

Cheltenham Borough Council Audit, Compliance and Governance Committee

Meeting date: 31 January 2024

Meeting time: 6.00 pm

Meeting venue: Council Chamber - Municipal Offices

Membership:

Councillors Adrian Bamford (Chair), David Willingham (Vice-Chair), Matt Babbage, Graham Beale, Tabi Joy, Paul McCloskey and Stan Smith

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Agenda

1 Apologies

2 Declarations of interest

3 Minutes of the last meeting (Pages 3 - 10)

To consider the minutes of the last meeting, 26 September 2023

4 Public and Member Questions

These must be received no later than 12 noon on the seventh working day before the date of the meeting

5 Progress Report and Sector Update (Pages 11 - 26)

Report of Grant Thornton, external auditor

6 Corporate Risk Register (Pages 27 - 40)

Report of Ann Wolstencroft, Head of Performance, Projects and Risk

7 Internal Audit Progress Report (Pages 41 - 66)

Report of Lucy Cater, Assistant Director, SWAP Internal Audit Services

8 Work Programme (Pages 67 - 68)

To consider agenda items for future meetings

9 Any other item the chairman determines to be urgent and requires a decision

10 Date of next meeting



Cheltenham Borough Council

Audit, Compliance and Governance

Committee

Minutes

Meeting date: 26 September 2023

Meeting time: 6.00 pm - 7.00 pm

In attendance:

Councillors:

Adrian Bamford (Chair), David Willingham (Vice-Chair), Matt Babbage, Graham Beale and Tabi Joy

Also in attendance:

Paul Jones (Executive Director of Finance, Assets and Regeneration), Gemma Bell (Director of Finance and Assets and Deputy S151 Officer), Emma Cathcart, Lucy Cater and Ann Wolstencroft (Head of Performance, Projects & Risk)

1 Apologies

Apologies were received from Councillor McCloskey.

2 Declarations of interest

There were none.

3 Minutes of the last meeting

The minutes of the last meeting were approved as a true record by those who had attended.

The Chair noted an action under Agenda item 6, suggesting that the Chairs of Audit, Compliance and Governance and of Overview and Scrutiny may like to collaborate regarding a progress update on Priority 1s highlighted in the internal audit. Following

the recent resignation of the Chair of Overview and Scrutiny, he suggested this should be reconsidered.

4 Public and Member Questions

There were none.

5 Corporate Risk Register

The Head of Performance, Policy and Risk introduce her report, the first quarterly report outlining the council's corporate risks as part of the new approach to reporting agreed in April. She said future reports will detail the risk movement in the previous quarter, not included here as it is the first report. She welcomed questions and any suggestions for future reports.

One Member considered the report to be a good and comprehensive starting point as a baseline of what the Committee is trying to audit; it can be kept under review as a living document, added to as and when further risks materialise.

In response to a Members' questions, the Head of Performance, Policy and Risk confirmed that:

- the Leadership Team reviews risk on a monthly basis, and she can include a summary of their discussions in her reports going forward;
- risks are not only financial – some are existential, such as recycling and the cost of living crisis. Officers check the highest-scoring risks on a regular basis to ensure mitigations and controls are in place, and carry out an effectiveness review - if mitigation measures are not reducing the risks, they look at other ways to do this with individual risk managers;
- with regard to cross-referencing concurrent incidents – such as the link between asylum seekers losing government support when their applications go through feeding into the homelessness issue – linked risks are usually owned by the same risk manager, making cross referencing possible.

A Member suggested a possible working group to identify such situations, and to help Members identify and avert potential risks before they escalate.

Members noted the contents of the report.

6 Audit Findings Report 2021-22

Before introducing her report, Alex Walling of Grant Thornton (AW) advised Members that although signing off the Audit Findings Report for 2021-22 was late, this was a national issue and CBC was in a better position than many other councils. She highlighted the following points:

- the report brings together the accounts work done on 2021-22, and local authorities are required to consider the report, in particular the unadjusted misstatements, before approving the accounts and approving and signing the letter of representation;

- there had been some adjustment to the financial statements since publication, currently standing at £1.777m to the council's comprehensive income and expenditure account – good news, as this does not affect the general fund balance. The adjustments have arisen from plant and equipment revaluation and pension figures;
- the work is substantially complete – awaiting revised pension figure from Cheltenham Borough Homes (CBH) and receipt of the management letter – and an unmodified opinion is anticipated. This is positive and reflects well on the finance team;
- under the Code of Audit Practice, auditors also have to do a value for money commentary, and as this work is still outstanding for 2021-22 and 2022-23, a joint commentary is proposed, considering the two years in isolation but bringing them together in one report. This work has started, and an interim report should be ready by Christmas, focussing on three areas – financial stability, governance, and economy, efficiency and effectiveness;
- the external auditor also has a statutory duty to highlight any areas of concern, or to issue any objections or public interest report, but has nothing to report for 2021-22 – another positive;
- once all the audit work is complete, the auditors issue a certificate to close the audit year, but this cannot be done until the value for money work is done;
- one 'significant matter' noted by the auditors was that the submitted draft accounts were incomplete, but this was due to the finance team waiting for third party information. This information has now been received;
- another significant matter was the delays in getting information from the valuer – having three valuation experts is unusual for a district council, but this is due to the nature of some of the entities CBC is working with;
- the issue of housing stock revaluation was also raised which was to have been an unadjusted misstatement in the accounts, but the council has now made the adjustment and this is reflected in the accounts.

In response to Members' questions, AW confirmed that:

- with regard to the MRP, the auditors are not wholly happy with what the council is doing, but has seen nothing to suggest it is *ultra vires* or would have a material effect on the accounts. The government is due to issue additional guidance and changes to regulations around MRP;
- Gloucestershire Airport has now provided the additional information required.

The Executive Director for Finance, Assets and Regeneration said that, regarding the revised government guidance, input from a number of consultees including the external audit sector and local authorities, has been taken on board, but regardless of any new regulations, the council has found a pragmatic solution to get its accounts signed off. The Director of Finance and Assets said that when the committee gets the Audit Findings Report for the 2022-23 account it will see all the actions signed off.

No vote was required. The report was noted.

7 Statement of Accounts 2022-23 (including letter of representation)

The Director of Finance and Assets said that the accounts followed a significant amount of work, and that there was still one item outstanding due to issues with the timing information was received. She said there had been some issues with the timing of information received from Gloucestershire Airport and experts, but these have been worked through with Grant Thornton over the last few weeks. Due to the delay, the most significant adjustments from the original to the final draft is the pension liability which has had to be revalued to account for changes from 31 March 2022 to today, and the consolidation of CBH's group accounts with our own.

She confirmed that today she was asking the committee to delegate to the Chair to sign the accounts and letter of representation on its behalf, subject to no further significant issues arising. She thanked Jon and the finance team for their hard work and perseverance over the last year, and Grant Thornton who had worked together well over the last six months to address some of the big changes and issues.

Having reviewed the report and documents, Members resolved unanimously to:

- a) approve in principle the draft Statement of Accounts 2021/22 dated 22 September 2023;**
- b) approve the delegation of authority to the Chair of the Committee to sign the final version of the accounts and management representation letter, subject to no significant issues being raised by audit.**

8 Internal Audit Monitoring Report

The Assistant Director of SWAP said her report was the usual update of work concluded since the last meeting, and progress on the audit plan. She said there are four final reports in the pack, two high-substantial which is very pleasing, and the audit on business continuity management is concluded. Her team has continued to follow up on agreed actions, and the two outstanding items for taxi licensing are now closed, following sufficient and good evidence being provided by the team.

A Member asked about timescales for implementing the recommendations and/or mitigating what has been found, and said it would be useful to include this in recommendations going forward. The Assistant Director of SWAP said this information was included in Appendix B, with an agreed action deadline in respect of offline access to business continuity plans of 30 September – this will be followed up shortly - and a deadline of 31 December for the annual testing and update of departmental business continuity plans.

The contents of the report were noted.

9 Counter Fraud and Enforcement Unit Update

The Head of Service, Counter Fraud and Enforcement Unit (CFEU) introduced her report, which provided the usual update on work being undertaken by her team. She outlined that the appendix now included some further detail relating to the work plan items but that specific updates were still included with more detail within the report. She highlighted that the work on business grant schemes was almost complete, with the DBT sending through paperwork to show that any outstanding debt liability was being transferred to them.

Her team has been working to complete the National Fraud Initiative matches relating to Single Person Discount anomalies, and in addition were also undertaking extra proactive reviews with the revenues team. She said the usual update regarding RIPA and IPA would be provided in the April report, but confirmed that the council had been the subject of an inspection by IPCO - all policies and processes were checked and deemed compliant.

She ended by sharing with Members the positive news that Stroud District Council will be joining the partnership; this will be beneficial and allow authorities across the county to share good practice.

The Executive Director of Finance and Assets noted that the last time the business grants scheme was mentioned, it was reported in the media in a negative light, highlighting the £36,334 had not been repaid. He pointed out that this represented 0.067% of the £50m paid out by the council, which he considered an awesome statistic and a level of performance which a significant number of councils were nowhere near achieving.

A Member welcomed the report, thanked the team for their hard work, and commented on the following:

- £129k in loss avoidance regarding the housing waiting lists, which was not just a financial benefit, but also making a difference to people who need priority housing;
- the work being done by public protection to protect people from unlawful evictions, which didn't result in particularly big fines but in quite considerable costs which put the cost of the work in perspective;
- the welcome £9k in council tax revenue, including two criminal penalties and one civil penalty. This serves as a reminder of what the council is doing to successfully detect fraud, and he hopes this can be widely publicised as a warning to others.

Another Member echoed these comments, saying it was scary to read about the many ways in which the council can potentially be defrauded.

In response to Members' questions, the Head of Service, CFEU confirmed that:

- the governance group is an officer group which meets to discuss general risk governance, and any particular matters of concern are raised at that group;

- the CFEU has a number of agreements with different bodies, including banks, to obtain and share information for evidence purposes;
- the council also works with the MAAF group, including the police, trading standards, and the NHS, to bring about a more cohesive approach to combatting fraud which is the most prevalent crime in the UK. Financial institutions linked to the group and carry out a lot of work to safeguard people, share best practice and inform the public. With the risks ever changing, and new scams and frauds emerging all the time, the MAAF groups bring bodies together nationally to work in a joined-up way and thus better tackle and prevent fraud activity – as prevention is better than trying to get money back once it's gone.

Members were happy to note the report.

10 Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

The Head of Service, CFEU, confirmed that the policy had not significantly changed – the content is legislative and there has been no change in legislation. She said departments and names have changed, and the aim has been to bring one policy together for all six councils rather than each council having an individual one. The revisions are minimal. The value of the penalty of £500 referenced at paragraph 3.6 hasn't altered.

There were no Member questions or noted, and Members voted unanimously to accept the new policy.

11 Work Programme

A Member raised the issue of JCS policy SD12, concerning affordable housing, and his worry that planning officers are not following their own documented guidance. He asked that this be looked at and corrected before any potential legal challenge on the soundness of a decision. The Executive Director for Finance, Assets and Regeneration recorded this concern, and said that he and the internal auditor would take this up with the Head of Planning and report back accordingly.

He added that it was worth pointing out that the annual audit plan is structured in a 'normal' year, which by default is subject to change due to the issues around auditing of which Members are aware. He said he was confident that by 2024-25 a normal cycle would be resumed.

12 Any other item the chairman determines to be urgent and requires a decision

There were none.

13 Date of next meeting

The next meeting will be held on Wednesday 29 November.

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Cheltenham Borough Council Audit Progress Report and Sector Update

18 January 2024



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

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This paper provides the Audit, Compliance and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit, Compliance and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications <https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at January 2024

Financial Statements Audit (2021/22)

Since the last Audit Committee, we have completed our work on the Council's financial statements for 2021/22. We issued an unqualified opinion on the Council's financial statements on the 3 October 2023. Our work commenced in July 2022 but was not conclude until October 2023 due, in the main, to delays with the group consolidated accounts and queries relating to council dwelling valuations.

We have not yet certified the 2021/22 audit as closed, as we are awaiting completion and issue of the Auditors Annual Report summarising the findings from our review of Council arrangements to secure Value for Money. This work is well progressed and will be a combined report covering both 2021/22 and 2022/23.

Financial Statements Audit - Backstop Proposals (2022/23)

2022/23 is our final year as your appointed auditors. We undertook our initial planning for the 2022/23 audit in October 2023.

Nationally there remains a significant number of audit opinions for 2022/23 and earlier that have not been issued. Proposals are in place to address this backlog by introducing a backstop, whereby audits not completed by a certain date will be subject to a disclaimed opinion.

The backstop date for all accounts up to and including 2022/23 was initially proposed as 31 March 2024, this has now been provisionally revised to 30 September 2024. This is subject to approval by the Minister (previously Lee Rowley, now Stephen Hoare), consultation and passing of the legislation.

The Audit Code of Practice will also need to be altered to require auditors to issue an opinion by this date. There is some work to be done to prepare the legislation and alter the Audit Code.

All account audits (up to and including 2022/23) not completed prior to or on 30 September 2024 under the normal procedures will be subject to the 30 September 2024 backstop and a disclaimed audit opinion will need to issued by this date.

We have discussed the Council's audit opinion for 31 March 2023 with officers. In our view, it is not possible to complete the audit of your 2022/23 accounts by the 30 September 2024, and, under the current proposals, these accounts would need to be disclaimed.

Where accounts are disclaimed the auditor is required by auditing standards to undertake an opening balances audit. Assuming your 2022/23 accounts are disclaimed, your new auditors will undertake an opening balances audit on the 2023/24 financial statements. This will reduce the level of qualification of the 2023/24 opinion.

The use of the backstop for 2022/23 will allow your new auditors to make a timely start on the 2023/24 audit once draft accounts have been made available. The deadline for production of your 2023/24 draft accounts is 31 May 2024.

Progress at January 2024(cont.)

Value for Money 2021/22 and 2022/23

Under the 2020 Code of Audit Practice, for local government bodies auditors are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

The ongoing delays in local audit continue to significantly impact audited bodies and the financial reporting and auditing process and may therefore affect the timing of when the work on VFM arrangements set out in AGN03 is performed and reported.

The guidance states that the auditor should perform the procedures required as part of their work on VFM arrangements under AGN 03 and issue their Auditor's Annual Report when their work is complete.

For 2022/23 audits, the NAO have confirmed that where the Auditor's Annual Report cannot be issued by 30 September it should be issued no more than three months after the date of the opinion on the financial statements for all local government bodies. We wrote to the chair of Audit, Compliance and Governance Committee on 9 October 2023 outlining the delay and expected reporting timelines.

We anticipate issuing our combined 2021/22 and 2022/23 Auditor's Annual Report by the end of February 2024.

Other areas

Certification of claims and returns 2022/23

We certify the Authority's annual Housing benefit subsidy return in accordance with procedures agreed with the Department for Work and Pensions.

We certify the Authority's annual Housing Pooling Receipts return in accordance with procedures agreed with the Department for Housing, Levelling Up and Communities.

The certification work for the 2022/23 returns is ongoing.

Meetings

We met with Finance Officers in January 2024 as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Authority. Your officers attended our Accounts Workshop in February 2023, where we highlighted financial reporting requirements for local authority accounts and gave insight into elements of the audit approach.

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

Audit Deliverables

2022/23 Deliverables

Auditor's Annual Report

This report communicates the key outputs of the audit, including our commentary on the Authority's value for money arrangements for the two years ended 31 March 2023 (this will be a combined report, also covering the arrangements for 2021/22).

Planned Date

February 2024

Status

Not yet due

2022/23 Audit related Deliverables

Housing benefits and pooling capital receipts certification

Certification of returns to government departments.

Housing benefits certification is expected to be completed by 31 January 2024 and pooling capital receipts by 17 February 2024, in accordance with time frames agreed with the relevant department.

Planned date

Spring 2024

Status

Not yet due

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local
government

Exploring the reasons for delayed publication of audited local authority accounts in England – Grant Thornton

Recent performance against target publication dates for audited local authority accounts in England has been poor. There are some reasons for optimism that there will be an improvement in the timeliness of publication of audited accounts as foundations are being laid for the future.

In this report we explore the requirements for publication of draft and audited accounts and look at some of the reasons for the decline in performance against these requirements over time. Only 12% of audited accounts for 2021/22 were published by the target date of 30 November 2022. There is no single cause for the delays in completing local authority audits, and unfortunately there is no quick solution in a complicated system involving multiple parties. We consider a variety of factors contributing to delays, note the measures which have already been taken to support the local audit system and make recommendations for further improvement.

There are some reasons for cautious optimism that the system will begin to recover and there will be a gradual return to better compliance with publication targets. However, we consider that these are outweighed by a number of risk factors and that the September deadline for audited accounts set by DHLUC is not achievable in the short term and also not achievable until there is further significant change in local audit and local government.

We note the following matters that are yet to be tackled:

- clarity over the purpose of local audit
- the complexity of local government financial statements
- agreement on the focus of financial statements audit work
- an improvement in the quality of financial statements and working papers

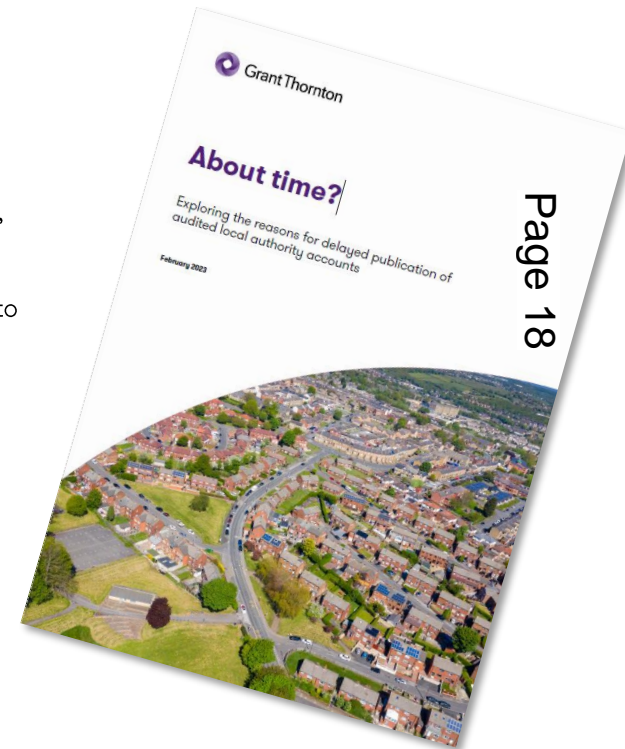
- an agreed approach to dealing with the backlog of local government audits
- Government intervention where there are significant failures in financial reporting processes

All key stakeholders including local audited bodies, the audit firms, the Department for Levelling Up Housing and Communities, PSAA, the NAO, the FRC and its successor ARGA, CIPFA and the Institute of Chartered Accountants in England and Wales will need to continue their efforts to support a coherent and sustainable system of local audit, acknowledging that it will take time to get things back on track.

We make recommendations in our report for various stakeholders, including Audit Committees and auditors, and include a checklist for consideration by management and Audit Committees within an Appendix to the report.

Read the full report here:

[Report: key challenges in local audit accounting | Grant Thornton](#)



Current local audit deadline ‘unachievable’- Grant Thornton

Low capacity in council finance teams and the failure to deal with historic accounting issues mean the current September audit deadline is unlikely to be met.

The firm said the changes in recent years to council investment strategies have seen annual accounts become increasingly complex.

In evidence to a Public Accounts Committee inquiry, Grant Thornton said the increased workload and pressure on resources have complicated recruitment and compounded delays.

The auditors said it is unlikely firms will be able to meet the 30 September deadline for publishing opinions on 2022-23 financial statements, because they are still working on previous years’ accounts.

The firm said one of the key issues causing delays is the lack of consensus over areas of audit focus, specifically over how land and buildings are audited.

“Too much audit resource is absorbed in dealing with longstanding financial reporting issues at poorly performing bodies,” the firm said.

In certain instances, audits are open as far back as 2017-18.

“Perhaps more importantly, there has not been enough debate with the sector on the purpose of local audit and the enhanced audit scrutiny it faces.

“This is particularly the case with the audit of property. Until these matters are resolved we do not consider that the September deadline is achievable.”



Current local audit deadline ‘unachievable’- Grant Thornton(cont.)

Grant Thornton said that while audit firms can be sanctioned by the Financial Reporting Council for failing to comply with regulations, there are currently no punishments for public bodies that fail to meet requirements.

It said there should be interventions for audited bodies that show “significant failures in financial reporting and an unwillingness to improve”.

In its evidence the firm blamed a lack of council funding to bolster finance teams for a reduction in the quality of reporting, causing further delays.

“Unfortunately, the quality of too many financial statements and working papers are not adequate,” Grant Thornton said.

“Improvement in accounts preparation, and recruitment and investment in finance teams is essential if local government is to prepare consistently high-quality draft accounts and respond to the challenges presented by an enhanced audit regime.”

In December, local audit procurement body Public Sector Audit Appointments revealed that only 12% of local government audits for 2021-22 were completed by the 30 November deadline.

PSAA said that 630 opinions were outstanding from both 2021-22 and previous years, and the level of opinions completed on time has declined significantly from 45% in 2019-20.

Read the full report here

committees.parliament.uk/writtenevidence/118580/pdf/



DLUHC proposals to clear audit backlog

A range of proposals and actions to address the backlog of local audits in England has been set out by the Department for Levelling Up, Housing and Communities (DLUHC).

These include setting statutory deadlines and issuing qualifications and disclaimers of opinion in the short term.

The proposals have been agreed in principle with key partners across the local audit system, DLUHC said. The National Audit Office (NAO) is considering whether to develop a replacement Code of Audit Practice to give effect to the changes, the department added.

In addition, DLUHC is considering whether legislative change is needed to set new statutory deadlines [for local bodies to publish accounts to mirror the proposed changes to the Code of Audit Practice](#).

[Legislative change may also be needed](#) to address any knock-on effects of the proposals which may impact the audit of opening balances within the accounts for future years, the department said.

Under these proposals, section 151 officers will be expected to work with Audit Committee members (or equivalent) to approve the final accounts by the statutory deadline in order for the audit opinion to be issued at the same time.

Read the full proposal here

committees.parliament.uk/publications/40932/documents/199432/default/



Call for sanctions for late accounts amid fears of ‘more Wokings - public accounts committee (PAC)

The Commons’ public accounts committee (PAC) published a report, [Timeliness of local auditor reporting](#), which highlights problems caused by the delays to local audit.

Just 12% of local government bodies received their audit opinions in time to publish their 2021-22 accounts by the extended deadline. The committee warned that the problem is likely to get worse before it gets better.

The report points out that there are no sanctions for failing to produce accounts on time, for either auditors or councils.

The PAC and others have been concerned about the implications of audit delays and Sir Geoffrey Clifton-Brown said cases like that of Thurrock Council and Woking Borough Council demonstrate why this issue needs to be addressed. Both councils had years of unaudited accounts when they declared themselves effectively bankrupt due to excessive levels of debt.



Around 700,000 children are studying in schools that require major rebuilding or refurbishment works - NAO

The Department for Education has published guidance on school buildings which were constructed using reinforced autoclaved aerated concrete – a lightweight form of concrete prone to failure.

<https://educationhub.blog.gov.uk/2023/09/04/new-guidance-on-raac-in-education-settings/>

The NAO also published a report this summer about the declining condition of the school estate. The UK's independent public spending watchdog's report found that more than a third (24,000) of English school buildings are past their estimated initial design life. These buildings can normally continue to be used, but are generally more expensive to maintain and, on average, have poorer energy efficiency leading to higher running costs.

In recent years, there has been a significant funding shortfall contributing to deterioration across the school estate. The department for Education (DfE) has reported £7 billion a year as the best practice level of capital funding to repair and rebuild the school estate.

The report says DfE has assessed the possibility of a building collapse or failure causing death or injury as a 'critical and very likely' risk since summer 2021. The report highlighted ongoing concerns with the use of reinforced autoclaved aerated concrete (RAAC) – used between the 1950s and mid-1990s. DfE has been considering the potential risk posed by RAAC since late 2018, following a school roof collapse.

Read the full report here

<https://www.nao.org.uk/press-releases/condition-of-school-buildings-and-dfe-sustainability-overview/>



LGPS valuation gives ‘cause for optimism’ – Hymans Robertson

Many Local Government Pension Schemes are in a stronger position than three years ago to meet future member benefits, pension advisors have said following the most recent valuations.

Despite market instability brought on by Covid-19 and exacerbated by Russia’s invasion of Ukraine, the overall funding level rose to 107% of past service in March 2022, compared to 98.5% in 2019, Hymans Robertson said in a [report](#).

Analysts reviewed the triennial valuations of 73 of the 86 LGPS funds, and said that on average fund asset values rose by 27.5% up to March 2022.

Hymans Robertson said the better-than-expected funding outlook has prompted a reduction in employer contributions, from 21.9% of pay in 2019 to 20.8% in 2022.

Robert Bilton, head of LGPS valuations at Hymans Robertson, said: “Our analysis gives cause for optimism that the outlook for the long-term funding sustainability of the LGPS is robust, not least due to the hard work that has taken place across all funds over the last decade and longer.

“While the good news is welcome, the hard work doesn’t stop, and it is important that funds use the next two years to continue to systematically review their risks to keep them in the best place possible ahead of the valuations in 2025.”

The report said funding levels rose by the most for schemes that were already better-funded in 2019, but balances increased “across the board” in all funds that were reviewed.

Researchers said higher asset values mean funds will only need to deliver real investment returns of about 1.5% per year over the next 20 years to ensure they are fully funded.

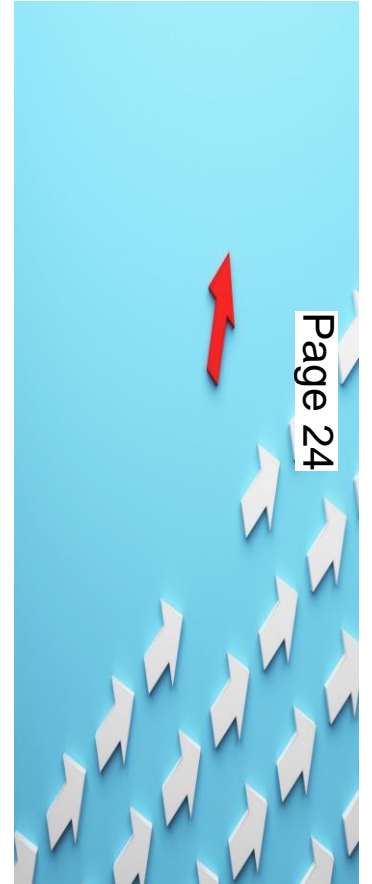
Hymans said it expects more than three-quarter (77%) of funds to be able meet the annual level of investment returns by 2040.

“This is a very positive funding position for the LGPS, Considering that, not so long ago, the Scheme Advisory Board had set up a ‘deficit working group’ and the significant market events that the LGPS has had to navigate in recent years.”

“Being in such a strong position is a testament to the diligent and hard work of administering authorities over the last decade.”

Read the full report here

[LGPS 2022 Valuation - the big picture.pdf \[hymans.co.uk\]](#)



Sustainability reporting in the public sector - CIPFA

CIPFA said, 'Sustainability reporting in the public sector is in its infancy, and there is an evolutionary journey to be embarked upon – sooner rather than later.'

Sustainability reporting is the recording and disclosure of an organisation's environmental impact caused by its activities. It has been widely adopted in the private sector, but in the public sector it is not the same story.

Having a clear understanding of the overall carbon footprint of the public sector is vital if we are to tackle climate change, find solutions and encourage sustainable development, said CIPFA.

CIPFA report states, 'the answers and positive steps to addressing the most pressing challenges around public sector sustainability questions. The current patchwork of public sector sustainability reporting frameworks are inconsistent and confusing. The report draws on already existing standards and frameworks that are relevant and useful to the public sector, rather than trying to reinvent the wheel.'

Alignment to financial reporting

The report recommends an approach that aligns sustainability reporting with the wider practice of financial reporting. The four key areas in this approach are governance, the management approach, performance and targets, and strategy. 'Public sector sustainability reporting: time to step it up' provides public finance professionals with a good understanding of what information needs to be disclosed and the process in producing a high quality report.

Read the full report from CIPFA here

[Sustainability Reporting \[cipfa.org\]](https://www.cipfa.org)



SEND deficits kept off budgets for another three years

The government has allowed councils to keep deficits on spending for children with special educational needs and disabilities off their balance sheets for a further three years.

The government's local government finance policy statement published on 12th December 2022 says that the statutory override for the Dedicated Schools Grant (DSG) will be extended for the next three years, from 2023-24 to 2025-26.

Councils use the high needs funding block of the DSG to fund Send provision. But for many authorities, the cost of this has been outstripping the amounts provided by tens of millions of pounds, leading to a total deficit estimated at more than £2bn.

The statutory override means that any DSG deficits are not included in council's main revenue budgets. Before the announcement, it had been due to expire in 2023. Last year, Matt Dunkley, chair of the Association of Directors of Children's Services' resources and sustainability policy committee, said: "We think the cumulative high needs block deficits of local authorities are approximately £2.3bn."

In June, the government launched the £85m Delivering Better Value in Send programme, that involves specialist advisors probing 55 councils' financial data to try and cut their DSG deficits. The Chartered Institute of Public Finance and Accountancy, a partner in the programme, said the scheme would provide "project management, change management and financial modelling capacity".

The programme is running alongside the Department for Education's 'safety valve' support scheme that offers bailouts for the councils with the largest Send spending deficits, in return for them implementing stringent reforms.

About 40 councils are expected to receive safety valve funding, meaning that the two programmes together will include about two thirds of councils with responsibility for Send. Also in June, the then children's minister Will Quince wrote a letter to council chief executives warning that a "significant number of councils are "running services that are not sustainable, and instead jeopardise the longevity of that crucial support".



Cheltenham Borough Council

Audit, Compliance and Governance Committee

31 January 2024

Corporate Risk Register

Accountable member:

Rowena Hay, Leader

Accountable officer:

Gareth Edmundson, Chief Executive

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

- This report provides a copy of the Council's Corporate Risk Register detailing strategic risks.
- The Corporate Risk Register summarises the Council's corporate risk profile as at the 16 January 2024.
- The register has been prepared in consultation with Risk Managers and the Senior Leadership Team.
- This report detail risk movements since the last formal report enabling Members to track CBC risk profile.

Recommendations:

- that Audit, Compliance & Governance Committee note the Corporate Risk Register.
-

1. Implications

1.1 Financial, Property and Asset implications

Poor risk management can lead to increased financial costs therefore it is important to have a robust processes in place.

Signed off by: Gemma Bell, Finance [gemma.bell@cheltenham.gov.uk.]

1.2 Legal implications

There are no specific legal implications arising from the report and its recommendations. It is fundamental that the Council has an embedded risk management framework which considers the identification, recording, and management of risks to the Council in the delivery of its priorities and objectives.

Signed off by: One Legal

1.3 Environmental and climate change implications

Leveraging the requirement to complete Climate Impact Assessment to support decision making, alongside a Risk Management programme specifically for climate and flood risks, an effective risk management framework across projects, programmes and business activities will ensure that climate implications are considered, relevant risks highlighted and mitigations controls put in place.

Signed off by: debbie.baker@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to all Corporate Plan Priorities as effective risk management is essential to the achievement of CBC plan.

Signed off by: ann.wolstencroft@cheltenham.gov.uk

1.5 Equality, Diversity and Inclusion Implications

Good risk management across all aspects of our business should ensure Equality, Diversity and Inclusion implications are considered and any risks are highlighted and controls put in place to mitigate.

richard.gibson@cheltenham.gov.uk.

2 Background

2.1 Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives.

2.2 The Council has a Risk Management Policy, reviewed in April 2023, that sets out the approach to risk management including the roles and responsibilities for Officers and elected Members. The policy also details the processes in place to manage risks at corporate, operational and project levels.

2.3 The Council's Leadership Team considers and reviews strategic risks on a monthly basis and the register is made available to Cabinet. All reports to Council / Cabinet / Committees contain risk implications. All risk discussions / assessments include the development of risk mitigation actions designed to reduce the likelihood and / or consequences of adverse events occurring. By understanding and managing risks, the council can be more confident about undertaking ventures which produce larger gains.

2.4 This corporate risk report is provided to Audit, Compliance and Governance Committee detailing strategic council risks. This report covers strategic risks as well as a narrative outlining changes to risks and scores since the last formal report. This allows the committee to track movements in our risk profile.

2.5 The risk register covers:

- The risk narrative.
- Risk Manager.
- Current risk score (impact & probability).
- Details of any controls in place to mitigate the risk.
- The risk action.
- The risk review date.

2.6 It is important to note that key projects / programmes will each have an individual risk register containing many risks. To keep track of these from a corporate perspective we have for each of these projects and programmes only one risk on the corporate risk register. For example, the Golden Valley development has a full risk register presented to Programme Board but one risk on the corporate risk register. The score of the risk on the corporate register will always reflect the highest score from the GV risk register. This enables us to monitor the highest risks we have across the organisation.

2.7 Whilst the register in appendix 1 contains a full list of our corporate risks following our peer review feedback and considering the priorities in our corporate plan for this report I have highlighted our top 6 risks. These relate to our corporate plan priorities around financial sustainability, becoming cyber capital of UK (MX), environmentally sustainable management of waste and recycling (carbon neutral), cost of living (financial sustainability), leisure and culture (Cheltenham as a place and resident wellbeing). At the present time our top six risks are:

- Minster Innovation Exchange - If the developer, Workshop Cheltenham, are unable to deliver the building within the current agreed budget then CBC may not achieve the required return on its investment. In respect of this risk we have in place Quantity surveyors supporting our in-house construction team to act as an intelligent client monitoring the quality and progress of the construction.
- Publica Information Technology (IT) (New Risk) - If the Councils do not effectively manage the changes to Publica then we may lose valuable IT Staff putting the councils IT systems at risk. In respect of this risk we are working closely with Publica and the

other councils within the partnership to ensure any transition/changes are managed effectively to ensure continuity of the excellent service provision from IT and the security of our systems moving forward.

- Medium Term Financial Strategy - If CBC is unable to come up with long term solutions which bridge the gap in the medium-term financial strategy, then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision. In respect of this risk we have a number of actions in place to mitigate including our commercial strategy, close monitoring of budgets and reviews with service managers, engagement with cabinet on budgets and savings and specified targets for some services.
- Cost of Living Crisis - If the cost of living crisis continues with energy, interest & other costs driving up inflation then it will impact on the councils financial stability & our ability to deliver services & major developments as well as having a negative impact on our customers & staff. In respect of this risk we are working with partners to ensure they are supporting people who are struggling.
- Waste & Recycling - If we have inadequate waste/recycling infrastructure/funding in place for the future then it may impact on the services we can provide to our residents. In respect of this risk we are investigating several options with regards to our infrastructure to ensure we can put in place something that will meet future needs.
- Leisure & Culture Venues - If the council does not have a long-term vision & investment plan in place for its leisure & culture venues then significant unplanned maintenance, repairs & investment may be required to keep the venues running & it may undermine the ability of the Trust (or any future provider) to run leisure & culture services in a profitable way. In respect of this risk we have undertaken an options appraisal around leisure and culture and are considering the results and we have commissioned a sports strategy to ensure any future options consider our sporting infrastructure. It should be noted that part of this risk has occurred with the temporary closure of Pittville Pump Rooms and the temporary closure of the teaching pool and splashpad.

2.8 Since the last report there have been some movements in our strategic risks and these are as follows:

- Minster Innovation Exchange – This risk has been increased as we near the completion of the development. The increase is due to contractor availability and the potential of adverse weather potentially delaying completion which could create additional budgetary pressure.

2.9 Since the last report three new corporate risks have been added to our register and these are:

- Cheltenham Borough Homes - If the council does not effectively handle the transfer of

CBH then we may experience issues from tenants, employees and contractors leading to a drop in service provision and potential legal/regulatory action.

- Public Information Technology (IT) - If the Councils do not effectively manage the changes to Publica then we may lose valuable IT Staff putting the council's IT systems at risk.
- Business Continuity - If CBC does not have adequate business continuity plans in place then this could impact the Council's ability to deliver services leading to resident hardship, financial loss & reputational damage.

2.10 Since the last report four corporate risks has been removed from our register and these are:

- Ubico Service Disruption - If union members agree to strike following a ballot, then waste & recycling services may be seriously disrupted & some cancelled causing reputational damage & expensive catch-up arrangements. Removed as risk does not exist present time.
- Climate Supplementary Planning Document has Limited application/utilisation - If the measures set out in the Supplementary Planning Document are not used in planning decisions, then it will have no impact on the contribution which development makes towards climate change. Removed as now embedded into planning team processes.
- Financial impact of Environment Act 2021 - If the new act results in less valuable recycling materials then there will be a negative impact on income. Removed as the level of risk at this time has reduced however, income from waste collection will remain under review.
- Risk of requirement to return ERDF grant funding - If MHCLG's value for money assessment deems CBC not to have delivered within acceptable boundaries and / or outputs do not fulfil original funding contract, then there is the risk that CBC will need to return funds to MHCLG. Removed as CBC met requirements.

3 Reasons for recommendations

3.1 Report to note only.

4 Alternative options considered

4.1 None

5 Consultation and feedback

5.1 Risk Managers and Leadership Team.

6 Key risks

6.1 None.

Report author:

Ann Wolstencroft, Head of Corporate Services

Appendices:

i. Risk Register

Background information:

N/A

Cheltenham Borough Council - Corporate Risk Register - 17 January 2024

Ref	Risk Details	Risk Manager	Current Assessment	Control Details	Risk Action	Review Date
338	Minster Innovation Exchange - If the developer, Workshop Cheltenham, are unable to deliver the building within the current agreed budget then CBC may not achieve the required return on its investment.	Gareth Edmundson	Impact - 5 Probability - 5 Score - 25	- Review & ongoing support from RPA - Appointment of internal construction expertise - Restructure of project roles - Scrutiny of full project risk register by exec & members - Scrutiny of programme plan - Close review of costs	Reduce	31/1/2024
397	Publica Information Technology (IT) - If the Councils do not effectively manage the changes to Publica then we may lose valuable IT Staff putting the councils IT systems at risk.	Gareth Edmundson	Impact - 5 Probability - 5 Score - 25	Ongoing discussions with Shareholders. Discussions with other Publica CEO's.	Reduce	29/2/2024
52	Medium Term Financial Strategy - If CBC is unable to come up with long term solutions which bridge the gap in the medium-term financial strategy, then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Gemma Bell	Impact - 5 Probability - 4 Score - 20	- Commercial strategy & activities - Quarterly budget monitoring - Cabinet engagement - budget proposals - Increased capacity in the finance team - Cabinet Away Day challenge and decisions - Targets for workstreams/services	Reduce	29/2/2024
247	If we have inadequate waste and recycling infrastructure and funding in place for the future then it may impact on the services we can provide to our residents.	Karen Watson	Impact - 4 Probability - 5 Score - 20	- Mitigate EA issues & resourcing	Reduce	22/01/2024

360	Cost of Living Crisis - If the cost of living crisis continues with energy, interest & other costs driving up inflation then it will impact on the councils financial stability & our ability to deliver services & major developments as well as having a negative impact on our customers & staff.	Gareth Edmundson	Impact - 4 Probability - 5 Score - 20	- Ensure sign posting in place for support. - Availability of community grants for funding.	Reduce	31/3/2024
385	Leisure & Culture Venues - If the council does not have a long term vision & investment plan in place for its leisure & culture venues then significant unplanned maintenance, repairs & investment may be required to keep the venues running & it may undermine the ability of the Trust (or any future provider) to run leisure & culture services in a profitable way.	Richard Gibson	Impact - 4 Probability - 5 Score - 20	- Phase 2 sports strategy - Options appraisal of leisure venues - Engagement with Hartpury College It should be noted that part of this risk has occurred with the temporary closure of Pittville Pump Rooms and the temporary closure of the teaching pool and splashpad.	Reduce	31/1/2024
149	Golden Valley Development - If the development does not achieve the anticipated investment return to CBC then the project objectives will not be met. (The anticipated investment return to CBC is set out in the Financial Model & draft Business Case in the Development Agreement.)	Paul Minnis	Impact - 4 Probability - 4 Score - 16	- Ongoing gate reviews at key decision points - Appointment of internal construction expertise - Close scrutiny of full project risk register by exec & members	Reduce	31/03/2024
342	Impact of lack of 5 Year housing land supply - If, based upon current evidence Cheltenham does not have a 5 year housing land supply then an action plan needs to be put in place to address this.	John Spurling	Impact - 4 Probability - 4 Score - 16	- Prepare and deliver a Housing Delivery Action Plan	Reduce	31/03/2024

296	Cheltenham Trust - If the Trust is unable to deliver on its five year business plan & run leisure & culture services in a profitable way (within context of cost of living crisis) then the council may incur financial costs to ensure the organisation remains solvent.	Richard Gibson	Impact - 4 Probability - 4 Score - 16	<ul style="list-style-type: none"> - Independent Financial Review - Regular governance meetings - Contract management - Management of the collection - Monitoring the impact of the reopening of the Wilson - Leisure @ Options appraisal 	Reduce	31/1/2024
357	High Street Defects - If the defects to the High Street are not resolved by external companies, then CBC may have to rectify at their own cost.	Claire Hughes	Impact - 4 Probability - 4 Score - 16	<ul style="list-style-type: none"> - Civil Procedure Rules P35 Report - Kings Counsel Opinion - High Street Defect Action plan - Cost Plan - Mediation being explored 	Reduce	29/2/2024
342	Cheltenham, Gloucester & Tewkesbury Strategic & Local Plan - If there is a failure to gain political consensus across the partners to reach key milestones & failure to adequately resource work then this would impact on reaching milestones which would lead to delay, costs, lack of delivering statutory part of development plan & potential special measures.	John Spurling	Impact - 4 Probability - 4 Score - 16	<ul style="list-style-type: none"> - Joint Advisory Group - Strategic and Local Plan Task Group & Strategic and Local Plan Steering Group - Planning & Liaison Member Working Group - Strategic and Local Plan Programme Management 	Reduce	30/03/2024
127	Carbon Neutral - If we fail to make Cheltenham carbon neutral by 2030 then we will not achieve our corporate objectives.	Debbie Baker	Impact - 4 Probability - 4 Score - 16	<ul style="list-style-type: none"> - Employ a climate emergency programme officer - Climate change funding - Climate change county level co-ordination - Create net zero partnerships - Secure adequate tools & resources to enable the delivery of the Climate Emergency Action Plan 	Reduce	31/1/2024

110	Cyber Security - If CBC have a cyber security breach then this could impact the Council's ability to deliver services leading to resident hardship, financial loss & reputational damage.	Ann Wolstencroft	Impact - 4 Probability - 4 Score - 16	- Cyber security controls (Publica ICT) - Cyber Attack - business continuity planning - Cyber Training for staff & members	Reduce	31/01/2024
396	Business Continuity - If CBC does not have adequate business continuity plans in place then this could impact the Council's ability to deliver services leading to resident hardship, financial loss & reputational damage.	Claire Hughes	Impact - 4 Probability - 4 Score - 16	- Business Continuity Plans being developed - Corporate Recovery Plan to be prepared	Reduce	28/2/2024
395	Cheltenham Borough Homes - If the council does not effectively handle the transfer of CBH then we may experience issues from tenants, employees and contractors leading to a drop in service provision and potential legal/regulatory action/intervention.	Gareth Edmundson	Impact - 5 Probability - 3 Score - 15	- Legal advisors in place. - Consultation with Tenant groups and organisations. - Consultation with appropriate CBH colleagues & teams. - Ongoing financial monitoring of budgets. - Monitor tenant satisfaction levels.	Reduce	31/1/2024
53	Budget Deficit Reserve - If the Budget Deficit (Support) Reserve is not suitably resourced, insufficient reserves will be available to cover anticipated future deficits, resulting in the use of General Balances, which will consequently fall below the minimum required level as recommended by the Section 151 Officer in the Council's Medium Term Financial Strategy.	Paul Jones	Impact - 5 Probability - 3 Score - 15	- Ongoing Reviews - Strengthen Reserves	Reduce	31/03/2024
208	Gloucestershire Airport - If the income from the airport does not cover the cost of borrowing then Cheltenham Borough Council may be in a detrimental financial position.	Paul Jones	Impact - 5 Probability - 3 Score - 15	- Ongoing financial monitoring & contract management.	Reduce	31/01/2024

347	Energy Costs (Gas & Electric) - If energy costs keep rising / fluctuating as per the current market then it impacts on our ability to accurately budget/forecast expenditure & may impact on the investments we can make in projects / programmes whilst still being able to achieve our MTFS.	Gemma Bell	Impact - 5 Probability - 3 Score - 15	<ul style="list-style-type: none"> - Provide awareness training for staff to highlight their role at an individual level - Ensure responsibilities for energy management are clearly defined and allocated within each operational asset - Reduce operational energy demand through investment in renewables and improved insulation, together with heating and lighting controls with external gatekeeping processes 	Reduce	31/01/2024
377	Difficulties in recruitment - If we are unable to recruit effective candidates for our vacant roles then we may be unable to deliver corporate plan ambitions & effective operational services leading to increased costs & reputational damage.	Ann Wolstencroft	Impact - 3 Probability - 4 Score - 12	<ul style="list-style-type: none"> - Ensure wide exposure social media etc - Grow your Own - Apprentices & Graduates - Review of applicant response rates by channel 	Reduce	29/2/2024
332	Afghan Resettlement - If hotel accommodation across the UK for Afghan households is closed then this could lead to households becoming homeless across the UK.	Martin Stacy	Impact - 3 Probability - 4 Score - 12	<ul style="list-style-type: none"> - Examine Local Authority Housing Fund - Round 2 potential funding opportunity 	Reduce	29/2/2024
86	Asylum Seekers - If accommodation is sourced for asylum seekers without intelligence being shared from relevant services, then the community cohesion of the area may be adversely affected.	Martin Stacy	Impact - 4 Probability - 3 Score - 12	<ul style="list-style-type: none"> - Protocol arrangements with partners - Cheltenham & county-wide focused partnerships 	Reduce	29/2/2024
325	Homes for Ukraine Scheme - If the relationships between Ukrainian guests & sponsors break down &/or accommodation arrangements are not continued then this may lead to a greater need for temporary accommodation, homelessness therefore increasing costs to the council.	Martin Stacy	Impact - 3 Probability - 4 Score - 12	<ul style="list-style-type: none"> - Rematching with new sponsors - Local Authority Housing Fund - Collaborative arrangements with CBH & Gloucestershire CC 	Reduce	29/2/2024

199	Business Rates Retention - If income streams from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business & the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.	Gemma Bell	Impact - 4 Probability - 3 Score - 12	- Part of Gloucestershire Pool - Ongoing monitoring of performance - Monitoring of business rate growth Work with Local Enterprise Partnership	Reduce	30/06/2024
168	Ability to resource/manage multiple concurrent incidents - If we have multiple concurrent incidents we may not be able to resource them all & this will impact effectiveness of response & impact business continuity.	Gareth Edmundson	Impact - 4 Probability - 3 Score - 12	- Local Resilience Forum Tactical Comm& Group Meetings - Emergency Planning - Local Resilience Forum Strategic Comm& - Cabinet Engagement - Budget proposals - Pandemic risk controls	Reduce	29/2/2024
387	Poor risk management - If the council does not have a robust & effective approach to risk management then then it may result in financial losses, failure to achieve corporate priorities, litigation & reputational damage.	Ann Wolstencroft	Impact - 3 Probability - 3 Score - 9	- Updated Risk Management Policy - Risk Management Training - Leadership Team Risk Discussions - Directorate Risk Discussions - Risk Maturity Audit - Risk Reporting to Audit, Compliance and Governance Committee - Cabinet Reports	Reduce	31/01/2024
386	Leisure & culture services - If the council does not begin to plan the long-term provision of leisure & culture services then it will be unclear about the scope of re procurement of services beginning in 2027.	Richard Gibson	Impact - 3 Probability - 3 Score - 9	- Long term commissioning strategy - Agree extension to The Cheltenham Trust contract (up to 5 years)	Reduce	29/2/2024

126	Failure to make the Council Carbon Neutral by 2030 - If we fail to make the Council carbon neutral by 2030 then we will not achieve our corporate objectives.	Debbie Baker	Impact - 3 Probability - 3 Score - 9	<ul style="list-style-type: none"> - Specialist resource employed - Climate Change Funding - Climate Change County Level Co-ordination - Climate Change Investment Strategy - Climate Emergency Action - Establish a Climate Emergency Programme Board - Secure adequate tools & resources to enable the delivery of the Climate Emergency Action Plan 	Reduce	31/1/2024
216	Rough Sleeping Accommodation - If there is insufficient emergency accommodation for households to access in times of emergency (e.g. extreme cold weather) or overnight emergency, then there could be injury to the household.	Martin Stacy	Impact - 3 Probability - 3 Score - 9	<ul style="list-style-type: none"> - Improving pathways - Additional emergency accommodation provision 	Reduce	29/2/2024
354	Marketing Cheltenham - If Marketing Cheltenham do not generate the right level of commercial income then it may not achieve the financial targets outlined in the business case.	Tara Sanchez	Impact - 3 Probability - 3 Score - 9	<ul style="list-style-type: none"> - Review Marketing Cheltenham membership package - Review SLAs - Quarterly full budget review 	Reduce	31/1/2024
344	Climate: Failure to support nature & biodiversity - If we fail to deliver projects to support nature, then there will be a potentially irreversible impact on local biodiversity due to climate change, with implications for the well-being of our communities.	Debbie Baker	Impact - 3 Probability - 3 Score - 9	<ul style="list-style-type: none"> - Continue to support volunteer activity promoting biodiversity within parks and green spaces - Review CBC contribution to achieving objectives within the Gloucestershire Tree Strategy - Ensure effective implementation of planning requirements in relation to Biodiversity Net Gain (BNG) and Suitable Alternative Natural Greenspace (SANG) - Review the potential for using CBC land to support nature and attract BNG/SANG funding where this is the most cost-effective long-term option 	Reduce	31/1/2024

89	Rough Sleeping Initiative Funding - If DHLUC reduce/end RSI funding (£1m/year county-wide), with the expectation that services will be baselined into council budgets from April 2025 onwards then existing Rough Sleeping prevention services will either cease, or CBC will have to build funding into our own budgets in order for services to continue.	Martin Stacy	Impact - 3 Probability - 3 Score - 9	- Use of Homelessness Prevention Grant Lobby Government on potential impact of reduced funding	Reduce	29/2/2024
376	GARAS support services for asylum seekers & refugees - If there is a change in leadership or staffing at GARAS, then the organisation may be less effective in supporting the needs of asylum seekers and refugees.	Martin Stacy	Impact - 2 Probability - 4 Score - 8	- Regular contract monitoring & info sharing by the county	Reduce	29/2/2024
295	Compliance with Property Legislation & Regulations - If we are not compliant with relevant legislation / regulations in all operational CBC properties then this may result in accidents resulting in reputational damage, fines and potential corporate manslaughter charges.	Gemma Bell	Impact - 4 Probability - 3 Score - 12	- Recruitment of Compliance Officer - External Advisors - Increased resource capacity of building surveyors - Planned maintenance work to understand structural risks and plan remedial work - Review of registers & risk assessments	Reduce	29/2/2024
216	Rough Sleeping - If county-wide commissioning arrangements are incohesive, then funding opportunities may be lost and/or services may end/not be commissioned.	Martin Stacy	Impact - 3 Probability - 2 Score - 6	- Programme Management Group - Member Training of Neighbourhood Panel	Reduce	29/2/2024

Cheltenham Borough Council

Audit, Compliance and Governance Committee

31 January 2024

Internal Audit Progress Report

Accountable member:

Councillor Peter Jeffries, Cabinet Member for Finance and Assets

Accountable officer:

Paul Jones, Executive Director – Finance, Assets and Regeneration

Accountable scrutiny committee:

None

Ward(s) affected:

N/A

Key/Significant Decision:

No

Executive summary:

The Council must ensure that it has sound systems of internal control that facilitate the effective management of all the Council's functions. The work delivered by SWAP Internal Audit Services (SWAP), the Council's internal audit service, is one of the control assurance sources available to the Audit, Compliance and Governance Committee, the Executive Leadership Team and Service Leadership Team and supports the work of the external auditor.

The Annual Internal Audit Opinion presented to the Audit, Compliance and Governance Committee provides an overall assurance opinion at the end of the financial year. This Internal

Audit Progress Report, however, is designed to give the Audit, Compliance and Governance Committee the opportunity to comment on the work completed by the partnership and provide 'through the year' comment and assurances on the control environment.

Recommendations:

- **That Audit, Compliance and Governance Committee considers the attached reports and makes comment on its content as necessary**
-

Implications

1.1. Financial implications

There are no financial implications arising from the report

Signed off by: Paul Jones, Executive Director Finance, Assets and Regeneration
Paul.Jones@cheltenham.gov.uk

1.2. Legal implications

There are no specific legal implications arising from the report and its recommendation.

Signed off by: One Legal, legal.services@onelegal.org.uk

1.3. HR implications

There are no specific HR implications arising from the content of the report. The HR Team continue to work closely with CBC and SWAP to ensure that any HR related recommendations from audits are actioned.

Signed off by: Clare Jones, HR Business Partner,
Clare.Jones@Cheltenham.gov.uk

1.4. Environmental and climate change implications

None specific arising from the report agreed actions

Signed off by: Gemma Bell, Head of Finance (Deputy Section 151 Officer),
Gemma.Bell@cheltenham.gov.uk

1.5. Property/asset implications

There are no specific Property/Asset implications arising from the content of the report

Signed off by: Gemma Bell, Head of Finance (Deputy Section 151 Officer),
Gemma.Bell@cheltenham.gov.uk

1.6. Corporate policy framework implications

The Internal Audit Plan is aligned to our Corporate Priorities and provide assurance against the achievement of corporate policy.

Signed off by: Ann Wolstencroft, Head of Performance, Projects and Risk,
Ann.Wolstencroft@cheltenham.gov.uk

2. Promoting equality and reducing discrimination

No implications arising from the report agreed actions.

3. Performance management – monitoring and review

Regular monitoring reports are provided to this Committee and, in the interim period regular meetings are held between Internal Audit and the Executive Director of Finance, Assets and Regeneration. New and emerging risks are discussed, and the impact of the recommendations made by Internal Audit are discussed.

4. Background

- 4.1. The Audit Plan for 2023/24 was approved by this Committee in April 2023. The role and responsibilities of Internal Audit reflect that it is there to help the organisation to achieve its objectives, part of the plan has been aligned to elements of this strategy. However, to inform the audit plan we have also considered other key documents, such as the Medium-Term Financial Strategy, change programme agendas and updates to the business plan, many of which contain risk assessments.
- 4.2. In order to satisfy the requirements of the Public Sector Internal Audit Standards (PSIAS) and to reflect changes within the Council, SWAP needs to focus upon areas where the organisation now requires assurance. This reinforces the requirement for Internal Audit to follow a more flexible and risk-based plan.
- 4.3. There is also a benefit to supporting the work of the External Auditor (Grant Thornton). This is in the form of financial and governance audits to support such activities as value for money.

5. Reasons for recommendations

- 5.1. This report highlights the work completed by Internal Audit and provides comment on the assurances provided by this work.

6. Alternative options considered

- 6.1. None

7. Consultation and feedback

7.1. *None*

8. Key risks

8.1. That weaknesses within the control framework, identified by the Internal Audit Activity, continue to threaten organisational objectives, if agreed actions are not implemented.

Report author:

Lucy Cater, Head of Internal Audit

Assistant Director, SWAP Internal Audit Services

Lucy.Cater@swapaudit.co.uk

Appendices:

Appendix 1 – Internal Audit Progress Report, January 2024

Appendix 2 – Open Agreed Actions and Summary of All Agreed Actions 2022/23 – 2023/24

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Cheltenham Borough Council

Report of Internal Audit Activity

January 2024

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The contacts at SWAP in connection with this report are:

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Jaina Mistry

Principal Auditor

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jaina.mistry@swapaudit.co.uk

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Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No**
- **Limited**
- **Reasonable**
- **Substantial**



Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.



Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Payroll	Final Report	High Substantial	0	-	-	-	Reported in September
Key Financial Control	Treasury Management and Cashflow Forecasting	Final Report	High Substantial	0	-	-	-	Reported in September
Governance	Business Continuity Management – Elections and Revenues and Benefits	Final Report	Medium Reasonable	2	-	2	-	Reported in September
Governance	Business Continuity Management – Corporate Reporting	Final Position Statement	N/A	-				Reported in September
Governance	Access to Information	Final Report	Medium Reasonable	4	-	2	2	Report Included
Key Financial Control	Bank Reconciliation	Final Report	Low Substantial	1	-	-	1	Report Included
ICT	ICT Business Continuity Management	Final Report	Low Substantial	2	-	1	1	Report Included
Governance	Transparency Data	Final Report	Medium Reasonable	3	-	3	-	Report Included
Key Financial Control	Revs and Bens – Council Tax and NNDR	Final Report	High Substantial	0	-	-	-	Report Included
Key Financial Control	Revs and Bens – Council Tax Support and Housing Benefits	Final Report	High Substantial	0	-	-	-	Report Included
Operational	Grant Income	Draft Report						
Key Financial Control	Use of Waivers	Draft Report						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Key Financial Control	Accounts Payable	Audit in Progress	
Governance	Audit Committee Effectiveness	Audit in Progress						
Governance	Projects – Lessons Learned	Brief Issued						
Operational	Government Grant Funding	Brief Issued						
Key Financial Control	Appointment of Consultants and Contractors							
Key Control	Payroll							
Key Control	Human Resources							
Operational	Accounts Payable – Qtly Review	In Progress						
Support	Business Grant Funding – Aged Debt	On-Going					Quarterly review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS	
Advisory	Procurement and Commissioning Group	On-Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Other Audit Involvement	Management of the IA Function and Client Support	On Going	
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

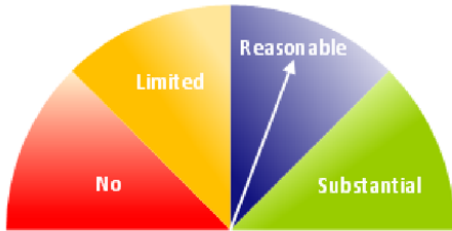
The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

Access to Information – Final Report – September 2023

Audit Objective

To assess the effectiveness of the Council’s procedures to handle Freedom of Information, Environmental Information and Data Protection requests in line with relevant legislation.

Assurance Opinion



There is a generally sound system of governance, risk management and control in place. Some issues, noncompliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	2
Priority 3	2
Total	4

Risks Reviewed

The Council's reputation is damaged and financial losses occur through fines due to improper management of Information requests.

Assessment

Medium

Key Findings



The Council’s information request disclosure logs are published on the Council’s website but at the time of our audit the disclosure logs were only published up until June 2022 and the Council are not complying with the ICO best practice by publishing performance statistics.



We reviewed the response times for Environmental Information Requests (EIRs) between July 2022 and July 2023 and noted that only 69% were processed within the 20 working day legal requirement. However, this was due to a number of requests received from one organisation and a cap has now been placed on the number of requests this organisation can make per month. If this data is separated from the data set, 90% of the remaining requests were processed within the legal timeframe.



We reviewed the 2022/2023 annual information request report and noticed that some service areas were taking longer to respond to information requests than others. We were advised that feedback had not been given to these service areas and they had not been reminded of the Council’s legal obligations to adhere to relevant deadlines.



The Council is in breach of their Privacy Statement for information requests as they still retained personal data for requests which were made more than two years ago, and retention of such data is not deleted in line with the privacy statement.

Audit Scope

An audit has been undertaken of Access to Information Requests at Cheltenham Council. Our audit included the following areas:

- Access to Information policies;
- Procedures for processing information requests;
- The timeliness of responses to information requests;
- The accuracy and quality of the information provided in response to information requests;
- The management of information request records; and
- Staff training provisions.

We would like to thank all staff involved for their assistance during the audit.

Other Relevant Information

Whilst the above findings were raised, it was pleasing to note a number of good practice areas. For example, there was a clear Access to Information Policy and robust processes for handling requests. Freedom of Information (FOIs) and Data Protection Act (DPA) requests were handled swiftly in most cases, with the response time frames between July 2022 to July 2023 exceeding the Council's KPI targets. The sample of requests reviewed were also handled professionally and the information provided was of good quality. By end of November 2023 all staff will have been trained on FOIs and the Council hope to move access to information requests onto a new digital platform by the end of the 2023/24 financial year.

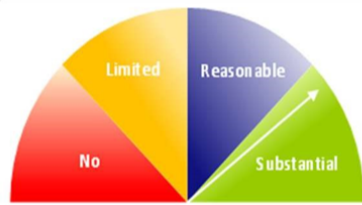
It should be noted that there was an out-of-date policy Access to Information Policy published on the Council's website, but this was updated during the audit. Additionally, the Council do not currently log the reasons for late responses, but they will ensure this is included in the workflow within the new digital platform.

Bank Reconciliation – Final Report – November 2023

Audit Objective

To provide assurance that core financial processes are operated in accordance with agreed policy/procedure and with the Council/Clients Financial Rules.

Assurance Opinion



A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	1
Total	1

Risks Reviewed

A lack of effective management of finance systems and processes may result in potential fraud, loss of income and reputational damage. The Financial Statements may not be accurate which may result in potential fines and additional pressures on already stretched resources.

Assessment

Low

Key Findings



We identified historic, outstanding entries (mostly income) in the suspense account stretching back several years, many of which are likely to remain unresolved. A standard process to deal with suspense account entries in a timely, efficient manner will be agreed and the outstanding entries actioned.



We can confirm the monthly bank reconciliation is being completed in a timely manner, is appropriately authorised and is in accordance with the Financial Rules.

Audit Scope

The following areas were reviewed:

- Processing of income and payment data into ledger, feeder systems etc.
- Suspense accounts, monitoring, processes.
- Reconciliation of feeder systems (NDR, CT etc) to the general ledger.
- Frequency and accuracy of bank account reconciliations.
- Authorisation process for bank account reconciliations.

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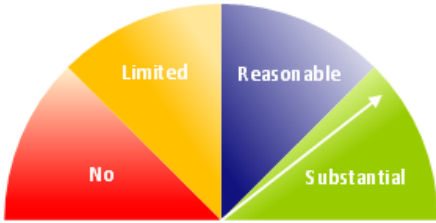
Other Relevant Information




The audit was also undertaken at the other Publica partner authorities, it highlighted differences in working practices across each of the organisations. To increase operational resilience, management may wish to consider standardising working practices in all areas of the bank reconciliation process.

ICT Business Continuity – Final Report – November 2023

Audit Objective

To provide assurance that ICT Business Continuity/Disaster Recovery arrangements are managed effectively.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	<p>A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>	Priority	Number	<p>Inadequate recovery plans / procedures result in the indefinite loss of key systems and data. This means Council operations would be adversely impacted potentially causing financial losses and reputational damage.</p>	<p>Low</p>
		Priority 1	0		
		Priority 2	1		
		Priority 3	1		
		Total	2		

Key Findings	
	<p>Disaster Recovery Test: The established criteria for a successful test was being able to fully recover and operate the Business World application (including all clients) in a secure cloud environment using backups. Preparation was crucial for ensuring the cloud recovered application did not interfere with the live application hosted on the Council servers. Any technical issues encountered were resolved by the ICT recovery team and the application was operational within the same working day. Test financial reports and HR transactions were processed in the recovered system and checked against the live system. The recovery process is documented and available to members of the ICT recovery team. Processes are in place to ensure recovery communications are managed for both the ICT team and non-ICT stakeholders.</p>
	<p>ICT and Emergency Planning Formal Engagement and Alignment: Regular formal engagement with the Emergency Planning teams of each key client hosted on the Council networks is required to support identification of issues, set expectations and align documentation.</p>
	<p>Documentation Updates: A review of business continuity and disaster recovery documentation was completed. Several required updates have been identified.</p>

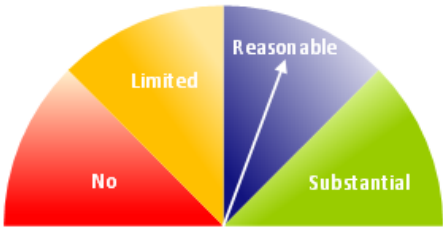
Audit Scope
<p>The audit includes:</p> <ul style="list-style-type: none"> • Review of ICT BCP / DR Plans – including processes, communication, assessment of system recovery • Walkthrough of the Recovery Process • Communication of test scenarios – reporting of lessons learned and areas for improvement/inclusion in plans <p>Scope exclusions: Service area plans are not included in this ICT review as they are audited separately.</p>

Additional Information
<p>We collaborated with the ICT team on the planning and execution of the recovery test. This enabled discussion on the audit requirements and technical step-by-step processes which helped to develop our understanding.</p> <p>Timescales for recovery depend on several factors including the amount of cloud processing power purchased for recovery. For this test, the amount of processing power purchased was limited to save costs but still enabled recovery. In a real disaster recovery scenario, the ICT recovery team will decide upon the optimum processing power required to purchase.</p> <p>Impact assessments have been completed to support the prioritisation of system recovery. In a real event, the priority of system recovery will depend on several factors some of which are outside of ICT's control (e.g. depending on the time of the month, payroll functions may be more of a priority than revenues and benefits and vice versa).</p>

Transparency Agenda – Final Report – December 2023

Audit Objective

To ensure all data is published in accordance with the Transparency Code 2015.

Assurance Opinion	Number of Actions		Risks Reviewed	Assessment
 <p>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	Priority	Number	<p>Information is mismanaged under the Transparency Code 2015, whereby the Council may publish incorrect information or be non-compliant with the Transparency Code.</p>	Medium
	Priority 1	0		
	Priority 2	3		
	Priority 3	0		
	Total	3		

Key Findings



Whilst reviewing the Council’s website to ensure that the data published was in line with the Transparency Code 2015, it was found that nine out of 16 areas were either not published or the information was out of date. These related to:

- Spending and procurement information
- Organisational information
- Land and Social Housing Assets and Paring Information

Further information, detail and actions made in response to our findings have been provided within Appendix 1.



During the audit we carried out a high level desktop review and the following key strengths were identified:

- The Council has published adequate data in line with the Transparency Code 2015 in seven out of 16 areas which includes: Expenditure exceeding £500; Grants to voluntary, community and social enterprise organisations; Waste contracts; Fraud; Constitution; Tenders and contracts; and Parking spaces.
- The Council’s website was easy to navigate, with the transparency data split into relevant sections.
- Information published was clear and easy to read.
- The Council’s website has links to the Transparency Code 2015 on it.

Audit Scope

An audit has been undertaken of the Transparency data at Cheltenham Borough Council (CBC). Our audit included the following areas:

- There are clear and understood Local Transparency guidelines and requirements of the Council.
- The transparency guidelines are adhered to, and responsibility has been assigned to ensure the required information is published on the Council’s website.
- There is robust oversight and monitoring on the compliance with Local Transparency guidelines.

Other Relevant Information

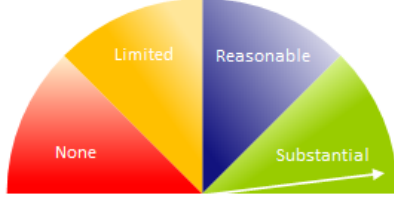
Compliance with the Code is being monitored by a variety of officers in different teams. However, we noted information is not being monitored regularly and suggest an itemised schedule could be developed to keep track of requirements.

We would like to thank all the staff involved in the audit for the help and co-operation received during this review.

Revenues and Benefits – Final Report – December 2023




Audit Objective

To review the effectiveness of internal controls operating over collection and recovery actions ensuring the Council’s policy and financial rules are complied with and that processes meet external codes of practice, professional good practice and statutory standards are applied.

Assurance Opinion – Council Tax and NNDR		Number of Actions	
		Priority	Number
	<p>A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>	Priority 1	0
		Priority 2	0
		Priority 3	0
		Total	0
Assurance Opinion – Housing Benefit and Council Tax Support Scheme		Number of Actions	
		Priority	Number
	<p>A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>	Priority 1	0
		Priority 2	0
		Priority 3	0
		Total	0

Organisational Risk Assessment	Assessment
Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention, but could be addressed by service management in their area of responsibility	Low
Organisational Risk Assessment	Assessment
Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.	Low

Key Conclusions

	<p>An action was agreed in last year’s audit to establish a checking process for suppressed accounts to evidence segregation of duties. This year’s testing showed this had not been effectively implemented. However, management provided evidence of the implementation of a more robust process prior to the issue of this report.</p>
	<p>All testing on key controls for NDR & CT revenues was satisfactory. Processes and controls are well established and effective.</p>
	<p>All testing on key controls for CTS/HB was satisfactory. Processes and controls are well established and effective. Additional work was undertaken on KPI’s and Discretionary Housing Payment processes. Both of these were also seen to be effective, particularly DHP’s where proactive initiatives are being considered to broaden the scope of available help for residents in financial difficulty.</p>

Audit Scope

We reviewed the following processes:

- Key Controls for Council Tax & NDR.
- HB & CTS – KPI’s relating to processing of new claims and changes in circumstances.
- Discretionary Housing Payments.
- Follow up of previous agreed actions.

The audit covers the period April 2023 – present.

Other Relevant Information

KPI’s showed the current level of NDR customers on paperless billing was 19.7%. Similarly, 27.7% of households have registered for CBC My Revenues & Benefits which enables residents to manage council tax, business rates, housing benefit and council tax support accounts online. Management are looking to focus on these areas in the near future with a view to improving these figures, thereby reducing administrative time and costs whilst assisting the Council in achieving it’s environmental objectives.

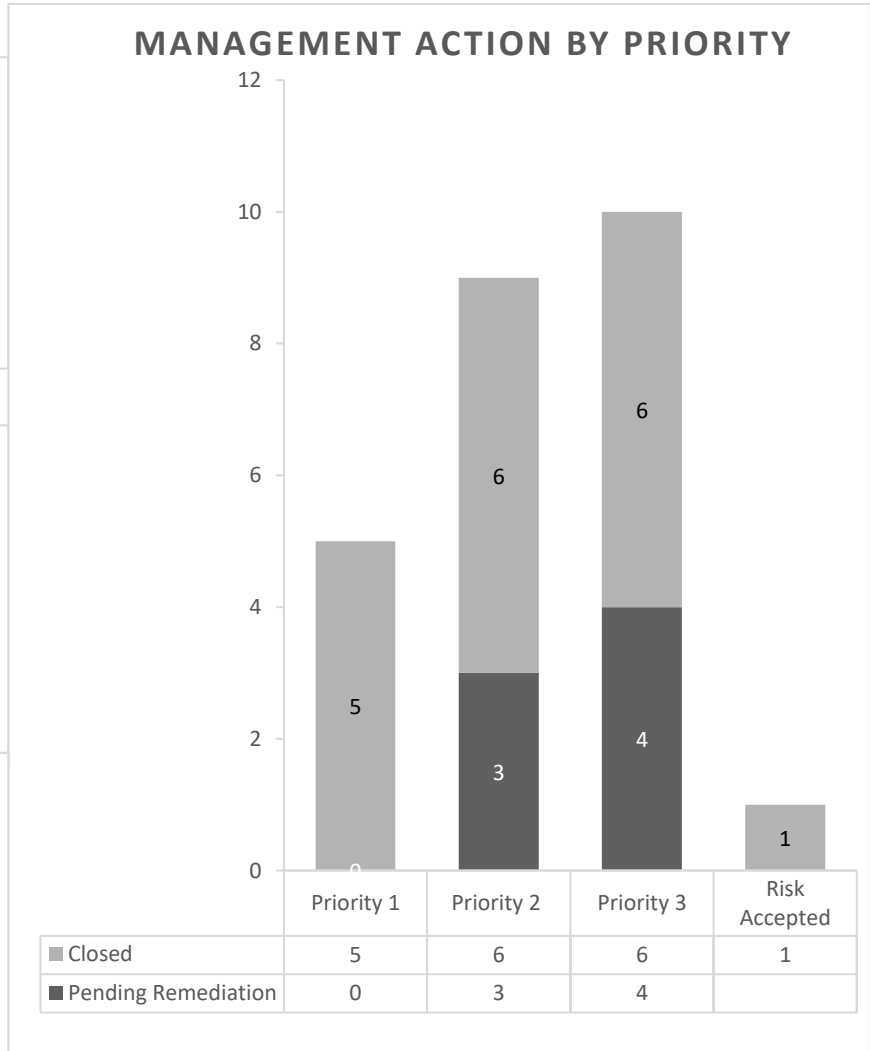
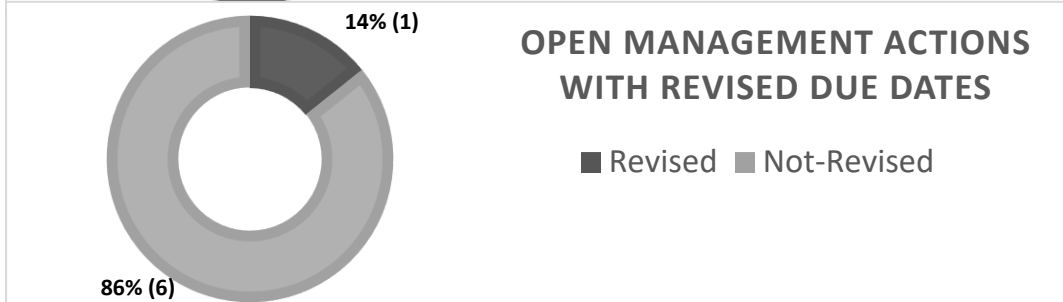
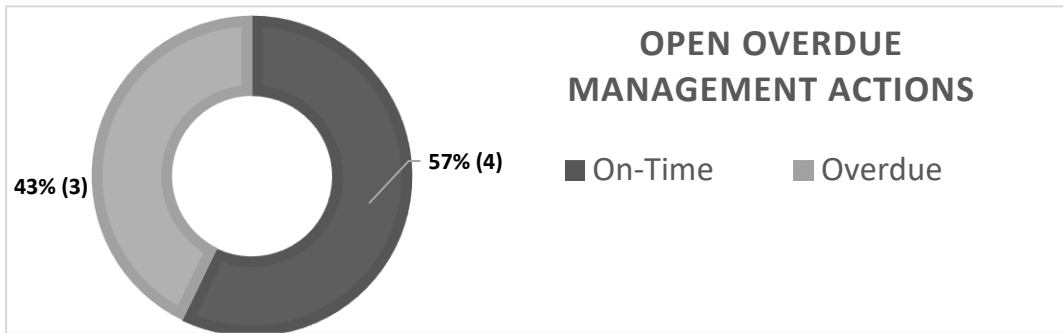
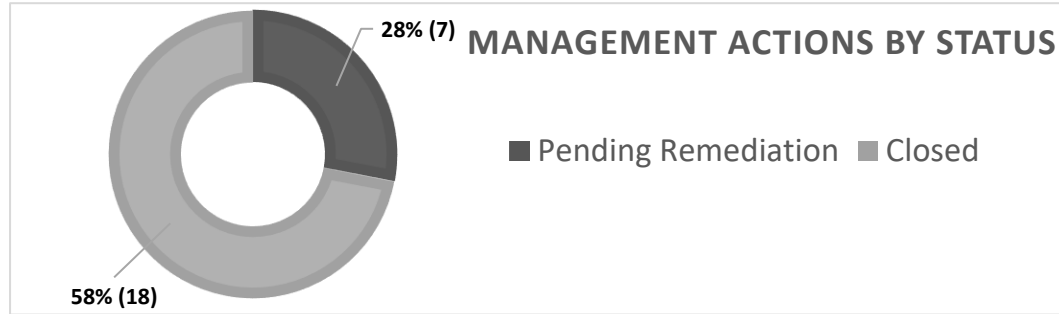
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Open Agreed Actions - January 2024

AP ID	ID	Audit Title	Issue Title	Issue Status	Period	Priority Score	AP Status	Timescale	Revised Timescale	Revised Timescale 2	Follow-Up Assessment
424	382	CBC - Planning Enforcement - 2020/21	The Built Environment Local Enforcement Plan (Planning) has not been recently reviewed (Pentana 44647)	Pending Remediation	2020/21	3	In Progress	31/07/2021	30/04/2022	31/12/2023	AM 17.11.23: Officers have advised that the draft policy is being reviewed and there will need to be engagement with members before implementation. It will be included with the forward plan for Cabinet but approval is likely to be after the May 2024 elections.
3100	2898	CBC - Bank Reconciliation - 2023/24	Review of Suspense Accounts	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	
2334	2199	CBC - Business Continuity (Operational R&B & Elect Services) - 2022/23 Audit	Annual Testing and Update of Departmental BCPs	Pending Remediation	2023/24	2	In Progress	31/12/2023	31/03/2024	--	New BCP pending, will be in place and tested by end Feb 2024.
2990	2792	CBC - Access to Information - 2023/24	Environment Information Requests do not Comply with Statutory Time Frames	Pending Remediation	2023/24	3	In Progress	31/12/2023	--	--	
2991	2793	CBC - Access to Information - 2023/24	Service Areas are not informed of their compliance with response times	Pending Remediation	2023/24	3	In Progress	31/12/2023	--	--	
2992	2794	CBC - Access to Information - 2023/24	Retention of Personal Data does not comply with the Council's Privacy Statement	Pending Remediation	2023/24	2	In Progress	31/10/2023	--	--	
3175	2968	PUB TR - ICT Business Continuity/Disaster Recovery 23/24	ICT and Emergency Planning Formal Engagement and Alignment	Pending Remediation	2023/24	2	In Progress	31/03/2024	--	--	
3164	2958	PUB TR - ICT Business Continuity/Disaster Recovery 23/24	Documentation Updates	Pending Remediation	2023/24	3	In Progress	31/03/2024	--	--	

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Summary of All Internal Audit Agreed Actions 2022/23 – 2023/24



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ANNUAL ITEMS (standing items to be added to the work plan each year)	
January	
Audit committee update	External Auditors
Internal audit monitoring report	Internal Audit
Review of Risk Register	Ann Wolstencroft
April	
Annual Auditors report, 2021-22 (h/o from January)	Grant Thornton
Annual Auditors report (for previous year)	Grant Thornton
Audit committee update (h/o from January)	Grant Thornton
IT Security update (h/o from January)	John Chorlton/Tony Oladejo
Annual governance statement – significant issues action plan (h/o from January)	Claire Hughes
Audit progress report and sector updates	[External Auditors]
External audit plan (for the current year)	[External Auditors]
External Audit Fee Letter (for previous year)	Grant Thornton
Annual plan (for the upcoming year)	Internal Audit
Internal audit monitoring report	Internal Audit
Counter Fraud Unit report (inc. RIPA / IPA update)	Counter Fraud and Enforcement Unit
Annual review of Code of Corporate Governance and Local Code of Corporate Governance (if CIPFA guidance has changed)	Claire Hughes
Annual Governance Statement	Claire Hughes
Annual Review of Risk Management Policy	Ann Wolstencroft
Annual Review of Draft Accounting Policies	Gemma Bell
July	
Internal audit opinion (for the previous year)	Internal Audit
Auditing Standards – communicating with the Audit Committee	Paul Jones/Chair
Statement of Accounts (previous year) (inc. letter of representation)	Finance Team
Annual update on FOI and EIR	Beth Cordingley
Review of Risk Register	Ann Wolstencroft
Annual Governance Statement and Local Code of Corporate Governance	Claire Hughes
September	
Audit Findings Report - ISA260 – for previous year	Grant Thornton
Internal audit monitoring report	Internal Audit
Counter Fraud and Enforcement Unit update	Counter Fraud and Enforcement Unit
Review of Risk Register	Ann Wolstencroft
Statement of Accounts (previous year, inc. letter of representation)	Finance Team

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