.</p> <p>A report has been prepared recommending to Cabinet the redirection of resources planned for transformation work to support LGR and setting out key areas of preparatory work for the Council. However, there is still uncertainty at the moment, as to what other work is going to take place over the coming months across southern and mid Staffordshire and the resources required. This will continue to be monitored.</p> |
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|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-05                                                                                                                                                                                                                                                                                      |
| <b>Risk Owner</b>               | Head of Wellbeing                                                                                                                                                                                                                                                                            |
| <b>Risk Name</b>                | Sustainable leisure provision                                                                                                                                                                                                                                                                |
| <b>Risk Description</b>         | Not being able to secure affordable and sustainable leisure provision now and in the future.                                                                                                                                                                                                 |
| <b>Consequences</b>             | This could result in the closure of leisure facilities and wellbeing services to the public, directly impacting on the health and wellbeing of residents in the district.<br>It would cause reputational damage to the Council and would negatively impact on staff employed in this sector. |
| <b>Corporate Objective CCDC</b> | Health & Wellbeing                                                                                                                                                                                                                                                                           |
| <b>Main Risk Category</b>       | Reputation, Customer/ Public Perception                                                                                                                                                                                                                                                      |

|                                                                                                                                                                                                                                                 |                            |                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Inherent Impact</b>                                                                                                                                                                                                                          | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
| 4                                                                                                                                                                                                                                               | 3                          | 12                         |
| <b>Residual Impact</b>                                                                                                                                                                                                                          | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                                                                                                                                                                                                                                               | 3                          | 12                         |
| <b>Target Score</b>                                                                                                                                                                                                                             |                            | 8                          |
| <b>Comment on Target Score:</b><br>The impact will remain significant if a sustainable offer can't be secured. The likelihood can never be reduced to a 1 due to external factors which may impact on the affordability of a leisure provision. |                            |                            |

|                                                                               |                                                     |
|-------------------------------------------------------------------------------|-----------------------------------------------------|
| <b>Controls</b>                                                               | <b>Assurances</b>                                   |
| Weekly partnership meetings with senior representatives of both organisations | Management Oversight                                |
| Performance management of the current leisure contract                        | Annual Report from Contractor<br>Scrutiny Committee |
| Dedicated Leisure Officer appointed                                           | Regular meetings with the provider                  |

### Actions

|                                                                            |                                          |                      |                                                                                                                                     |
|----------------------------------------------------------------------------|------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Actions Planned</b>                                                     | <b>Person Responsible</b>                | <b>Timescale</b>     | <b>Progress/Comments</b>                                                                                                            |
| Procurement of a new Leisure Contract to be operational from 01 April 2026 | Head of Wellbeing/<br>DCE<br>(Resources) | Quarter 4<br>2025-26 | Consultants appointed to support the procurement process.<br>Soft market testing demonstrates interest in the contract opportunity. |

| <b>Actions Planned</b>                                                                        | <b>Person Responsible</b>           | <b>Timescale</b>  | <b>Progress/Comments</b>                                                                 |
|-----------------------------------------------------------------------------------------------|-------------------------------------|-------------------|------------------------------------------------------------------------------------------|
| Secure board level commitment from existing provider to fully support the procurement process | Head of Wellbeing / DCE (Resources) | Quarter 1 2025-26 | The Board of the existing provider have committed to supporting the procurement process. |
| Tender documents published                                                                    | Head of Wellbeing / DCE (Resources) | Quarter 2 2025-26 | Documents published as planned.<br>Completed                                             |
| Tender submissions received and recommendations on preferred supplier made                    | Head of Wellbeing / DCE (Resources) | Quarter 3 2025-26 |                                                                                          |
| Contract mobilisation                                                                         | Head of Wellbeing / DCE (Resources) | Quarter 4 2025-26 |                                                                                          |

### Progress Updates

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>The procurement opportunity and associated tender documents were published at the start of August. Site visits with potential providers have taken place. Clarification meetings have been held with potential providers. Closing date for tender is 3<sup>rd</sup> November.</p> <p>Should the procurement proceed as planned, a preferred provider will be agreed by the end of December 2025 and following a period of mobilisation will start delivery on 01 April 2026. At this stage the risk will be reduced significantly.</p> |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-06                                                                                                                                                                                                                                                                                                                                         |
| <b>Risk Owner</b>               | Chief Executive                                                                                                                                                                                                                                                                                                                                 |
| <b>Risk Name</b>                | Corporate capacity is insufficient to maintain provision of core services and deliver major projects                                                                                                                                                                                                                                            |
| <b>Risk Description</b>         | The inability to recruit and retain staff particularly in statutory and other core areas threatens service delivery across the Council. This risk is exacerbated by other factors such as the number of high priority projects, large procurement exercises, demand for new software, competing priorities and Local Government Reorganisation. |
| <b>Consequences</b>             | Projects are delayed or not implemented<br>Operational services are delivered to a lower standard, backlogs arise or service not delivered at all<br>Complaints / damage to reputation<br>Wellbeing of staff who are under pressure to deliver                                                                                                  |
| <b>Corporate Objective CCDC</b> | Responsible Council                                                                                                                                                                                                                                                                                                                             |
| <b>Main Risk Category</b>       | Capacity / Service Delivery                                                                                                                                                                                                                                                                                                                     |

|                                                                                                                                                                                                                                                                                                                                                                              |                            |                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Inherent Impact</b>                                                                                                                                                                                                                                                                                                                                                       | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                                                            | 4                          | 16                         |
| <b>Residual Impact</b>                                                                                                                                                                                                                                                                                                                                                       | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                                                            | 3                          | 12                         |
| <b>Target Score</b>                                                                                                                                                                                                                                                                                                                                                          |                            | 12                         |
| <b>Comment on Target Score:</b><br>Due to the limited market in key professions such as Finance, Legal, Planning etc, the uncertainty created by Local Government Reorganisation and the volume of major projects in progress, it is considered that the residual risk score cannot be reduced further and actions planned are focussed on maintaining the current position. |                            |                            |

|                                                                                      |                       |
|--------------------------------------------------------------------------------------|-----------------------|
| <b>Controls</b>                                                                      | <b>Assurances</b>     |
| Corporate Plan sets out priorities and key projects                                  | Performance reporting |
| Use of agency staff and contractors to cover posts which are difficult to recruit to |                       |
| Market supplements to enhance salary to attract candidates                           |                       |
| Management of absences                                                               | Oversight by HR       |

**Actions**

| <b>Actions Planned</b>                                                          | <b>Person Responsible</b>         | <b>Timescale</b>                                 | <b>Progress/Comments</b>                                                                                                                 |
|---------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Assessment of capacity, pinch points and reductions in workload consequentially | Leadership Team                   | Quarter 3 2025/26<br>(Revised from Q1 Sept 2025) | Assessment of current vacancies completed. Review of work plans / major projects has commenced but is expected to be completed until Q3. |
| Management of expectations / discussion with Cabinet                            | Chief Executive / Leadership Team | Quarter 2 2025/26 and ongoing                    | Discussion has been delayed as the review of major projects has not been completed.                                                      |

**Progress Updates**

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|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>Whilst work has started to assess capacity and workload issues, this has not yet been completed. It is now estimated that will be done in Q3.</p> <p>As flagged previously, the focus is on managing capacity within the current resources and maintaining the current position so that this does not deteriorate.</p> |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-09                                                                                                                                                                                                                                         |
| <b>Risk Owner</b>               | Head of Operations                                                                                                                                                                                                                              |
| <b>Risk Name</b>                | Safe Management of Trees                                                                                                                                                                                                                        |
| <b>Risk Description</b>         | Risk of a tree or part of a tree falling on an individual/s causing death or serious injury.<br>Risk of a tree or part of a tree falling onto a building causing server damage to a property or the death or serious injury of an individual/s. |
| <b>Consequences</b>             | <ul style="list-style-type: none"> <li>• Death/Serious Injury</li> <li>• Damage to property</li> <li>• HSE Investigation/Prosecution</li> <li>• Corporate Manslaughter</li> <li>• Insurance Claims</li> </ul>                                   |
| <b>Corporate Objective CCDC</b> | The Community                                                                                                                                                                                                                                   |
| <b>Main Risk Category</b>       | Capacity / Service Delivery                                                                                                                                                                                                                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Inherent Impact</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4                          | 16                         |
| <b>Residual Impact</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3                          | 12                         |
| <b>Target Score</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                            | 8                          |
| <p><b>Comment on Target Score:</b></p> <p>Given the number of trees and the unpredictability of the weather, and the increase in the number of severe weather events, it is considered the current residual likelihood score sits at a 3.</p> <p>With the residual impact score remaining at a 4, it makes the overall residual risk score a 12. It is unlikely that the impact score can be reduced below a 4. Due to its categorisation, the nature, and the subject area it may also be difficult to reduce the likelihood from a 3 to a 2.</p> <p>The residual risk score will remain high for some time at a 12 until re-inspections have been undertaken, and resultant work programmes are well established. Given the circumstances of the risk, while currently higher than preferred at 12, an overall goal of a residual risk score of an 8 is considered acceptable in the longer-term.</p> |                            |                            |

|                                                                |                        |
|----------------------------------------------------------------|------------------------|
| <b>Controls</b>                                                | <b>Assurances</b>      |
| Trained Manager, Tree Officers, and Arboriculturists.          | IA Reviews.            |
| Tree Surveys                                                   | Management Information |
| Policies and Procedures for Tree Management                    |                        |
| Trees maintained using recognised tree risk management process |                        |
| CCDC - Urban Forestry Strategy                                 |                        |

| <b>Controls</b>                                   | <b>Assurances</b> |
|---------------------------------------------------|-------------------|
| Allocation of semi-dedicated management resource. |                   |
| Knowledge of tree locations                       |                   |
| Historic / recent tree inspections                |                   |
| Rudimental tree database / systems in place       |                   |

### **Actions**

| <b>Actions Planned</b>                                                                            | <b>Person Responsible</b>   | <b>Timescale</b>  | <b>Progress/Comments</b>                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------|-----------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agree and secure long-term funding and resourcing                                                 | DCE(Resources) / Operations | Quarter 1 2025-26 | Report presented to Cabinet 31 <sup>st</sup> July 2025 to secure funding for joint integrated ICT tree system and outsourced routine health and safety tree inspections.<br>Completed |
| Review tree policy and procedures                                                                 | Natural Environment Manager | Quarter 3 2025-26 |                                                                                                                                                                                       |
| Implement new full risk-based tree management procedure                                           | Natural Environment Manager | Quarter 3 2025-26 |                                                                                                                                                                                       |
| Implement risk-based programme of tree works around inspection results                            | Natural Environment Manager | Quarter 3 2025-26 |                                                                                                                                                                                       |
| Implement new joint tree management ICT GIS based system                                          | Natural Environment Manager | Quarter 4 2025-26 |                                                                                                                                                                                       |
| Outsource next round of tree inspections for all trees to create new baseline data (78,000 trees) | Natural Environment Manager | Quarter 4 2025-26 |                                                                                                                                                                                       |
| Implement procedure for on-going risk-based inspections of trees                                  | Natural Environment Manager | Quarter 4 2025-26 |                                                                                                                                                                                       |
| Deliver and monitor tree risk-based works and ongoing inspections                                 | Natural Environment Manager | Quarter 1 2026-27 |                                                                                                                                                                                       |

**Progress Updates**

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>Report presented to Cabinet 31<sup>st</sup> July 2025 to secure funding for joint integrated ICT tree system and outsourced routine health and safety tree inspections. Procurement framework signed for new joint tree management system 15.10.25.</p> <p>Tree management is still heavily reliant upon the use of consultant tree officers and contracted tree maintenance works, at both SBC and CCDC. The Tree Management structure across both Councils is being finalised with HR and finance, and posts should be advertised during Q3 or early in Q4.</p> <p>Due to the nature of the risk, it is considered the overall residual likelihood score will not be reduced until the tree inspections have been completed and the majority of the high-risk remedial tree works identified has been completed. This may take upward of 2-3 years.</p> |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Ref</b>                 | 2025-15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Risk Owner</b>               | Head of Economic Development & Planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Risk Name</b>                | Delivery of Town Centre Regeneration Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Risk Description</b>         | <p>There is a risk that the high profile large regeneration projects may not deliver as anticipated, to time or to budget, leading to reputational risks to the Council and creating financial risks that impact on the Council's financial position and could impact on service delivery and hinder the Council's wider ambition to secure economic prosperity for the District.</p> <p>There is a risk that either the Council may not be able to deliver the demolition phase of the project or secure a development partner to re-develop the cleared sites.</p>                                                                                                                                                                                                                                             |
| <b>Consequences</b>             | <ul style="list-style-type: none"> <li>• Major reputational risk for the Council in terms of not delivering the schemes that local residents expect; potential that Council may be unsuccessful with future funding bids.</li> <li>• Reduced growth and economic prosperity for local residents.</li> <li>• Decline of town centres / impact on major redevelopment proposals.</li> <li>• Council exposed to unplanned financial risks and pressure on revenue resources which impacts on delivery of core services.</li> <li>• Clawback of funding for non-delivery.</li> <li>• Increased pressure on already stretched services / functions of the council which have capacity issues.</li> <li>• Cleared sites could sit empty for indeterminate period if developer interest doesn't materialise.</li> </ul> |
| <b>Corporate Objective CCDC</b> | Economic Prosperity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Main Risk Category</b>       | Reputation, Customer/ Public Perception                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                        |                            |                            |
|------------------------|----------------------------|----------------------------|
| <b>Inherent Impact</b> | <b>Inherent Likelihood</b> | <b>Inherent Risk Score</b> |
| 4                      | 4                          | 16                         |
| <b>Residual Impact</b> | <b>Residual Likelihood</b> | <b>Residual Risk Score</b> |
| 4                      | 3                          | 12                         |
|                        | <b>Target Score</b>        | 8                          |

**Comment on Target Score:**

Inherent nature of the risk profile of the regeneration schemes makes it difficult to reach a score of 4, therefore a target score of 8 has been set at this stage. External influences may affect the ability to secure operators/end users to build out development within the agreed footprint of the scheme.

There has been a strong level of interest in the town centre from potential operators but the residual risk score will remain at 8 until the Council agrees the overall Development Framework for the scheme and secures agreements with operators.

It should be noted that the risk profile of the scheme will change over time as the Council completes the demolition works and secures development partners/operators to bring forward development on the cleared sites.

| <b>Controls</b>                                                                                                                                                                          | <b>Assurances</b>                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Monitoring / finance returns being prepared and submitted to MHCLG in line with timescales in agreed memorandum of understanding                                                         | Project Sponsor<br>Statutory Officer Meetings                                                                                           |
| Key decisions taken by Cabinet in relation to the project with relevant delegations and budget approvals in place                                                                        | Statutory Officer Meetings<br>Project Sponsor                                                                                           |
| Business cases to support key acquisition with quantification of costs and risks                                                                                                         | Review by Statutory Officers<br>Project Sponsor                                                                                         |
| Procurement using approved frameworks to select and appoint key contractors                                                                                                              | SCC Procurement team<br>Internal Audit Reviews<br>Project Sponsor                                                                       |
| Detailed risk registers and project plans to Operational Group                                                                                                                           | Project Board<br>Project Sponsor<br>Internal Audit reviews.<br>External Audit overview<br>Statutory Office Meetings                     |
| Governance arrangements to ensure oversight of programme delivery, spend and risks; with Programme Boards, Steering groups and project delivery meetings taking place on a regular basis | Project Board<br>Project Sponsor<br>Internal Audit reviews.<br>External Audit overview.<br>Statutory Officer Meetings<br>External Audit |
| Ensure that the Council is effectively managing contractors and consultants                                                                                                              | Project Sponsor<br>Statutory Officer Meetings                                                                                           |
| Ensure that the Council has sufficient Programme / project management arrangements and capacity to deliver the projects                                                                  | Statutory Officer Meetings<br>Project Sponsor                                                                                           |
| Ensure that the Council's Health & Safety / CDM requirements are met, and demolition / construction works are managed safely and in line with regulations                                | Review by Statutory Officers<br>Project Sponsor                                                                                         |

**Actions**

| <b>Actions Planned</b>                                                                                                                                    | <b>Person Responsible</b>                                       | <b>Timescale</b>                                                                   | <b>Progress/Comments</b>                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monthly Risk Registers and Dashboards to Leadership Team and Project Board                                                                                | Head of Economic Development & Planning                         | Quarter 1 2025/26                                                                  | Action completed. Performance Dashboards and Risk Registers have been produced and reported to Project Boards.                                                                                                                                                                                                                                  |
| Communications to stakeholders, partners and the public - development of Comms Strategy and Plan                                                          | Head of Economic Development & Planning, Communications Manager | Quarter 4 2025/26<br><br>(Revised from Q1 to Q2 June 25 and from Q2 to Q4 Sept 25) | Target date needs to be revised to quarter 4. It was anticipated that this action would be complete in quarter 2, but the review of the project scope has not yet completed and a further report will be presented to Cabinet in December 2025 to secure approval for the next phase of the project which will affect the approach to comms/PR. |
| Finalise town centre investment prospectus to set out the Council's vision for the cleared site and undertake soft market testing/early market engagement | Head of Economic Development & Planning                         | Quarter 2 2025/26                                                                  | Action completed. Town Centre prospectus was produced for the UKREiiF event in May 2025; the prospectus was well received with the Council organising meetings with 12 x developers and operators.                                                                                                                                              |
| Agree approach to securing development delivery                                                                                                           | Head of Economic Development & Planning                         | Quarter 3 2025/26                                                                  | The Council is producing a Development Framework which can be used to guide development within the cleared regeneration site. This will be reported to Cabinet in Quarter 4.                                                                                                                                                                    |
| Formal procurement process to appoint development partner(s)                                                                                              | Head of Economic Development & Planning                         | Quarter 1 - 2026/27                                                                | Officers have completed work to research procurement frameworks and other routes to market that could be used to select developers/operators.                                                                                                                                                                                                   |

**Progress Updates**

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Position | <p>Performance Dashboards and Risk Registers have been produced and reported to Project Boards and LT.</p> <p>Meetings with developers/operators are currently taking place as part of the soft market testing to discuss the regeneration opportunity being created by the Council utilising the regeneration funding. Procurement frameworks are currently being researched with the view to understand the optimum route to the market.</p> <p>The Council is currently producing a comprehensive Development Framework which sets out a vision and set of parameters for the cleared development site and this will guide the proposed uses in this area. It is intended that a report will be taken to Cabinet in February 2026 to seek approval for the Development Framework and to recommend a preferred approach to selecting operators/end users for the scheme.</p> <p>During 2026/27 it is anticipated that the Council will be in a position to formally select developers/operators to deliver proposals that accord with the uses set in the Development Framework. The risk profile of the scheme will begin to shift with risk transferred to third party developer/operators rather than the Council and this will impact on the overall risk score.</p> |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **Governance Improvement Plan - Progress Report for Quarter 2 2025/26**

|                         |                                      |
|-------------------------|--------------------------------------|
| <b>Committee:</b>       | Audit & Governance                   |
| <b>Date of Meeting:</b> | 26 November 2025                     |
| <b>Report of:</b>       | Head of Transformation and Assurance |
| <b>Portfolio:</b>       | Resources and Transformation         |

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### **1 Purpose of Report**

- 1.1 To advise Members on the progress in the delivery of the Governance Improvement Plan at the end of Quarter 2 2025-26.

### **2 Recommendations**

- 2.1 To note the progress made in the delivery of the Governance Improvement Plan set out at Appendix 1.

#### **Reasons for Recommendations**

- 2.2 The information allows the Cabinet to ensure that all appropriate steps are being taken to improve the Council's governance arrangements.

### **3 Key Issues**

- 3.1 The findings of the annual review of the Council's governance arrangements for 2024-25 were reported to the Audit & Governance Committee on 17 June 2025. The report included an action plan to address the findings.
- 3.2 This report sets out the progress made in delivering the action plan up to the end of quarter 2 of 2025/26. Of the 34 actions due to be completed, 24% have been completed or are on target. Progress in quarter 2 has been impacted by work on Local Government Reorganisation taking precedence.

### **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 The Council has a statutory responsibility to undertake an annual review of the effectiveness of its governance arrangements, which includes the system of internal control and to publish an "annual governance statement" with the annual accounts.

- 5.2 In reviewing the effectiveness of the governance arrangements, the Council has to identify any 'significant governance issues' and what action will be taken to address these. There is no single definition as to what constitutes a 'significant governance issue' and judgement has to be exercised. Factors used in making such judgements include:
- the issue has seriously prejudiced or prevented achievement of a principal objective;
  - the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another service area;
  - the issue has led to a material impact on the accounts;
  - the Chief Internal Auditor has reported on it as significant, for this purpose, in the Internal Audit Annual Report;
  - the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the Council;
  - the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
- 5.3 The Annual Governance Statement (AGS) for 2024-25 was approved by the Audit & Governance Committee on 17 June 2025. The statement sets out details of the review undertaken, the "significant governance issues" identified and the actions to be taken to address them. This includes the outstanding actions identified during the VFM review undertaken by the External Auditors.
- 5.4 This report provides an update on the progress in delivering the planned actions at the end of quarter 2 (30 September 2025). Details of the progress is given at Appendix 1 and overall performance is summarised in the table below:

**Table 1: Summary of Progress - Governance Improvement Plan**

| Quarter      |  |  |  |  | No longer applicable | Total Actions         |
|--------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------|-----------------------|
|              | Action completed                                                                    | Work on target                                                                      | < 3 months behind schedule                                                          | > 3 months behind schedule                                                            |                      |                       |
| 2024/25      | 3                                                                                   | 1                                                                                   |                                                                                     | 7                                                                                     | 2                    | 13                    |
| Q1 2025/26   | 2                                                                                   |                                                                                     | 3                                                                                   | 7                                                                                     |                      | 12                    |
| Q2 2025/26   | 1                                                                                   | 1                                                                                   | 7                                                                                   |                                                                                       |                      | 9                     |
| <b>TOTAL</b> | <b>6 (18%)</b>                                                                      | <b>2 (6%)</b>                                                                       | <b>10 (29%)</b>                                                                     | <b>14 (41%)</b>                                                                       | <b>2 (6%)</b>        | <b>34 due to date</b> |

- 5.5 At the end of Quarter 2 of the 34 actions due for delivery:
- 8 (24%) have been completed or are in progress;
  - 24 (70%) of actions are behind schedule; and
  - 2 (6%) are no longer applicable.
- 5.6 The s151 Officer has decided not to proceed with one action due to ongoing capacity issues within the Finance Team and Local Government Reorganisation.
- 5.7 Limited progress has been made in quarter 2 due to work on Local Government Reorganisation taking precedence and this will continue into quarter 3. Whilst the work on LGR is likely to subside slightly towards the end of quarter 3, there is much uncertainty about future work on this. Furthermore, it has become increasingly clear over the last 6 months that part of our capacity issue is due to an over-reliance on key personnel. An options appraisal to address this issue is to be undertaken, led by the Deputy Chief Executive (Resources) and s151 Officer. As the outstanding actions are unlikely to all be delivered in 2025/26, the review will also include identifying which ones can be rescheduled to 2026/27.

## **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**

A failure to deliver good governance, which includes the delivery of the improvement plan, 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: Governance Improvement Plan - Summary of Progress.

## **8 Previous Consideration**

None.

## **9 Background Papers**

Report to Audit & Governance Committee 17 June 2025.

**Contact Officer:** Judith Aupers

**Telephone Number:** 01543 464 411

**Report Track:** Cabinet 04/12/25 and  
Audit & Governance Committee 26/11/25

**Key Decision:** No

## Governance Improvement Plan - Progress Report

### Summary of Progress at 30 September 2025

| Quarter      |  |  |  |  | No longer applicable | Total Number of Projects |
|--------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------|--------------------------|
|              | Action completed                                                                  | Work on target / progressing                                                      | Work < 3 months behind schedule                                                     | Work > 3 months behind schedule                                                     | N/A                  |                          |
| 2024/25      | 3                                                                                 | 1                                                                                 |                                                                                     | 7                                                                                   | 2                    | 13                       |
| Q1 2025/26   | 2                                                                                 |                                                                                   | 3                                                                                   | 7                                                                                   |                      | 12                       |
| Q2 2025/26   | 1                                                                                 | 1                                                                                 | 7                                                                                   |                                                                                     |                      | 9                        |
| Q3 2025/26   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                      | 5                        |
| Q4 2025/26   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |                      | 3                        |
| <b>TOTAL</b> | <b>6 (18%)</b>                                                                    | <b>2 (6%)</b>                                                                     | <b>10 (29%)</b>                                                                     | <b>14 (41%)</b>                                                                     | <b>2 (6%)</b>        | <b>34 due to date</b>    |

#### Commentary on Progress

Limited progress has been made in quarter 2 due to work on Local Government Reorganisation taking precedence and this will continue into quarter 3. Whilst the work on LGR is likely to subside slightly towards the end of quarter 3, there is much uncertainty about future work on this and the impact it will have on delivering the actions set out in this improvement plan.

The s151 Officer has decided not to proceed with the action relating to “lessons learnt from the implementation of the finance system” due to the amount of time that has elapsed and ongoing capacity issues within the Finance Team.

| No          | Action                                                                                                                                                                                                                   | Lead Officer                                      | Revised Timescale   | Progress Update                                                                                                                                                                                                           | Progress Rating                                                                       |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>VFM</b>  | <b>Significant Governance Issues from the former VFM Improvement Plan</b>                                                                                                                                                |                                                   |                     |                                                                                                                                                                                                                           |                                                                                       |
| <b>VFM1</b> | <b>Financial Sustainability (Statutory Recommendation 1)</b>                                                                                                                                                             |                                                   |                     |                                                                                                                                                                                                                           |                                                                                       |
| 20.         | Regular performance monitoring to be re-established with budget managers and Leadership Team.                                                                                                                            | Deputy Chief Executive (Resources) & S151 Officer | Quarter 3 - 2024/25 | The outturn for 2024/25 has been completed and will be reported to Cabinet in November.<br><br>But due to ongoing capacity issues within the Finance Team, regular budget monitoring for 25/26 has not yet been restored. |    |
| 21.         | 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 | It was intended to report on the delivery of savings as part of budget monitoring from 2025/26. But due to ongoing capacity issues within the Finance Team, regular budget monitoring has not yet been restored.          |    |
| 33.         | Lesson learnt exercise to be undertaken of implementation of the finance system                                                                                                                                          | Deputy Chief Executive (Resources) & S151 Officer | Quarter 3 - 2024/25 | Given the length of time that has elapsed, and the ongoing capacity issues within the Finance Team, it has been decided not to proceed with this action.                                                                  | N/A                                                                                   |
| 34.         | Training of managers in budget management and use of the new finance system.                                                                                                                                             | Deputy Chief Executive (Resources) & S151 Officer | Quarter 3 - 2024/25 | Completed                                                                                                                                                                                                                 |  |
| 35.         | Review of Financial Regulations                                                                                                                                                                                          | Deputy Chief Executive (Resources) & S151 Officer | Quarter 1 - 2025/26 | Work has not started on this due to other priorities taking precedence. This has been rescheduled for Q3.                                                                                                                 |  |

| No          | Action                                                                                                                                                                                                       | Lead Officer                                                                             | Revised Timescale                              | Progress Update                                                                                                    | Progress Rating                                                                       |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 36.         | Training for managers on Financial Regulations                                                                                                                                                               | Deputy Chief Executive (Resources) & S151 Officer                                        | Quarter 2 - 2025/26                            | This has been rescheduled to Q4 to follow the review of the Financial Regulations.                                 |    |
| 68.         | 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                            | A review is to take place to determine whether it is cost effective to proceed with this action in light of LGR.   |    |
| 69.         | 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                            | There is currently no capacity within the Finance Team to develop this nor to maintain regular monitoring reports. |    |
| 52.         | 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 |                                                                                                                    |                                                                                       |
| <b>VFM2</b> | <b>Corporate Savings &amp; Transformation Programme (Key Recommendation 1)</b>                                                                                                                               |                                                                                          |                                                |                                                                                                                    |                                                                                       |
| 56.         | 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                            | Due consideration is given in all key projects as to whether consultation/ engagement is required.                 |  |

| No          | Action                                                                                      | Lead Officer                                                                                                                                  | Revised Timescale   | Progress Update                                                                                                                                                                                            | Progress Rating |
|-------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>VFM3</b> | <b>Risk Management (Key Recommendation 2)</b>                                               |                                                                                                                                               |                     |                                                                                                                                                                                                            |                 |
| 26.         | 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 | Completed                                                                                                                                                                                                  | ★               |
| 41.         | 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 | The risk registers are being developed. A first draft of the risks has been completed. Limited progress has been made in Q2 to complete the scoring and develop action plans                               | ▲               |
| 42.         | 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 | This is being developed as part of the work on the Strategic Risk Register, the Directorate Risk Registers, etc. This cannot be finalised until work on the directorate risk registers has been completed. | ▲               |
| <b>VFM4</b> | <b>IT (Key Recommendation 3)</b>                                                            |                                                                                                                                               |                     |                                                                                                                                                                                                            |                 |
| 27.         | Update IT security policy and adopt a cyber security policy                                 | Head of Transformation and Assurance and Chief Technology Officer                                                                             | Quarter 3 - 2024/25 | Completed                                                                                                                                                                                                  | ★               |

| No          | Action                                                                                                                                      | Lead Officer                                                                                                   | Revised Timescale   | Progress Update                                                                                                                                 | Progress Rating |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 43.         | 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 | Work has commenced on the IT Assurance report, but this is behind schedule. This will now be reported in Q3.                                    | ✗               |
| 44.         | 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 | A revised checklist has been produced and is being tested on a sample of relevant procurements                                                  | ✓               |
| <b>VFM5</b> | <b>Fraud (Key Recommendation 4)</b>                                                                                                         |                                                                                                                |                     |                                                                                                                                                 |                 |
| 57.         | Review Anti-Fraud & Bribery Policy                                                                                                          | Chief Internal Auditor & Risk Manager                                                                          | Quarter 1 - 2025/26 | Work has not yet started on this due to the work on developing and embedding risk management across the Council. It has been rescheduled to Q3. | ✗               |
| 58.         | Review of Confidential Reporting Policy                                                                                                     | Chief Internal Auditor & Risk Manager                                                                          | Quarter 1 - 2025/26 | Work has not yet started on this due to the work on developing and embedding risk management across the Council. It has been rescheduled to Q3. | ✗               |
| 59.         | Assess compliance against Cipfa 2014 Code for Fraud and develop an action plan as necessary                                                 | Chief Internal Auditor & Risk Manager                                                                          | Quarter 1 - 2025/26 | Work has not yet started on this due to the work on developing and embedding risk management across the Council. It has been rescheduled to Q3. | ✗               |
| 79.         | Review the information we report on fraud work (including data matching) to the Audit Committee.                                            | Chief Internal Auditor & Risk Manager                                                                          | Quarter 1 - 2025/26 | Work has not yet started on this due to the work on developing and embedding risk management across the Council. It has been rescheduled to Q3. | ✗               |

| No          | Action                                                                                                                                                                                                     | Lead Officer                                                                             | Revised Timescale   | Progress Update                                                                                                                                                                                                                                                                                                                   | Progress Rating |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 73.         | Assess fraud risks and include in risk registers as appropriate                                                                                                                                            | Chief Internal Auditor & Risk Manager and Leadership Team                                | Quarter 2 - 2025/26 | Work in progress as part of the development of directorate and operational risk registers.                                                                                                                                                                                                                                        | ✓               |
| <b>VFM6</b> | <b>Performance Management (Key Recommendation 5)</b>                                                                                                                                                       |                                                                                          |                     |                                                                                                                                                                                                                                                                                                                                   |                 |
| 46.         | 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 | Although proposals for a Transformation Team were approved by Cabinet as part of the Transformation Strategy (5 December 2024), a report is to be considered by Cabinet in November which proposes to redirect the transformation resources to support the preparatory work needed for LGR and a more modest programme of change. | N/A             |
| 47.         | 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 | Preparatory work has commenced and the review will be completed in Q3.                                                                                                                                                                                                                                                            | ✗               |
| 74.         | 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 | Discussions are to take place with the External Auditors as part of the VFM review for 2024/25 as to the adequacy of our current arrangements and what, if any, additional work is required.                                                                                                                                      | ✗               |
| 75.         | 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 | As for comment above                                                                                                                                                                                                                                                                                                              | ✗               |

| No          | Action                                                                                                                                                                                                                                                                                            | Lead Officer                                                                             | Revised Timescale   | Progress Update                                                                                                                                                                                                                                                                  | Progress Rating |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 76.         | 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 | Performance reporting for leisure has been reviewed as part of the new contract and included in the tender specification.<br><br>The waste contract performance report has been reviewed. The contractor is to be asked to present their report to the Scrutiny Committee in Q3. | ★               |
| 45.         | 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 | Work has not commenced on this due to the work on LGR taking priority. It will now be scheduled for Q4.                                                                                                                                                                          | ▲               |
| <b>VFM7</b> | <b>Procurement and Contract Management (Key Recommendation 7)</b>                                                                                                                                                                                                                                 |                                                                                          |                     |                                                                                                                                                                                                                                                                                  |                 |
| 17.         | Update the contracts register and ensure it is compliant with transparency requirements                                                                                                                                                                                                           | Head of Transformation & Assurance and Leadership Team                                   | Quarter 4 - 2024/25 | Work is now in progress and will be completed in Q3.                                                                                                                                                                                                                             | ✗               |
| 50.         | Provide training for managers on procurement and contract management                                                                                                                                                                                                                              | Head of Transformation & Assurance                                                       | Quarter 1 - 2025/26 | Training on Procurement and the new Regulations was completed in Q4                                                                                                                                                                                                              | ★               |
| 62.         | 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          | Action                                                                                                                                                                                       | Lead Officer                                                                             | Revised Timescale   | Progress Update                                                                                                                   | Progress Rating                                                                       |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 63.         | 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 |                                                                                                                                   |                                                                                       |
| <b>VFM8</b> | <b>HR related issues (Improvement Recommendations 1 and 2)</b>                                                                                                                               |                                                                                          |                     |                                                                                                                                   |                                                                                       |
| 31.         | 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 | Report discussed at Leadership Team on 15 July 2025. Further work is required and will be completed in Q3.                        |    |
| 30.         | Establish our culture, values and type of organisation we want to be. This work will inform the other HR related actions                                                                     | Deputy Chief Executive (Resources) & S151 Officer and Head of Transformation & Assurance | Quarter 4 - 2024/25 | Put on hold pending further discussion in light of Local Government Reorganisation. Considering a light touch approach.           |    |
| 64.         | Develop a hybrid working policy and review other related policies and processes                                                                                                              | Head of Transformation & Assurance and HR Manager                                        | Quarter 2 - 2025/26 | Work cannot commence on this until the review has been completed and agreement reached on the future direction of hybrid working. |  |
| 65.         | Review and update the Employee Code of Conduct                                                                                                                                               | Head of Transformation & Assurance and Head of Law & Governance                          | Quarter 3 - 2025/26 |                                                                                                                                   |                                                                                       |

| No          | Action                                                                                           | Lead Officer                                                                 | Revised Timescale   | Progress Update                                                                                                                                                                                                                                                                        | Progress Rating                                                                     |
|-------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 80.         | Development of a workforce strategy that links to long term transformation / shared services     | Head of Transformation & Assurance and HR Manager                            | Quarter 4 - 2025/26 |                                                                                                                                                                                                                                                                                        |                                                                                     |
| <b>VFM9</b> | <b>Other Related Actions</b>                                                                     |                                                                              |                     |                                                                                                                                                                                                                                                                                        |                                                                                     |
| 77.         | Review of Code of Governance                                                                     | Head of Transformation & Assurance                                           | Quarter 1 - 2025/26 | Work is in progress. The Code has been reviewed but Cipfa have recently issued updated guidance and this needs to be reflected in the revised Code of Governance. Completion of this has been delayed due to work on LGR taking priority. It is intended to complete the review in Q3. |  |
| 67.         | Review of Scheme of Delegations as part of shared services transformation.<br>(From AGS 2023-24) | Monitoring Officer and Leadership Team                                       | Quarter 3 - 2025/26 |                                                                                                                                                                                                                                                                                        |                                                                                     |
| 66.         | Establish an inventory of key policies and a programme of periodic reviews                       | Leadership Team                                                              | Quarter 4 - 2025/26 |                                                                                                                                                                                                                                                                                        |                                                                                     |
| 81.         | Development of Assurance Model                                                                   | Head of Transformation & Assurance and Chief Internal Auditor & Risk Manager | Quarter 4 - 2025/26 |                                                                                                                                                                                                                                                                                        |                                                                                     |

| No         | Action                                                                                     | Lead Officer                                                                                        | Revised Timescale                      | Progress Update                                                  | Progress Rating                                                                     |
|------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|            | <b>New Significant Governance Issues Arising from the 2024/25 Governance Review</b>        |                                                                                                     |                                        |                                                                  |                                                                                     |
| <b>GOV</b> | <b>Governance Framework</b>                                                                |                                                                                                     |                                        |                                                                  |                                                                                     |
| GOV1       | Training and reminders for managers on good governance and key components of the framework | Deputy Chief Executive (Resources), Head of Transformation & Assurance and Head of Law & Governance | Initial session Quarter 2 - 2025/26    | This has been deferred to Q4 due to work on LGR taking priority. |  |
| GOV2       | Monitoring compliance with the governance framework                                        | Deputy Chief Executive (Resources), Head of Transformation & Assurance and Head of Law & Governance | Mid Year Review to be undertaken in Q2 | This has been deferred to Q4 due to work on LGR taking priority. |  |

## Annual RIPA Review

|                         |                            |
|-------------------------|----------------------------|
| <b>Committee:</b>       | Audit & Governance         |
| <b>Date of Meeting:</b> | 26 November 2025           |
| <b>Report of:</b>       | Head of Law and Governance |

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### 1 Purpose of Report

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

### 2 Recommendations

- 2.1 That the report be noted.

#### Reasons for Recommendations

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

### 3 Key Issues

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

### 4 Relationship to Corporate Priorities

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

### 5 Report Detail

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

- Access to communications data (e.g. details of subscribers to telephone numbers or email accounts).
- 5.2 The Council is a very rare user of these powers. However, it is important that it has sufficient oversight of its activities to ensure that any considered use is compliant with the subject's human rights.
- 5.3 The Home Office publishes national Codes of Practice on the use of RIPA powers by public authorities. The Council must have regard to the relevant Code of Practice whenever exercising powers covered by RIPA. The Investigatory Powers Commissioner conducts regular inspections of all public authorities to ensure compliance with RIPA, and the Codes of Practice. The Commissioner undertook a paper evaluation of the Councils RIPA functions in August 2023 and was satisfied that there was assurance of ongoing RIPA compliance at the Council. The next inspection will be due in 2026.
- 5.4 The Council has adopted its own Surveillance Policy to advise officers on RIPA obligations and to regulate any use of these powers. The Policy was last updated by Cabinet in September 2019 to reflect changes in the law and Codes of Practice. The policy is therefore up to date in that respect.
- 5.5 The Head of Law and Governance acts as the Senior Responsible Officer for RIPA, with oversight of the Councils internal procedures. The Legal Services Manager acts as the RIPA Co-ordinating Officer, ensuring that any request to use RIPA powers is co-ordinated through, and recorded in, a central register. The Legal Services Manager also acts as a source of advice to regulatory officers and supports the Senior Responsible Officer in keeping the Councils policy up to date.
- 5.6 As part of the policy, the use of any RIPA powers must first be approved by a Chief Officer trained to be a RIPA Authorising Officer. The number of Authorising Officers certified to act is limited to a maximum of three to ensure consistency and experience in procedures. The Council has three Chief Officers who received suitable training in November 2025. If the Chief Officer gives approval, then an application must still be made to the Magistrates Court for independent judicial approval before the surveillance takes place (NB. the Office for Communications Data Authorisations gives judicial approval in respect of accessing communications data).
- 5.7 The Council has not used RIPA powers in the last 12 months.

## **6 Implications**

### **6.1 Financial**

None.

### **6.2 Legal**

Set out in the report.

### **6.3 Human Resources**

None.

**6.4 Risk Management**

None.

**6.5 Equalities and Diversity**

None.

**6.6 Health**

None.

**6.7 Climate Change**

None.

**7 Appendices**

None.

**8 Previous Consideration**

None.

**9 Background Papers**

None.

**Contact Officer:** Ian Curran

**Telephone Number:** 01785 619 220

**Report Track:** Audit and Governance Committee: 26/11/25