

Cheltenham Borough Council Audit, Compliance and Governance Committee

Meeting date: 10 July 2024

Meeting time: 6.00 pm

Meeting venue: Council Chamber - Municipal Offices

Membership:

Councillors Adrian Bamford (Chair), Ashleigh Davies, Chris Day, Cathal Lynch, Ben Orme (Vice-Chair), Julian Tooke and Dr David Willingham

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Agenda

1 Apologies

2 Declarations of interest

3 Minutes of the last meeting (Pages 5 - 10)

To consider the draft minutes of the meeting held on 17 April 2024.

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 Internal Audit Opinion for 2023-24 (Pages 11 - 46)

Report of Assistant Director, SWAP Internal Audit Services

6 Information Requests Annual Report (Pages 47 - 56)

Report of Interim Head of Customer Services and Business Support

7 Review of Risk Register and Corporate Risk Update (Pages 57 - 68)

Report of Head of Corporate Services

8 Annual Governance Statement and Local Code of Corporate Governance (Pages 69 - 102)

Report of Director of Governance and Customer Services (Monitoring Officer)

9 Work Programme (Pages 103 - 104)

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

11 LOCAL GOVERNMENT ACT 1972 - EXEMPT INFORMATION

The committee is recommended to approve the following resolution:-

That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraphs 3 and 7 Part (1) Schedule (12A) Local Government Act 1972, namely:

Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Paragraph 7: Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

12 Exempt Minutes of last meeting (Pages 105 - 106)

To consider the draft exempt minutes of the meeting held on 17 April 2024.

13 Date of next meeting

The next meeting is scheduled for 25 September 2024.

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Cheltenham Borough Council

Audit, Compliance and Governance Committee

Minutes

Meeting date: 17 April 2024

Meeting time: 6.00 pm - 7.35 pm

In attendance:

Councillors:

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

Also in attendance:

Paul Jones (Deputy Chief Executive (Section 151 Officer)), Gemma Bell (Director of Finance and Assets and Deputy S151 Officer), Emma Cathcart, Lucy Cater and John Chorlton (Chief Technology Officer, PUBLICA)

1 Apologies

There were none.

2 Declarations of interest

Councillor McCloskey declared an interest as non-executive director of Publica.

3 Minutes of the last meeting

The minutes of the extraordinary meeting held on 19 March were approved by Members who were present and signed as a true record.

4 Public and Member Questions

There were none.

5 Internal Audit Plan 2024-25

The Assistant Director of SWAP introduced her report, a summary of work to be carried out in the coming year, drafted with Members, officers and the SWAP team. Members were invited to ask questions.

A Member asked if compliance with Public Sector Equality Duty (PSED) across the council could be looked at, to ensure it was being exercised with rigour and an open mind, and that the decision-maker was keeping a record of their consideration of the duty. With two reviews of licensing policies proposed in the upcoming year, he would welcome assurance that PSED compliance was being considered on a case-by-case basis to avoid the possibility and costs of a successful judicial review. He suggested that an internal audit would ensure that all officers and Members understand the process and the risks, and act as a constructively critical eye to de-risk decisions against challenge and demonstrate that it is being done correctly.

The Deputy Chief Executive said work has already started in this area through the Monitoring Officer, and rather than replicate this in another forum, he suggested that, at the beginning of the 12-month cycle, the Member should write a half-page audit brief to take to the officer working group, to be considered at the next Audit, Compliance and Governance committee meeting in July.

The Member was happy to do that.

The Chair commented on the breadth of the plan in addition to the core areas, and was particularly pleased to see items on climate change and biodiversity.

A Member also welcomed the recommendations, and raised the following matters:

- does the homelessness deposit loan scheme include people seeking asylum? They are not equipped to find a home in 28 days, and this seems to be a significant disconnect;
- a lot of services including parking meters rely on 2G or 3G which is being phased out – are there plans to upgrade these?
- regarding climate and flood mitigation measures and its unprecedented pace of change, it is reassuring to note how the council is engaging with experts to devise potential mitigation strategies.

The Assistant Director of SWAP confirmed that she was happy to include homelessness deposit loan scheme in the audit; that the situation with analog to digital can be identified; and that she would like to see how much different service areas understand about carbon reduction and how the council is moving towards its targets. She was also happy to include flood mitigation in the plan.

The Chair suggested that when more detail on climate change and biodiversity has been gathered, it could be brought to the group for discussion.

6 Internal Audit Progress Report

The Assistant Director for SWAP introduced her report, updating Members on the progress of internal audits, and invited questions.

A Member was concerned that the local enforcement plan has not been reviewed, despite initially coming forward on 2020-21 – it has been perennially ‘kicked down the road’ since then. He suggested that planning enforcement is a matter of concern to his constituents and many others, and the lack of resolution is disrespectful to internal audit. If no action has taken place by the next meeting, the relevant director and Cabinet Member should be invited to explain and answer questions. Other Members agreed that it should be considered at the July meeting.

Members discussed where and whether any scrutiny of the different elements of planning took place, one Member suggesting that Overview and Scrutiny is the best placed to look at this. A Member suggested that this would be particularly timely as the climate team is looking at planning issues in relation to heritage buildings and the restrictions imposed by planning designations. She recalled a survey about the planning process a year or so ago, and thought there was probably a lot of work going on that could be drawn together. The Chair was happy for this to be added to the July agenda, and to be considered by Overview and Scrutiny after that.

The Assistant Director for SWAP confirmed that a draft report on CIL and S106 had been finalised and would be discussed in July, together with the appointment of consultants and contractors. She also said she would re-send a survey on audit committee effectiveness circulated some time ago, and confirmed that she would update Members on the progress of three Priority 2 items re. grant income in July; she currently hoped to close these off by September.

No vote was required on this item.

7 Counter Fraud and Enforcement Unit update

The Head of Service, Counter Fraud and Enforcement Unit (CFEU), introduced her report, highlighting activities undertaken and areas of focus for the coming year.

Members welcomed the CFEU’s valuable and important work, which benefits both the victims of fraud and the public purse, and hoped that reporting in the local media would make more people realise that they would be caught and potentially prosecuted if they act fraudulently.

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

- where a case of wrongly-claimed council tax is investigated, the unpaid amount is reinstated and rebilled as part of the normal recovery. How quickly the money is repaid depends on how much is owed and over what period it is being collected;
- the way the CFEU avoids a situation similar to the widely-reported Post Office scandal is by using properly-trained investigators and good processes and ensuring at all times that cases are managed fairly and in line with legislative

practice. Counter-fraud investigation is a profession requiring a particular skill set; cases must be investigated on their own merits and the process must be carried out properly. If there is any element of doubt regarding the reliability of evidence, a case should be dealt with appropriately;

- Appendix 2 is presented this year detailing work for 2023/24 but the current year has been expanded and updated to act as a service delivery plan / aide memoire of what the CFEU does and is responsible for. There will be more information in the reports in future, rather than a list of work streams;
- In terms of fraud risk registers, as fraud is known to be the most prevalent crime in the UK, simply stating that it is a risk to a local authority doesn't help mitigate it; therefore the fraud risk strategy included a promise to develop fraud risk registers specific to various service areas, the higher risk areas being revs and bens, housing, council tax and HR. The plan is to make these more meaningful and relatable to staff in those departments. Rather than a generic, overarching fraud activity register across all the authorities, each council will have its own set of service focussed fraud registers.

The Chair suggested that it would be useful to have six-monthly reflections on those more detailed areas.

8 Review of Draft Accounting Policies 2023/24

The Director of Finance and Assets reported that the final value-for-money certificate for the 2021-22 accounts had now been published and closed, but the finance team is still awaiting the outcome of consultation and discussions with Grant Thornton on the 2022-23 backstop. Meanwhile, we are now into 2023-24 closedown, and draft accounts need to be published by the end of May. Members will see the draft accounting policies again, but no changes in the code of practice or audit/accounting policies have been picked up. The report and policies are presented today on the recommendation of the auditors, as good practice. She confirmed that the backstop for all accounts to 2022-23 needs to be audited and published and final accounts signed off by the end of September, but officers are still in dialogue with Grant Thornton as to whether this will apply to us.

In response to a Member's questions, the Director of Finance and Assets confirmed that:

- regarding any financial changes as a result of CBH being brought back in-house, nothing fundamental will change in the 2023-24 accounting period. There were discussions with Grant Thornton when the Cabinet decision was taken in October and with Bishop Fleming, but fundamentally nothing changes - there will still be a separate set of accounts for CBH, as well as the HRA and General Fund statements, plus disclosures about what is going on to be clear and transparent. The 2024-25 accounts will be more technical;
- regarding capital receipts against minimum revenue provision (MRP), the 2021 statement of accounts and audit findings report show that we had applied capital receipts to repay debt; external auditors subsequently recommended a review of

this approach, which is reflected in the updated MRP policy approved by Council every March. The reviewed and updated 2021-22 accounts have been signed off, and the same approach has been taken in the 2022-23 and 2023-24 accounts, but from 2024-25 onwards, we will only repay debt where we have loans. The capital receipt, such as that from CBH, can be used to repay debt, as outlined in the MRP policy.

There was no vote on this item. Members noted the contents of the report.

9 Work Programme

The Chair noted that with some items carried forward, the July agenda would be a heavy one.

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

Councillor McCloskey, who was standing down as a councillor, thanked other Members and officers, saying they had been a fantastic team to work with for the past eight years. The Chair thanked him for chairing the Audit, Compliance and Governance committee so well, and wished him well for the future.

11 LOCAL GOVERNMENT ACT 1972 - EXEMPT INFORMATION

The committee voted unanimously to approve the following resolution:-

That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3 and 7, Part (1) Schedule (12A) Local Government Act 1972, namely:

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12 IT Security update

Members considered the report and noted its contents.

13 Date of next meeting

The next meeting is scheduled for 10 July 2024.

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Cheltenham Borough Council

Audit, Compliance & Governance Committee – 10 July 2024

Annual Internal Audit Opinion 2023/24

Accountable member:

Councillor Alisha Lewis, Cabinet Member for Finance and Assets

Accountable officer:

Paul Jones, Deputy Chief Executive

Accountable scrutiny committee:

None

Ward(s) affected:

N/A

Key/Significant Decision:

No

Executive summary:

The Annual Internal Audit Opinion, Appendix 1, gives the opinion, of the Head of Internal Audit (SWAP Assistant Director) and, therefore, the officer responsible for the delivery of the internal audit function, which includes assessing the adequacy and effectiveness of internal control within Cheltenham Borough Council. The opinion is based on the adequacy of control, noted from a selection of risk-based audits carried out during the year and, other advice work on control systems including the proactive work of the service as it supports the control arrangements within change projects. The results of any external inspections also inform the opinion.

Throughout the year we have measured the degree of control assurance within the systems or elements of systems we have audited or supported by way of control advice. Overall, the opinion is that a 'Low Reasonable' assurance level can be given for the controls in place, within the areas where audit activity has taken place, to safeguard these systems which in turn support the delivery of the Council's overall business objectives.

Where operational control issues were raised, the risks associated with the control issues raised, in the audit reports, are being actively managed by the responsible Management.

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, Deputy Chief Executive, Paul.Jones@cheltenham.gov.uk

1.2. Legal implications

As detailed in the report, it is a requirement under the CIPFA Public Sector Internal Audit Standards for the Chief Audit Executive to deliver an Annual Internal Audit Opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control. This is an important source of assurance that supports the Council's governance statement.

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 new CBC HR Team will work closely with SWAP to ensure that any HR related recommendations from audits are actioned.

Signed off by: Ann Wolstencroft, Head of Corporate Services, Ann.Wolstencroft@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 provides assurance against the achievement of corporate objectives and policies.

Signed off by: Ann Wolstencroft, Head of Corporate Services,
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 report outlines how the Internal Audit function has supported the Council in meeting the requirements of the Accounts and Audit (England) Regulations 2015. These state that: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”
- 4.2. Under the CIPFA Public Sector Internal Audit Standards the Chief Audit Executive must deliver an Annual Internal Audit Opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The annual report must incorporate:
 - the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

5. Reasons for recommendations

- 5.1. 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, the Council’s internal audit service in 2023/24, is one of the control assurances available to the Audit, Compliance and Governance Committee, the Senior Leadership Team, and supports the work of the external auditor.

5.2. 'Low Reasonable' Assurance can be given that 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. Some weakness in the design and/or inconsistent application of controls have been identified, actions agreed with officers and improvement plans agreed.

5.3. Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

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 – SWAP Internal Audit Annual Opinion 2023/24

Appendix 2 – Agreed Actions

Appendix 3 – Final Audit Report

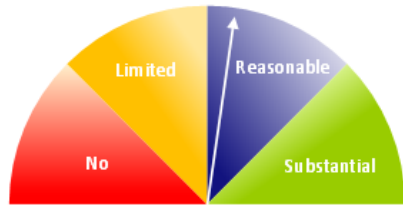
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Cheltenham Borough Council

Internal Audit Annual Opinion Report 2023/24

Internal Audit Annual Opinion – 2023/24: ‘At a Glance’

Annual Opinion



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.

The Headlines

	<p>Significant risks were identified in respect of the reviews of Grant Income, the S106 process and the administration of CIL. Progress is being made on the implementation of the agreed actions, which Internal Audit are monitoring.</p>
	<p>26 reviews were included as part of the 2023/24 Internal Audit Plan. Includes assurance, advisory and follow up reviews, and specific audit support. 2 reviews are at draft report stage and 2 are in progress.</p>
	<p>Internal Audit staff supporting the Council. Auditors continue to support the Council, by attending meetings, supporting projects and when necessary, conducting specific tasks for the Council.</p>
	<p>One historic agreed action remains outstanding, along with actions agreed during 2023/24 We will continue to follow-up all agreed actions.</p>

Assurance Opinions	2022/23	2023/24
Substantial	6	8
Reasonable	4	3
Limited	0	3
No	0	0
Support to the Council	4	5
Grant Certification	4	0
Advisory	3	2
Follow-Up	1	1
Agreed Actions	2022/23	2023/24
Priority 1	5	1
Priority 2	4	17
Priority 3	8	7
Total	17	25

Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
 - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
 - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
 - the effectiveness of risk management processes; and
 - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

Executive Summary

Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit, Compliance and Governance Committee and Senior Management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

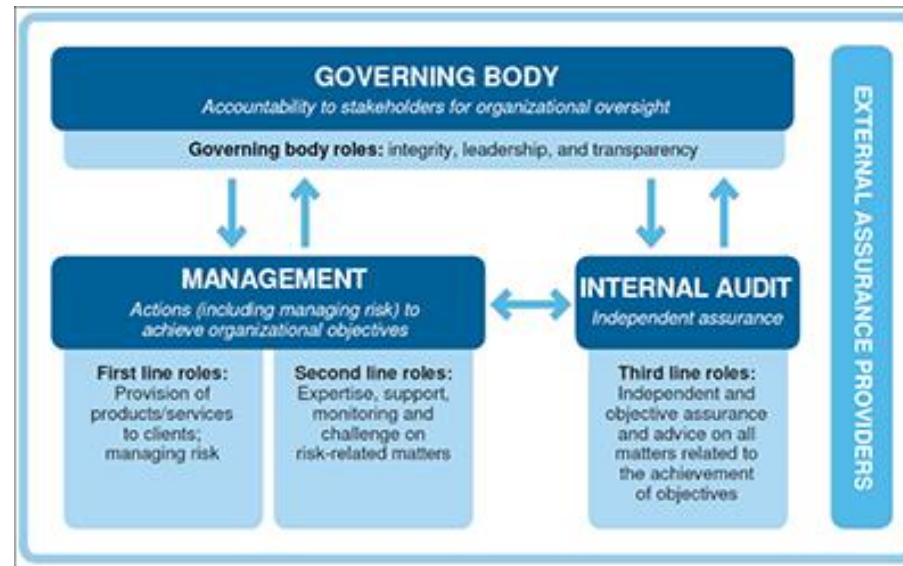


Background

The Internal Audit service Cheltenham Borough Council is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2023/24 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



Internal Audit Opinion 2023/24

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion

On the balance of our 2023/24 audit work for Cheltenham Borough Council, enhanced by the work of external agencies, I am able to offer a **Low Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Audit work is planned to ensure that sufficient assurance will be available to inform the annual opinion as well as supporting the key priorities that underpin CBC's Corporate Plan (2023 – 2027):

- Enhance Cheltenham's reputation as the cyber capital of the UK
- Working with residents, communities and businesses to help make Cheltenham net zero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

Our audit work supports each of these priorities, whether as an assurance audit, an advisory piece of work, ad hoc requests or support to the council.

The professional requirements of PSIAS have remained unchanged and in line with these, audit priorities have been agreed throughout the year and this work supports the annual opinion.

The Annual Opinion is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation's governance arrangements, risk management processes and internal control environment and facilitate an assessment of overall adequacy and effectiveness. Opinions are a balanced reflection across the year and not a snapshot in time. In forming this opinion, the following sources of information have been used:

- *Completed audits which evaluate risk exposures relating to the organisation's governance, operations and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.*
- *Observations from consultancy / advisory support.*
- *Follow up of previous audit activity, including agreed actions.*
- *Assurances from other key sources and providers, including third parties, regulator reports etc.*
- *Ongoing support and advice relating to the risks associated with payments administered following the pandemic.*

Alongside direct internal audit work, the HIA can also place reliance on:

- *Work and investigations undertaken by the Council's Counter Fraud and Enforcement Unit.*
- *Updates and PSN certification undertaken by the Council's ICT Team.*

The following are considered key pieces of audit work that support the annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control.

- *Business Continuity*
- *Continuous assurance*
- *Key financial audits*
- *Information governance and security*
- *Key front line services*

Furthermore, the Head of Internal Audit, or member of the Audit Team is an attendee at the following meetings:

- *Procurement and Commissioning Group*
- *Corporate Governance Group*
- *Heads of Service Meetings*

Definitions of Corporate Risk

High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Medium Risk

Issues which should be addressed by management in their areas of responsibility.

Low Risk

Issues of a minor nature or best practice where some improvement can be made



Significant Corporate Risks

Our audits examine the controls that are in place to manage the risks that relate to the area being audited. We assess the risk at a 'Corporate' level once we have tested the controls in place. Where the controls are found to be ineffective and the 'Corporate risk' as 'High' these are brought to the Audit, Compliance and Governance Committee attention.

We identified significant weaknesses in the following audits:

Grant Income

- No policy / procedure for governing the administration and management of Council Grants.
- Lack of consistency in the use of Grant Funding Agreements and arrangements for review.
- No formal process for declarations of interest, lack of segregation of duty, no requirement of due diligence to be performed on governance and financial viability of the applicant.

Section 106 Process

- Roles and Responsibilities need to be established and formally captured. No one person has oversight of S106s.
- Process for monitoring is manual, spreadsheet based, despite the Exacom system being in place.
- Financial rules were not being complied with; reconciliations were not being undertaken.
- Lack of evidence of reporting to Members.

Community Infrastructure Levy

- Roles and Responsibilities need to be established and formally captured.
- Financial rules were not being complied with; reconciliations were not being undertaken.
- Lack of evidence of reporting to Members.

To ensure control weaknesses are being addressed we have continued to follow-up all agreed actions made in previous years audits as well as current year ones which have passed their implementation dates. We have also introduced a process whereby the CFO receives a monthly report of all agreed actions which can be followed up with Officers and Publica where appropriate. There is currently one historic outstanding agreed action which has passed its implementation date.

All audits, and progress against agreed actions, have been reported throughout 2023/24 to the Audit, Compliance and Governance Committee.

Summary of Audit Work 2023/24

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

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.



Summary of Audit Opinion

The following two charts summarise the audit opinions and audit work, and involvement, during 2023/24.

Table 1 indicates the spread of assurance opinions across our work during the past year.

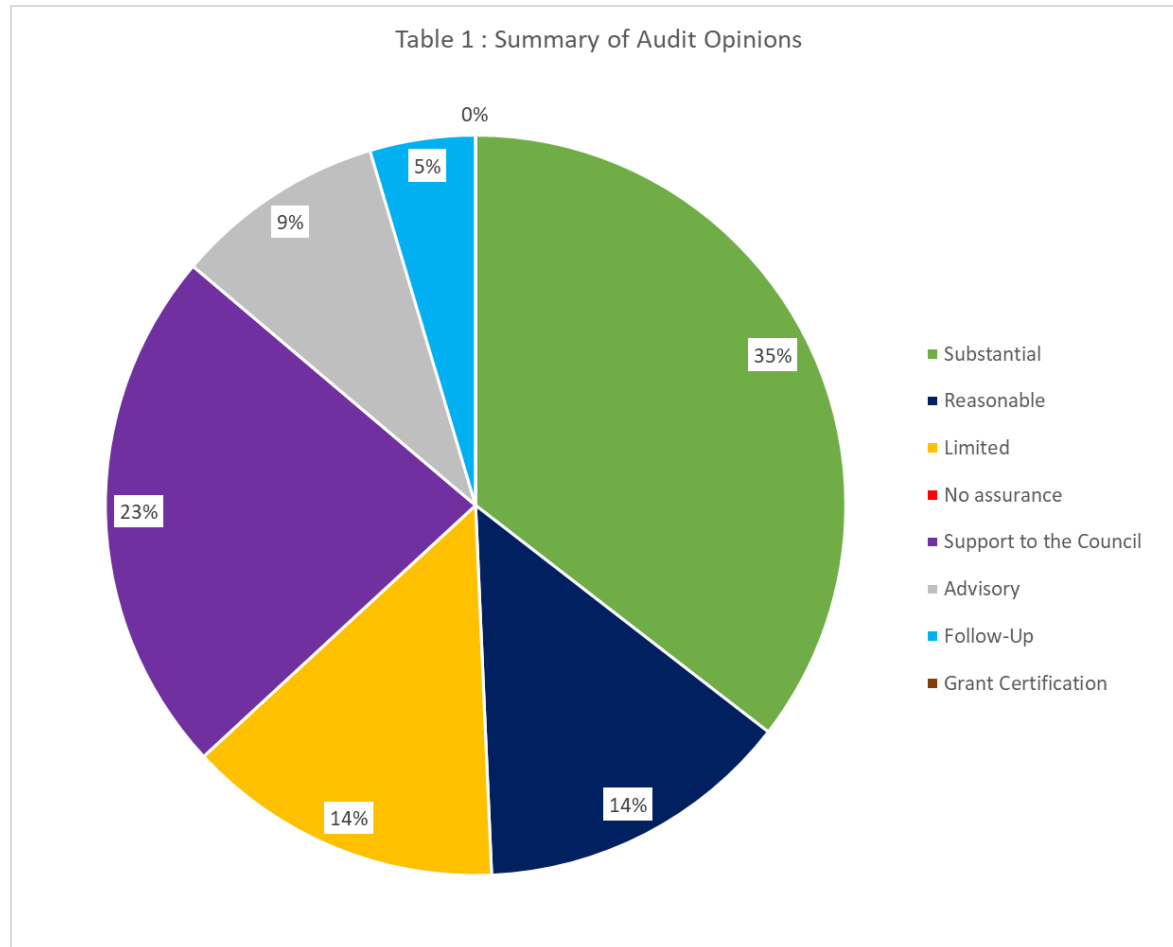
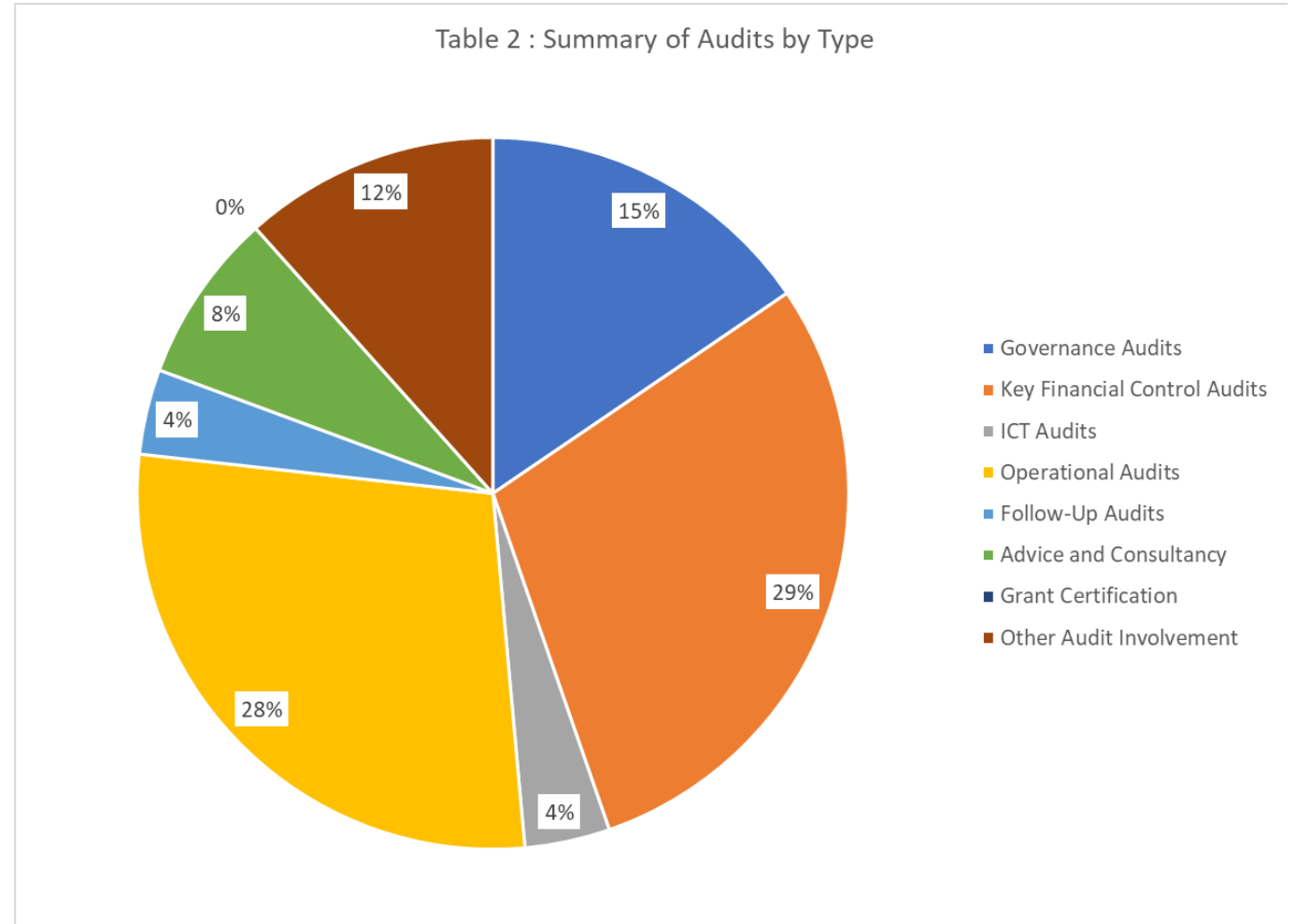


Table 2 indicates the audit work by type.



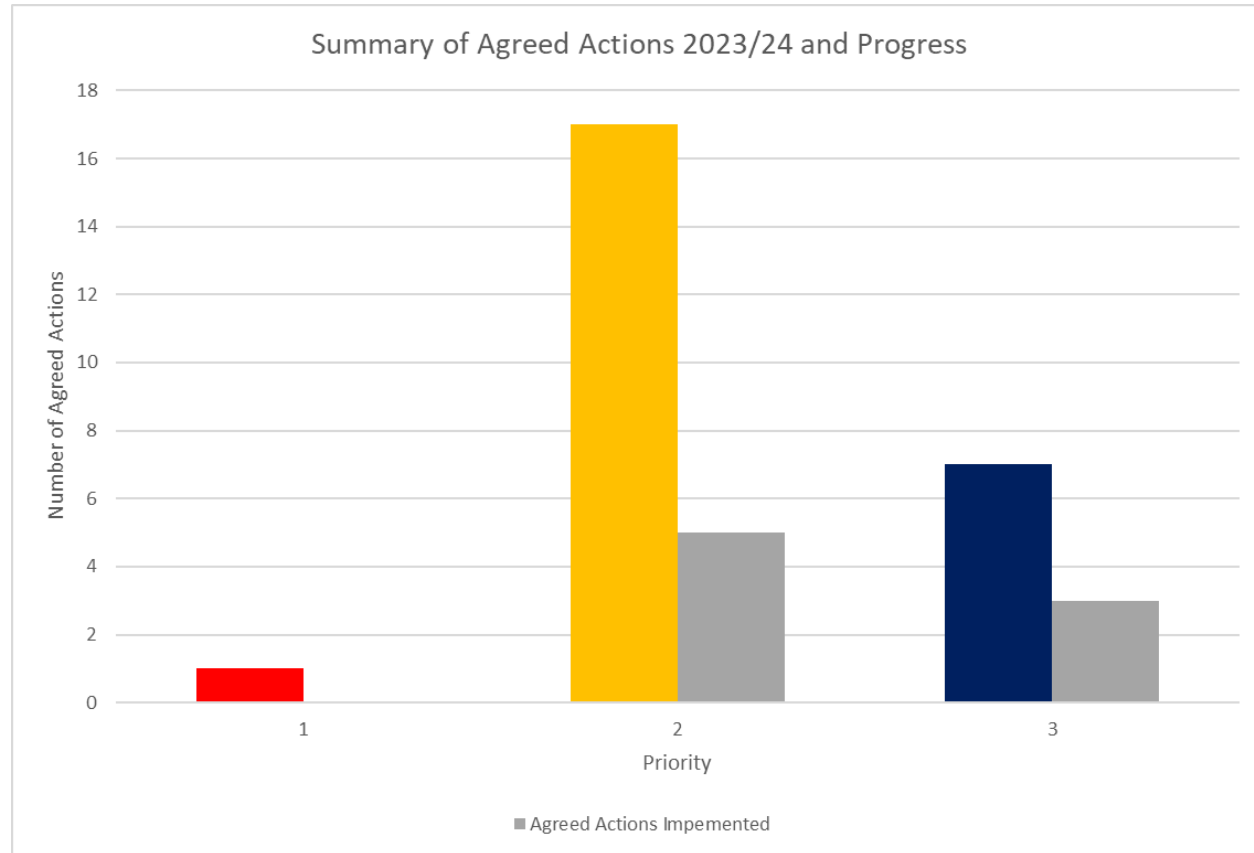
Summary of Audit Work 2023/24

SWAP Performance - Summary of Audit Actions by Priority



Priority Actions

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action



Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.



Added Value

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

Corporate Groups

During the year we have attended a number of corporate groups to act as a 'critical friend'.

Benchmarking

During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Local Authority Chief Auditors Network (LACAN). This data is useful for services to develop and improve their own systems and processes so that business objectives can be achieved with continually decreasing resources.

News Roundup

We produce a fortnightly newsletter that provides information on topical areas of interest for public sector bodies.

Client Liaison

The Auditors meet regularly with Service Managers to discuss potential operational risks and issues, identify areas for audits and plan up-coming audits.

Audit Protocol

We have an audit protocol which defines the role of the audit team and what is required for an audit. The aim of the protocol is to improve the audit process for our audit clients and to ensure we can deliver an excellent audit in an efficient and effective manner.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



SWAP Performance

SWAP’s performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. Post Audit Questionnaires (PAQs) are issued at the completion of assurance audits, 45% of the PAQs were returned. The outturn performance results for CBC for the 2023/24 year are as follows:

Performance Target	Performance
Overall Score	100%
Scope of Audit	100%
Professionalism and Conduct	100%
Communication, Timeliness and Findings	100%
Value of Audit (To Client)	100%
Demonstrating our (SWAP) Values	100%

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in February 2020 and confirmed that we are in conformance of PSIAS.

Attribute Standard 1300 of the IPPF requires Heads of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues this dual aspect by stating that the programme must include both internal and external assessments. This acknowledges that high standards can be delivered by managers, but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function. Following our External Assessment, we have pulled together our QA&IP and included additional improvements and developments identified internally that we want to make, as aligned to SWAP’s Business Plan. The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our actions.

Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Actions
2023/24 Finalised and Completed Reviews				
Key Financial Control	Payroll	Final Report	High Substantial	0
Key Financial Control	Treasury Management and Cashflow Forecasting	Final Report	High Substantial	0
Governance	Business Continuity Management – Elections and Revenues and Benefits	Final Report	Medium Reasonable	2
Governance	Business Continuity Management – Corporate Reporting	Final Position Statement	N/A	0
Governance	Access to Information	Final Report	Medium Reasonable	4
Key Financial Control	Bank Reconciliation	Final Report	Low Substantial	1
ICT	ICT Business Continuity Management	Final Report	Low Substantial	2
Governance	Transparency	Final Report	Medium Reasonable	3
Key Financial Control	Council Tax and NNDR	Final Report	High Substantial	0
Key Financial Control	Council Tax Support and Housing Benefits	Final Report	High Substantial	0
Operational	Grant Income	Final Report	High Limited	4
Key Financial Control	Use of Waivers	Final Report	Low Substantial	2
Key Financial Control	Accounts Payable	Final Report	High Substantial	0
Operational	Community Infrastructure levy	Final Report	High Limited	3
Operational	S106 Process	Final Report	Low Limited	4

Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Actions
Key Financial Control	Accounts Payable – Qtly Review	Complete	Continuous Reporting	N/A
Support	Business Grant Funding – Aged Debt	Complete	Support to the Council	N/A
Follow-Up	Follow-Ups of Recommendations made in Substantial and Reasonable Audits	Complete	Follow-Up	N/A
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	Completed	Support to the Council	N/A
Other Audit Involvement	Management of the IA Function and Client Support	Completed	Support to the Council	N/A

Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Comment
Draft Reports			
Operational	Funding Provided by Government		
Operational	Planning Service Review		
In Progress			
Governance	Data Breaches		
Operational	Property and Estates Health and Safety		
Ongoing Audit Support / Other Involvement			
Advisory	Procurement and Commissioning Group		Support complete for 2023/24, will continue into 2024/25
Advisory	CBH Transition into CBC		Support complete for 2023/24, will continue into 2024/25

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Open Agreed Actions - July 2024

AP ID	ID	Audit Title	Issue Status
424	382	CBC - Planning Enforcement - 2020/21	Pending Remediation
2992	2794	CBC - Access to Information - 2023/24	Pending Remediation
3715	3477	CBC - S106 Process - 2023/24	Pending Remediation
3860	3617	CBC - Community Infrastructure Levy Governance - 2023/24	Pending Remediation
4157	3897	CBC - S106 Process - 2023/24	Pending Remediation
4158	3898	CBC - S106 Process - 2023/24	Pending Remediation
4159	3899	CBC - S106 Process - 2023/24	Pending Remediation
4160	3900	CBC - Community Infrastructure Levy Governance - 2023/24	Pending Remediation
4161	3901	CBC - Community Infrastructure Levy Governance - 2023/24	Pending Remediation
4186	3925	CBC - Grant Income - 2023/24	Pending Remediation
4187	3926	CBC - Grant Income - 2023/24	Pending Remediation
4188	3927	CBC - Grant Income - 2023/24	Pending Remediation
4189	3928	CBC - Grant Income - 2023/24	Pending Remediation
4492	4208	CBC - Funding Provided by Government 2024/25	Pending Remediation
3164	2958	PUB - ICT Business Continuity/Disaster Recovery 2023/24	Pending Remediation
3175	2968	PUB - ICT Business Continuity/Disaster Recovery 2023/24	Pending Remediation

3536	3313	PUB - Use of Waivers - 2023/24	Pending Remediation
3537	3314	PUB - Use of Waivers - 2023/24	Pending Remediation

Period	Priority Score	AP Status	Timescale	Revised Timescale	Revised Timescale 2
2020/21	3	In Progress	31/07/21	30/04/22	31/12/23
2023/24	2	In Progress	31/10/23	31/03/24	31/07/24
2023/24	1	In Progress	30/06/24	--	--
2023/24	2	In Progress	30/06/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	2	In Progress	30/06/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	2	In Progress	30/06/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	2	In Progress	30/09/24	--	--
2023/24	3	In Progress	30/09/24	--	--
2024/25	2	In Progress	30/09/24	--	--
2023/24	3	In Progress	31/03/24	30/06/24	--
2023/24	2	In Progress	31/03/24	30/06/24	--

2023/24	3	In Progress	31/12/24	--	--
2023/24	3	In Progress	31/12/24	--	--

Responsible Officer
Senior Enforcement & Compliance Officer
Customer Relations and Information Officer
Director of Community & Economic Development
Director of Community & Economic Development
Director of Community & Economic Development
Director of Community & Economic Development
Director of Community & Economic Development
Director of Community & Economic Development
Director of Community & Economic Development
Head of Communities, Wellbeing & Partnerships
Head of Communities, Wellbeing & Partnerships
Head of Communities, Wellbeing & Partnerships
Head of Communities, Wellbeing & Partnerships
Head of Place Marketing & Inward Investment
CTO
CTO

The Senior Senior Procurement Business Partner
Senior Procurement Business Partner

Follow-Up Assessment

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. Decision by Cabinet due 9.7.24

<https://democracy.cheltenham.gov.uk/mgIssueHistoryHome.aspx?IId=29632&optionId=0>

11.04.24 Update:

The digital platform for FOIs is currently being built in house. The target date is July 2024.

The Customer Relations and Information Officer advised this has been partially implemented. She confirmed the review of the FOI spreadsheet has been completed, and the new digital platform for FOI will automatically delete anything older when the system is brought in.

CTO requested timescale extension due to other work taking priority.

CTO requested timescale extension due to other work taking priority.

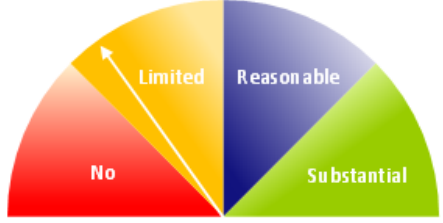
The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

Section 106 Process – Final Report – April 2024






Audit Objective

To provide assurance on the effectiveness of CBC’s Section 106 arrangements.

Executive Summary

	Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium
	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.	Priority 1	1	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
		Priority 2	3		
		Priority 3	0		
	Total	4			

Key Conclusions

	Roles, responsibilities, and processes require establishing, defining, and formally capturing. Multiple different departments are involved in the S106 process, however no one person has oversight, and the Officers involved are not aware of how their role sits in context with the wider process.
	Manual spreadsheets are in use, rather than the Exacom system. Officers were unaware of the expectations surrounding the use of Exacom, partly due to a lack of oversight and a change of staffing without a sufficient handover.
	The Financial Rules are not complied with. There is no process in place for complete and quarterly reconciliations throughout the year between the finance system, Business World, the spreadsheets used, and the Exacom system. We were unable to reconcile figures/systems during testing.
	There is insufficient evidence of reporting/communication with Members outside of the Infrastructure Funding Statement process to ensure sufficient oversight and appropriate spending of funds.
	This audit was requested by the Director as they were aware of potential issues and the risks involved. Action was taken immediately after findings were raised with the Director, and work is already underway to rectify issues and mitigate risk.

Audit Scope

We reviewed the following areas:

- Internal governance surrounding S106 agreements.
- The systems used to manage S106 agreements.
- The reconciliation process for S106 agreements.
- The monitoring and reporting of S106 agreements, including to Members.

Walkthroughs and discussions were held with Officers responsible for different parts of the process, with evidence sought to support statements made. We did not conduct detailed testing of the S106 process as fundamental process issues were identified, and therefore we believe the testing will be of little value at this time.

Summary

Both CIL and S106 were audited concurrently, however separate reports have been produced to reflect the differences between the two areas. Due to a lack of oversight, guidance, or policies and procedures, as well as a change in key staff, there are substantial gaps in the S106 process. We found similar issues with a lack of guidance in the CIL process, but as the Exacom system was being used consistently for CIL, monitoring arrangements are in a better place than with the S106 process.

The issues found relate to one root cause, which is that there is **insufficient internal governance in place**. The action to create overarching guidance, or policies and procedures, which define roles and responsibilities within the S106 process, is the first step to resolving the root cause. This will set the foundations for solidifying the S106 process and ensuring that risks to both business continuity, and S106 contributions not being received or spent by the Council, are mitigated. The remaining actions build upon this foundation.

As mentioned, work is currently underway to remedy this. The Director of Community & Economic Development facilitated a meeting with all key Officers with a view to aligning processes and identifying any gaps. An action plan has been created, and the desired outcome of this, along with future meetings, is the creation of a S106/CIL process manual.

Community Infrastructure Levy Governance – Final Report – April 2024

Audit Objective

To provide assurance on the effectiveness of CBC’s Community Infrastructure Levy (CIL) arrangements.

Executive Summary



Assurance Opinion

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.

Management Actions

Priority 1	0
Priority 2	3
Priority 3	0
Total	3

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions

Audit Scope



Although the roles and processes involved in CIL are contained within one department, with fewer Officers involved than with S106, roles, responsibilities, and processes still require defining, and formally capturing.



Reconciliation between the Exacom system and Finance system, Business World, is undertaken annually rather than quarterly, and is therefore not compliant with the Financial Rules. Due to this, although Exacom is used, the service area’s financial records are not necessarily accurate throughout the year.



There is insufficient evidence of regular reporting/communication with Members, outside of the Infrastructure Funding Statement process, to ensure sufficient oversight and appropriate spending of funds. This should be assessed by Management to ensure the current level is appropriate.



This audit was requested by the Director as they were aware of potential issues and the risks involved. Action was taken immediately after findings were raised with the Director, and work is already underway to rectify all the issues raised, and mitigate the risks.



Testing of a sample of CIL funds included in the 2022/23 Infrastructure Funding Statement (IFS) showed that the correct amount was received from each development, and subsequently correctly passed onto each Parish Council. No CIL funds in our sample were overdue or had been defaulted by the developer.

We reviewed the following areas:

- Internal governance surrounding CIL agreements.
- The systems used to manage CIL agreements.
- The reconciliation process for CIL agreements.
- The monitoring and reporting of CIL agreements, including to Members.

Walkthroughs and discussions were held with Officers responsible for different parts of the process, with evidence sought to support statements made.

Summary

Although the Shared CIL Manager has oversight of current CIL practices, the process itself, and the roles and responsibilities relating to it, are not formally captured. Due to this, there is the potential for gaps within the CIL process.

CIL and S106 were audited together, with separate reports being produced to reflect the differences. A key difference is that the Exacom system is used consistently to monitor CIL arrangements, with fewer officers involved from fewer departments than with S106, and therefore monitoring arrangements are in a better place than they are for S106 agreements.

Although similar to the actions raised in the S106 audit, the issues in the CIL audit are less severe. The key conclusions above list the actions raised, which relate to the same root cause as the S106 audit: **there is insufficient internal governance in place**. The first action listed is the first step to addressing the root cause, and highlights that current processes require formally capturing - if left unresolved, this presents risks to both business continuity, as well as CIL contributions not being received or spent by the Council. The remaining actions raised aim to build upon the root cause, and ensure processes are embedded.

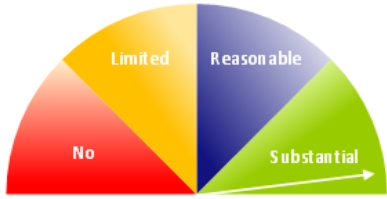
However, as mentioned, work is currently underway to resolve all issues raised. The Director of Community & Economic Development facilitated a meeting with all key Officers with a view to aligning processes and identifying gaps. An action plan has been created, and the desired outcome of this is the creation of a S106/CIL process manual.

Accounts Payable – Final Report – April 2024




Audit Objective

To ensure the Council has an effective control framework in place for its Accounts Payable / Creditor's function.

Executive Summary

	Assurance Opinion	Management Actions		Organisational Risk Assessment	Low
	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Priority 1	0	Fraudulent, invalid, or late payments are made resulting in financial loss and / or reputational damage.	
		Priority 2	0		
		Priority 3	0		
		Total	0		

Key Conclusions

	<p>A New Supplier Form must be completed for all new suppliers. Once processed in Business World, a different Accounts Payable (AP) Officer checks the bank details, email address and CIS status are correctly input. The Accounts Payable/Receivable Team Leader (APRTL) does a final check of all new suppliers. This is all evidenced using a checklist.</p> <p>All new suppliers' names and bank details are checked by AP against Publica's fraudulent checklist.</p>	<p>Audit Scope</p> <p>Meetings were held with the Publica Accounts Payable and Receivable Team Leader (APRTL) and the Publica Accounts Payable and Receivable Coordinator (January 2024), and the creation, amendment and management of the creditor master file were discussed.</p> <p>A random sample of new suppliers and supplier amendments (April 2023 – January 2024) were selected to ensure prescribed processes had been followed.</p> <p>We also undertook some data analysis work to identify the number of transactions where purchase orders were used.</p>
	<p>An Amendments Form must be completed for any changes to a supplier in Business World. All amendments are checked by AP with the supplier via the phone number on the account in Business World; this is recorded on the amendments form.</p> <p>Once an amendment has been confirmed and made on the system, a different AP Officer checks it for accuracy. The APRTL does a final check to ensure the amendment is correct. The Fraudulent Checklist is checked for any amendments to name and bank account.</p> <p>The APRTL monitors all amendments to suppliers in Business World using the AG58 report.</p>	
	<p>We received satisfactory responses to all our testing queries. Evidence was seen to support all new suppliers and supplier amendments had been processed in accordance with the processes outlined to us.</p>	

Other Relevant Information

The total number of new suppliers set up across all clients during the period reviewed was 427. The total number of amendments made to existing suppliers across all clients during the period reviewed were 190.

We found 58% of 6615 transactions processed on G1 client were not supported with a purchase order. Ordering goods and services via purchase orders aids budget monitoring and mitigates against overspends. Officers should be reminded to use purchase orders for all payments where appropriate to ensure they are adhering to best practice, and the transaction is legally protected by the terms and conditions of a purchase order.

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Cheltenham Borough Council

Audit, Compliance & Governance Committee – 10 July 2024

Information Requests Annual Report 2023-24

Accountable member:

Cabinet Member for Housing and Customer Services, Councillor Flo Clucas

Accountable officer:

Claire Hughes, Director of governance and customer services

Ward(s) affected:

n/a

Key Decision: No**Executive summary:**

Cheltenham Borough Council is responsible for ensuring that it meets its legal requirements under the Freedom of Information Act (2000) and the Environmental Information Regulations (2004).

This report details the Council's handling of information requests made during 2023-24. The council has responded to 91.5% of requests within the statutory 20 working day deadline.

Recommendation:

- 1. that the Audit, Compliance and Governance Committee considers the progress report and makes comment on its content as necessary**
-

1. Implications**1.1 Financial, Property and Asset implications**

None

Signed off by: Ela Jankowska, Finance Business Partner -

Ela.Jankowska@cheltenham.gov.uk

1.2 Legal implications

The legal implication of not dealing with requests within the legal timescale or not applying the exemptions in accordance with the relevant legislation is that the ICO can take action against the council and the results of that action are published.

Signed off by: One Legal – legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

None

1.4 Corporate Plan Priorities

None

1.5 Equality, Diversity and Inclusion Implications

None

1.6 Performance management – monitoring and review

Information requests are monitored via the annual report to the Audit, Compliance & Governance Committee and two Key Performance Indicators (KPI) targets:

% change in FOI requests received when compared with the previous year
% - FOI requests responded to within timescale

2 Background

2.1 The Council is committed to Freedom of Information as an essential part of the openness and transparency of local government.

2.2 The Council proactively makes available as much information as possible on its website and follows the ICOs model publication scheme. Where themes of information requests are identified, information is published on the council's website to reduce further potential requests for information. The Council publishes all information released in response to Freedom of Information requests in its disclosure log.

2.3 Requests are answered by the business area responsible for the subject matter of the request, the information is then quality checked by the information officer before being returned to the requestor. Response times are monitored and managed by the information officer. Reminders are sent out before the deadline and any overdue responses are repeatedly followed up.

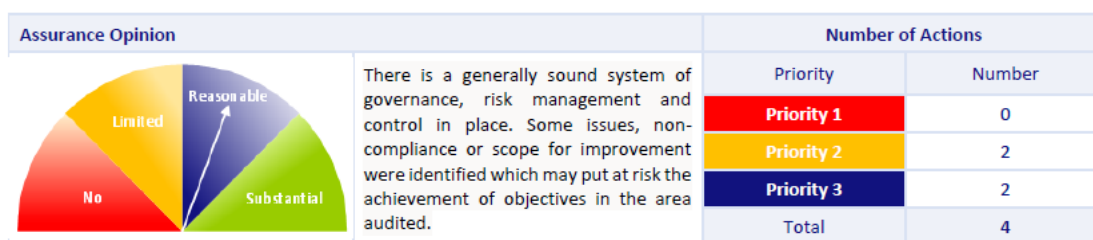
2.4 The responsibility for providing the information lies with the Service Manager. The information officer is available to guide and support Service Areas when responding to requests, particularly in the application of exemptions. Either the Service Area or the

Information Officer can request additional support from One Legal.

- 2.5 The council has seen a significant increase in the number of requests in the past year. This increase has largely been due to one company circumnavigating the property searches process (CON29 searches) and utilising EIR to request the environmental searches information. This is within the legislation of the EIRs, and although the council cannot refuse these requests we have taken steps to minimise the impact. We have also seen an increase in FOI requests across all service areas.
- 2.6 The council is in the process of introducing a new digital platform, the management of information requests will move from Excel to this platform. This move will improve the customer journey and streamline the internal processes.

3 Audit of CBC Information Requests

3.1 In September 2023 SWAP carried out an internal audit of CBC’s information request handling, SWAP gave a Reasonable assurance opinion as shown below:



3.1.1 Following the audit the following performance statistics, as recommended in the ICO’s best practice guidance, are now published quarterly:

- The number of requests received during the period;
- The number of the received requests that have not yet been processed;
- The number of the received requests that were processed in full within the statutory deadline;
- The number of the received requests that were processed in full where the deadline was extended;
- The number of the received requests where the processing took longer than the statutory deadline;
- The number of requests where the information was granted in full;
- The number of requests where the information was refused in full;
- The number of requests where the information was granted in part and refused in part;
- The number of requests received that have been referred for internal review;

4 Statistical detail of request handling 2023-24

4.1 The types of information that are formally treated as Freedom of Information (FOI) or Environmental Information Regulations (EIR) requests and that are reflected in the following statistics are:

- Those submitted directly or passed to the Council's Information Officer; and
- Requests for information that do not reflect day-to-day business because they are

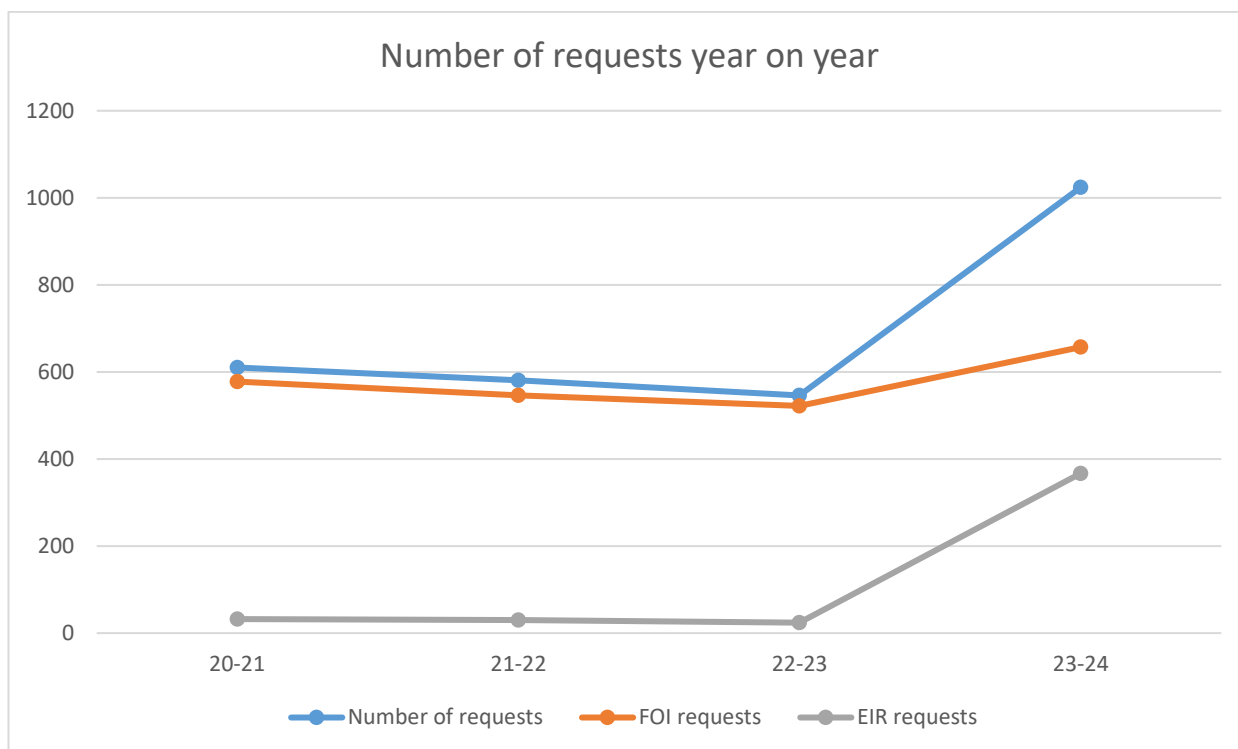
usually quite voluminous or involve the collation of information from many Council services; and/or

- The requester has asked that their request be dealt with under the FOI Act or the EIRs.

4.2 Number of requests received

1024 requests for information were received in the year 2023-24. This is a significant increase on previous years, see diagram below. Of the requests received 657 were handled under the FOI Act and 367 were handled under the EIRs.

Information requests year on year:



4.3 2023-24 Information requests by Service Area

Service Area	Number of Requests
Multiple Service Areas	403
CBH	71
Revs & Bens	65
Planning	64
Environmental Health	58
Property and Assets	43
ICT (Publica)	39
HR	34
Licensing	31
Finance	26
Clean Green	24
Customer Services and Business Support	24
Communities & Wellbeing	21
Private Sector Housing	14
Democratic Services	13
Housing Strategy	10
Green Space	9
Public Protection	9
Climate Change Team	9
Communications & Marketing	7
Neighbourhood Team	6
Building Control	5
Marketing Cheltenham	5
Parking	5
Cemetery and Crematorium	4
GDPR & Policy	4
Corporate Projects	4
Procurement	4
Golden Valley	3
Townscape	3
One Legal	2
The Cheltenham Trust	2
Chief Executive	1
Commercial & Income Generation	1
Elections	1
Total	1024

4.4 Response Timeframe by Service Area

Service Area	Number of requests	Number responded to in 20 days	% on time	Max. Response time (days)
Planning	64	48	75%	80
Communities & Wellbeing	21	20	95%	58
CBH	71	51	72%	46
Multiple Service Areas	403	345	86%	40
Property and Assets	43	40	93%	32
Corporate Projects	4	2	50%	31
Clean Green	24	23	96%	27
Finance	26	25	96%	24
HR	34	32	94%	24
Licensing	31	27	87%	24
Private Sector Housing	14	12	86%	24
Cem and Crem	4	3	75%	23
Environmental Health	58	57	98%	23
Housing Strategy	10	9	90%	23
Climate Team	8	7	88%	22
Revs & Bens	65	62	95%	22
Townscape	3	2	67%	22
ICT (Publica)	39	38	97%	21
Democratic Services	13	13	100%	20
Green Space	9	9	100%	20
Neighbourhood Team	6	6	100%	20
One Legal	2	2	100%	20
Procurement - Publica	4	4	100%	20
Building Control	5	5	100%	19
Chief Executive	1	1	100%	19
Customer Services and Business Support	24	24	100%	19
Golden Valley	3	3	100%	19
Parking	5	5	100%	19
The Cheltenham Trust	2	2	100%	19
Climate Change	1	1	100%	19
Communications & Marketing	7	7	100%	18
Public Protection	9	9	100%	18
Elections	1	1	100%	16
Commercial & Income Generation	1	1	100%	15
GDPR & Policy	4	4	100%	14
Marketing Cheltenham	5	5	100%	8

4.5 Internal reviews and Appeals to the ICO

Where an applicant is dissatisfied with the way in which the Council has handled an information request, they can request an internal review. Of the requests received, only 17 (2%) resulted in an internal review being requested. 94% of requests for review received were responded to within the review timeframes.

If an applicant is unhappy with the outcome of our internal review, an appeal can be made to the Information Commissioner for a decision on whether we have appropriately handled the request and internal review. During 2022-23 two applicants complained to the ICO following an internal review. In both cases the ICO found that the council had correctly applied the legislation and no further action was taken.

5 Performance management – monitoring and review

5.1 The council has responded to 91.5% of requests within the statutory 20 working day deadline. This is above ICO target (90%) and a great achievement considering the significant increase in requests received this year.

5.2 Key Performance Indicators (KPI) data:

% change in FOI requests received when compared with the previous year

The percentage change in the total number of FOI requests received compared with the total number received in the previous year – this indicator gives an indication of workload. This KPI is reported annually.

Period	KPI data
Annual 2023/24	The council received 188% more requests than in the previous year.

As previously noted, the council saw a large increase in EIR requests, due to a company utilising the EIRs to avoid paying for CON29 searches.

% - FOI requests responded to within timescale

The number of FOI requests responded to within the 20 day timescale set within the FOI and EIR legislation, expressed as a percentage of total FOI requests received. This KPI is reported quarterly.

Period	Target	Actual	
Quarter 1 2022/23	90%	94%	
Quarter 2 2022/23	90%	93%	
Quarter 3 2022/23	90%	85%	
Quarter 4 2022/23	90%	94%	

5.2 ICO Compliance Statistics

	Q1	Q2	Q3	Q4
The number of requests received during the period	288	245	219	272
The number of the received requests that have not yet been processed	0	5	0	0
The number of the received requests that were processed in full within the statutory deadline	232	229	186	257
The number of the received requests that were processed in full where the deadline was extended (within the legislation)	40	0	0	1
The number of the received requests where the processing took longer than the statutory deadline	16	12	32	14
The number of requests where the information was granted in full	154	201	191	231
The number of requests where the information was refused in full	116	26	15	17
The number of requests where the information was granted in part and refused in part	12	11	6	7
The number of requests received that have been referred for internal review	6	5	3	3

Report author:

Beth Cordingley, Interim Head of Customer Services and Business Support,
beth.cordingley@cheltenham.gov.uk

Appendices:

- i. Risk Assessment

Background information:

N/A

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	If the exemptions are not utilised correctly it may lead to information being inadvertently published in the public domain, which could lead to reputational damage.	Beth Cordingley	1	1	1	Accept			
2	If there is poor request handling it may result in ICO Interventions and ICO decision notices being issued, which could lead to reputational damage	Beth Cordingley	1	1	1	Accept			
3	If personal information is not correctly redacted it may lead to a data incident.	Beth Cordingley	1	1	1	Accept			

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Cheltenham Borough Council

Audit, Compliance & Governance Committee – 10 July 2024

Corporate Risk Register

Accountable member:

Councillor 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 30 June 2024.
- The register has been prepared in consultation with Risk Managers and the Senior Leadership Team.
- The register has a slightly changed format and now details risk movements since the last formal report enabling Members to track CBC risk profile.
- A full review of the risk management policy will be undertaken following the transfer of Cheltenham Borough Home into the Council and the proposed updated policy will be presented to the Audit, Compliance and Governance Committee in September.

Recommendations:

The 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 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. **Page 59** 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:

- Risk status.
- Risk details.
- Risk manager.
- Current risk score (impact & probability).
- Change from last assessment.
- Risk action.
- Details of any controls in place to mitigate the risk.
- 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 for this report I have highlighted our top 4 risks. At the present time our top 4 risks are:

- 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 revenue budgets year on year without making unplanned cuts in service provision.
- Prioritisation of Capital Resources – If CBC are unable to prioritise medium term projects and programmes which require significant capital financing, then it will increasingly have to rely on borrowing to fund service investments increasing the pressure on our revenue budgets to fund repayments.
- Swindon Road Depot - If CBC do not replace/redevelop the depot then the EA may not grant permits, we may be unable to mitigate residual waste transfer risks and costs and be unable to support our net zero aspirations.
- 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.)

2.8 Since the last report there have been some movements in our strategic risks and these changes are now shown on the register.

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

- Prioritisation of Capital Resources.
- Petersfield Hub.

2.10 Since the last report 1 corporate risk has been removed. The risk removed was regarding the Gloucestershire Airport as this is now being actively managed as an issue due to the sales process.

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

ann.wolstencroft@cheltenham.gov.uk

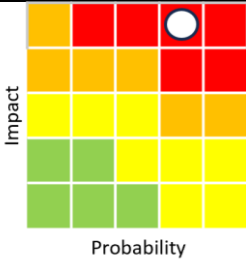

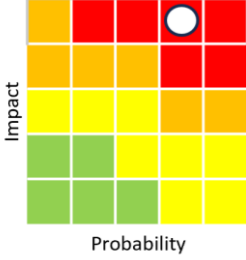
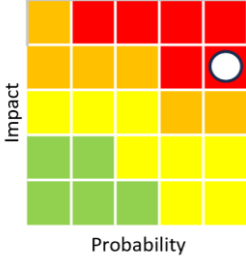

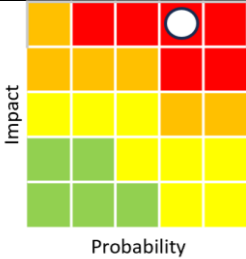

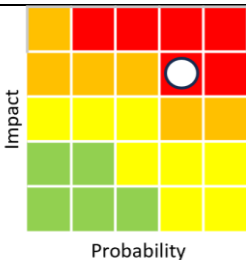
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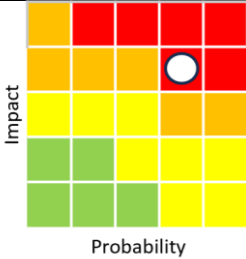
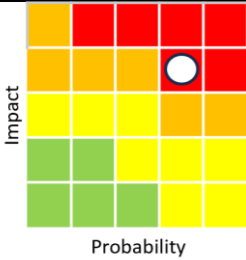
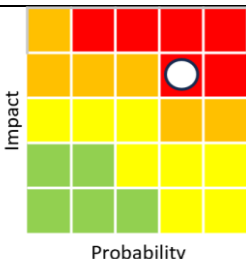
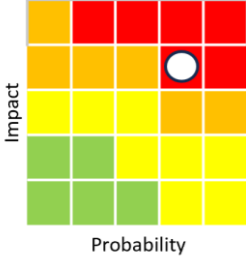
i. Risk Register

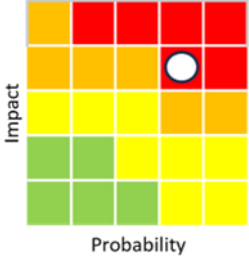

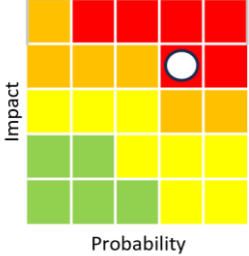

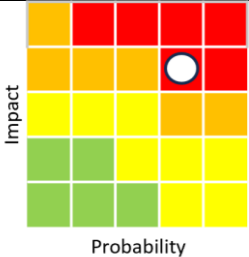

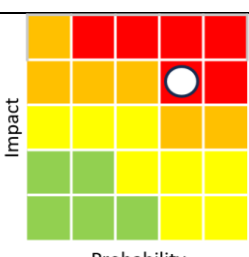

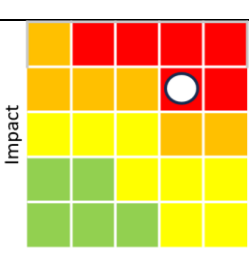

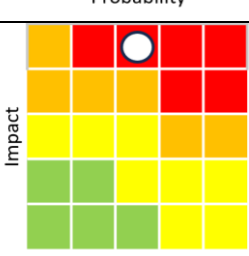

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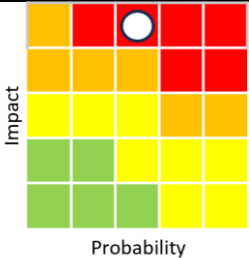
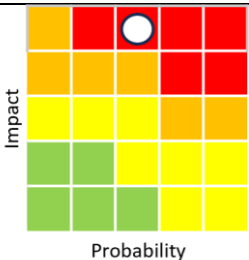
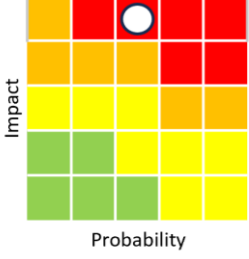
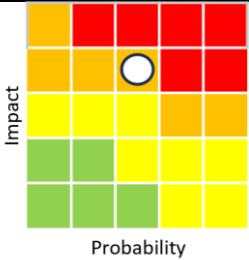
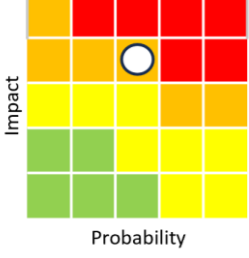
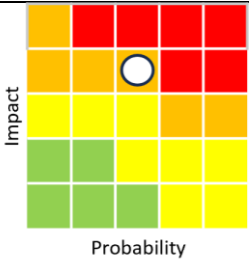
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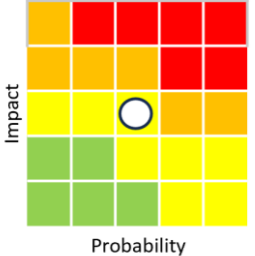

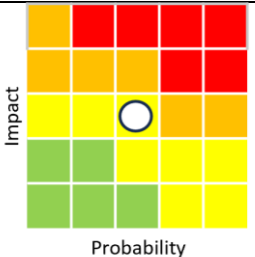

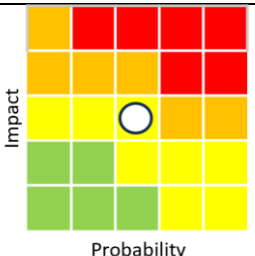

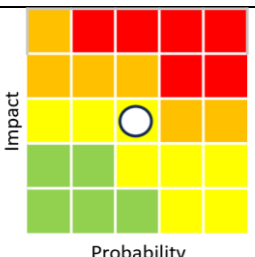

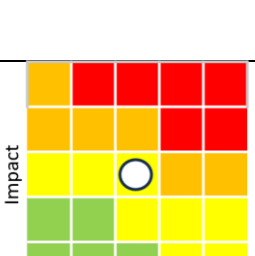

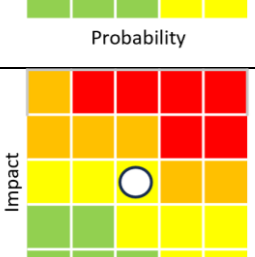

Cheltenham Borough Council - Corporate Risk Register – 30 June 2024

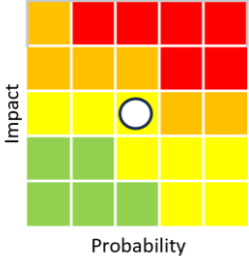
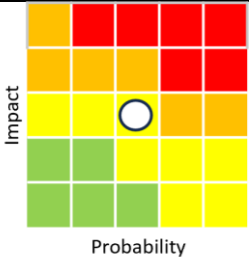
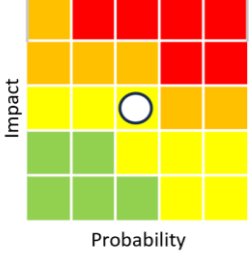
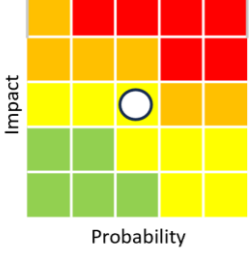
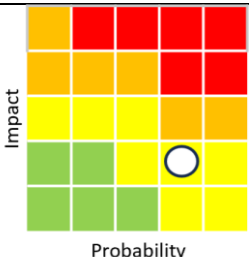
Ref	Status	Risk Details	Risk Manager	Current Assessment	Change from Last Assessment	Risk Action	Current Control Details	Review Date
52		Medium Term Financial Strategy - If CBC is unable to come up with long term solutions which bridge the gap in the medium-term financial strategy, then it will find it increasingly difficult to prepare revenue budgets year on year without making unplanned cuts in service provision.	Gemma Bell	Impact - 5 Probability - 4 Score - 20	 No change. Risk reworded to reflect new capital risk below.	Reduce	- Commercial strategy & activities - Quarterly budget monitoring - Cabinet engagement - budget proposals - Increased capacity in the finance team - Cabinet Away Day challenge and decisions - Ongoing monitoring of targets for workstreams/services	30/09/2024
403		Prioritisation of capital resources – If CBC are unable to prioritise medium term projects and programmes which require significant capital financing, then it will increasingly have to rely of borrowing to fund service investments increasing the pressure on our revenue budgets to fund repayments.	Gemma Bell	Impact - 5 Probability - 4 Score - 20	New risk to ensure we effectively manage the prioritisation of capital resources.	Reduce	- Ongoing review and alignment of the capital programme with the Corporate Plan - Quarterly budget monitoring - Cabinet engagement - budget proposals - Gateway reviews of all projects through the Corporate Programme office - Cabinet Away Day challenge and decisions - Business case and approval for all new projects, including allocation of resource and budgets	30/09/2024
247		Swindon Road Depot - If CBC do not replace/redevelop the depot then the EA may not grant permits, we may be unable to mitigate residual waste transfer risks and costs and be unable to support our net zero aspirations.	Karen Watson	Impact - 4 Probability - 5 Score – 20	 No change. Risk reworded.	Reduce	- Mitigate EA issues & resourcing	30/09/2024
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 - 5 Probability - 4 Score - 20	 No change as specific risks of onerous S106 contributions, Sites of Alternative Green Space (SANG) provision, site wide utility costs and sustainability measures may impact on the overall scheme viability through to the Financial Model and Business Case in the Development Agreement.	Reduce	- Ongoing gate reviews at key decision points - Underwrite budget subject to close monitoring by the Head of Development - Appointment of internal construction expertise - Working with key partners including LPA and Natural England - Close scrutiny of full project risk register by Project Board	30/9/2024
403		Petersfield Hub - If the Project Manager and Developer are unable to manage the project, related site legal requirements and deliver the building within their budget and required timescales to meet grant requirements then the building may not start, be left incomplete and end	Gareth Edmundson	Impact - 4 Probability - 4 Score - 16	New risk to highlight concerns regarding the Petersfield Hub Development. There are multiple risks attached to this project at this time.	Reduce	- RPA asked to review project - Internal construction expertise reviewing project - Scrutiny of programme plan - Review of costs being undertaken	31/07/2024

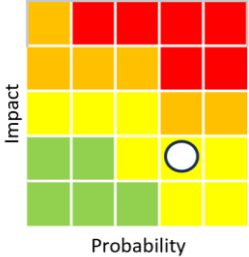

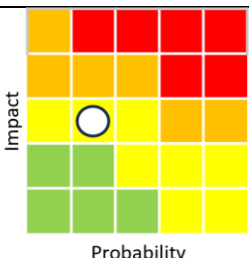

		up placing financial pressure on the council putting other projects at risk.						
385		Leisure & Culture Venues - If the council does not have a long term vision & investment plan in place for its leisure & culture venues then significant unplanned maintenance, repairs & investment may be required to 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 - 4 Score - 16	↔ No change. It should be noted that part of this risk has occurred as the changing rooms are closed due to RAAC concrete being found.	Reduce	- Phase 2 sports strategy - Options appraisal of leisure venues - Engagement with Hartpury College	30/9/2024
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 - 4 Score - 16	↓ Reduced as at the present time energy costs have stabilised and we are in the summer period.	Reduce	- Ensure sign posting in place for support - Availability of community grants for funding - Continual reviews on energy costs	30/9/2024
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 - 4 Probability - 4 Score - 16	↓ Reduction due to scheme nearing completion & agreement re costs with developer.	Reduce	- 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	31/7/20
397		Public 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 - 4 Probability - 4 Score - 16	↓ Reduction due to appointment interim Programme Director and plans in place to manage position.	Reduce	- Ongoing discussions with Shareholders - Discussions with other Publica CEO's - Publica appointed interim Programme Director	30/9/2024
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	↔ No Change.	Reduce	- Prepare and deliver a Housing Delivery Action Plan - Officers are currently in the process of updating the 5 year housing land supply position statement, which will consider housing completions up to 31 March 2024. - Undertaking site visits as well as contacting the development industry where appropriate. This will be taking place over the coming months. - If based upon revised evidence Cheltenham BC does not have a 5 year housing land supply then an action plan needs to be put in place to address this risk.	30/09/2024

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	 No change.	Reduce	<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 	30/9/2024
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	 No change.	Reduce	<ul style="list-style-type: none"> - Civil Procedure Rules P35 Report - Kings Counsel Opinion - Cost Plan & insurance in place - Case management conference took place on 7 June - Court encouraged both parties to enter into mediation. - Trial date has been agreed for June 2025 	31/10/2024
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	 No change.	Reduce	<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 	30/09/2024
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	 No change.	Reduce	<ul style="list-style-type: none"> - Employ a climate manager - 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 - Climate pathway reviewed and new action plan in place. 	30/09/2024
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	 No change.	Reduce	<ul style="list-style-type: none"> - Cyber security controls (Publica ICT) - Cyber Attack - business continuity planning - Cyber Training for staff & members 	30/09/2024
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	 No change.	Reduce	<ul style="list-style-type: none"> - Legal advisors in place. - Consultation with Tenant groups and organisations completed. - Consultation with appropriate CBH colleagues, teams & unions completed. - Ongoing financial monitoring of budgets. - Monitoring of tenant satisfaction levels. - Transfer nearing completion. 	31/7/2024

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.	Gemma Bell	Impact - 5 Probability - 3 Score - 15	↔ No change.	Reduce	- Ongoing Reviews - Strengthen Reserves	31/8/2024
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	↔ No change.	Reduce	- 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	30/09/2024
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	↔ No change.	Reduce	- Part of Gloucestershire Pool - Ongoing monitoring of performance - Monitoring of business rate growth Work with Local Enterprise Partnership	30/09/2024
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 - 3 Score - 12	↓ Reduction due to update of business continuity plans completed.	Reduce	- Business Continuity Plans updated - Corporate Recovery Plan to be prepared	30/9/20
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	↔ No change.	Reduce	- Local Resilience Forum Tactical Comm& Group Meetings - Emergency Planning - Local Resilience Forum Strategic Comm& - Cabinet Engagement - Budget proposals - Directors Gold training completed	30/09/2024
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	↔ No change.	Reduce	- Compliance Officer in post - External Advisors being utilised - Increased resource capacity of building surveyors - Planned maintenance work to understand structural risks and plan remedial work - Review of registers & risk assessments	30/09/2024

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 - 3 Score - 9	 Reduced as we are currently recruiting	Reduce	- Ensure wide exposure social media etc - Grow your Own - Apprentices & Graduates - Review of applicant response rates by channel	30/09/2024
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 - 3 Score - 9	 Reduced as most of the hotels across the country have now closed, with minimal impact to date on Cheltenham.	Reduce	- Examine Local Authority Housing Fund - Round 2 potential funding opportunity	30/9/2024
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 - 3 Probability - 3 Score - 9	 Reduced as strong operational partnerships are now in place to monitor.	Reduce	- Protocol arrangements with partners - Cheltenham & county-wide focused partnerships	30/9/2024
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 - 3 Score - 9	 Reduced as Guest/Host relationships have now stabilised, and numbers remaining in these relationships have reduced.	Reduce	- Rematching with new sponsors - Local Authority Housing Fund - Collaborative arrangements with CBH & Gloucestershire CC	30/09/2024
387		Poor risk management - If the council does not have a robust & effective approach to risk management then it may result in financial losses, failure to achieve corporate priorities, litigation & reputational damage.	Ann Wolstencroft	Impact - 3 Probability - 3 Score - 9	 No change.	Reduce	- Risk Management Training - Leadership Team Risk Discussions - Directorate Risk Discussions - Risk Maturity Audit - Risk Reporting to Audit, Compliance and Governance Committee - Cabinet Reports	30/09/2024
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	 No change.	Reduce	- Long term commissioning strategy - Agree extension to The Cheltenham Trust contract (up to 5 years) - Options appraisal being commissioned	30/09/2024

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	↔ No change.	Reduce	<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 	30/09/2024
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	↔ No change.	Reduce	<ul style="list-style-type: none"> - Improving pathways - Additional emergency accommodation provision 	30/9/2024
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	↔ No change.	Reduce	<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 	30/09/2024
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	↔ No change.	Reduce	<ul style="list-style-type: none"> - Use of Homelessness Prevention Grant - Lobby Government on potential impact of reduced funding 	30/9/2024
354		Marketing Cheltenham - If the Marketing Cheltenham team does not achieve targets for commercial income, then it may negatively impact the overall budget position for the service.	Tara Sanchez	Impact - 2 Probability - 4 Score - 8	↓ Reduction due highlighting issues early.	Reduce	<ul style="list-style-type: none"> - Quarterly commercial income review meetings to monitor and highlight issues early - Relationship management of existing members and partners to ensure they are receiving the service they signed up for - Proactive commercial sales activity, to include representation at networking events, sales activity, up to date promotional literature - Sales training for key members of the team 	30/09/2024

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	 No change.	Reduce	- Regular contract monitoring & info sharing by the county	30/9/2024
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	 No change.	Reduce	- Programme Management Group - Member Training of Neighbourhood Panel	30/09/2024

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Cheltenham Borough Council

Audit, Governance & Compliance Committee – 10 July 2024

Annual Governance Statement and Local Code of Corporate Governance

Accountable member:

Councillor Rowena Hay, Leader of the Council

Accountable officer:

Claire Hughes, Corporate Director and Monitoring Officer

Ward(s) affected:

All

Key Decision: No

Executive summary:

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. This includes a statutory duty to prepare an Annual Governance Statement as part of the Statement of Accounts.

In preparing the Annual Governance Statement, the council should seek to assess itself against its Local Code of Corporate Governance. This report brings forward to members the draft Annual Governance Statement is for the period 1 April 2022 to 31 March 2023 and the Local Code of Governance for the period 1 April 2023 to 31 March 2024.

Recommendations:

- **That the Audit, Compliance and Governance Committee approves the draft 2022/23 Annual Governance Statement and the 2023/24 Local Code of Corporate Governance.**
-

1. Implications

1.1 Financial, Property and Asset implications

There are no financial or property implications associated with this report.

A copy of the draft Annual Governance Statement has been published with the draft accounts and a final version will be published as part of the final accounts in due course.

Signed off by: Gemma Bell, Director of Finance and Assets gemma.bell@cheltenham.gov.uk

1.2 Legal implications

The Accounts and Audit Regulations 2015 6 (1) (a) requires the Council to conduct an annual review of the effectiveness of the system of internal control, and (b) to prepare an Annual Governance Statement.

Signed off by: legalservices@onelegal.org.uk Tel: 01684 272691

1.3 Environmental and climate change implications

There are no environmental or climate change implications arising from this report

Signed off by: Claire Hughes, Director of Governance and Customer Services (Monitoring Officer)

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

An equality impact assessment is not required for this report.

1.6 Performance management – monitoring and review

Performance against the actions identified in the Annual Governance Statement will be monitored by the Corporate Governance Group and reported to the Audit, Governance and Compliance Committee.

2 Background

2.1 Cheltenham Borough Council is committed to the principles of good corporate governance and confirms its ongoing commitment and intentions through the development, adoption, monitoring and maintenance of its Local Code of Corporate Governance. The Council recognises that achieving high standards of corporate governance encourages stakeholders

to have confidence in us and allows the Council to undertake its community leadership role.

2.2 In April 2021 the Council adopted the Local Code of Corporate Governance which was based upon the CIPFA/SOLACE publication entitled “*Delivering Good Governance in Local Government; Framework 2016 Edition*”. This Local Code was reviewed in April 2022 and was used as the basis for developing the draft AGS for the period 1 April 2022 to 31 March 2023 (Appendix 2).

2.3 In preparing the draft AGS for 2022/23 the following areas have been identified as areas of focus for the financial year 2023/24

- Updating HR and ICT Policies
- Developing our approach to member development
- Information Governance
- Equity, Equality, Diversity and Inclusion
- Project and Programme Management

2.4 Each of these areas are set out in more detail in section 7 of the AGS and progress against them will be monitored by the Corporate Governance Group and reported to the Audit, Compliance and Governance Committee.

2.5 To ensure that the Council continues to operate in a robust governance framework and to meet the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the authority to conduct a review at least once a year on the effectiveness of its system of internal control a further review of the Local Code of Corporate Governance has been completed and the 2023/24 version is attached at Appendix 3 for approval.

3 Reasons for recommendations

3.1 Both the Local Code of Corporate Governance and the Annual Governance Statement demonstrate the Councils compliance with the Accounts and Audit Regulations 2015 as well as its commitment to good governance.

3.2 Once finalised the AGS will form part of the Annual Statement of Accounts.

4 Alternative options considered

4.1 None

5 Consultation and feedback

5.1 Both documents have been considered by the Leadership Team and Internal Audit.

Report author:

Claire Hughes, Director of Governance and Customer Services (Monitoring Officer)

claire.hughes@cheltenham.gov.uk

Appendices:

- i. Risk Assessment
- ii. Draft Annual Governance Statement 2023/24
- iii. Local Code of Corporate Governance 2024

Background information:

[Local Code of Corporate Governance 2021](#)

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1.	If the Council fails to conduct an effective review of its governance arrangements there will be an increased risk of failing to maintain good conduct and ethical standards	Claire Hughes	4	2	8	Reduce	<p>Ensure certificates of assurance are collected from partner organisations and reviewed</p> <p>Ensure annual employee declaration process is completed</p> <p>Ensure directors statements of assurance are completed and collected</p> <p>Ensure effective audit recommendations are in place</p> <p>Ensure effective counter fraud arrangements are in place</p>	<p>Claire Hughes</p> <p>Claire Hughes</p> <p>Claire Hughes</p> <p>Paul Jones</p> <p>Paul Jones</p>	<p>Annually – complete by end of May</p> <p>Annually – complete by end of June</p> <p>Annually complete end of M.</p> <p>Ongoing</p> <p>Ongoing</p>

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
2.	If the Council fails to prepare an Annual Governance Statement it will fail to comply with the statutory requirements putting the Council at risk of legal challenge	Claire Hughes	4	2	8	Reduce	Ensure that data from all of the above is used to inform the AGS	Claire Hughes	Annually



Annual Governance Statement
2023/24

Cheltenham Borough Authority (“the authority”) is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control and risk management

The authority has a Best Value duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these responsibilities, the authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

The authority has developed and approved a code of corporate governance, which is consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)” (“the Framework”). This statement explains how the authority has complied with the code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the authority to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

In addition to this, CIPFA issued its “Statement on the Role of the Chief Finance Officer in Local Government (2015)”. The Annual Governance Statement (AGS) reflects compliance with that Statement for reporting purposes. The Executive Director Finance and Assets is the Statutory Section 151 Officer (S151 Officer) for Cheltenham Borough Council.

In February 2021 CIPFA published Bulletin 06, the Application of the Good Governance Framework 2020/21, which contains guidance concerning the impact of the continuing Covid-19 pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework). It also takes into account the introduction of the CIPFA Financial Management Code 2019 (FM Code) during 2020/21. This AGS has been prepared taking into account this latest guidance.

2. Purpose of Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled including activities through which it is held accountable by, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the authority’s policies, aims and objectives;
- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

The governance framework has been in place at the authority for the year ended 31 March 2024 and up to the date of approval of the Annual Statement of Accounts.

3. Governance Environment

The key elements of the authority's governance arrangements are outlined in the Local Code of Corporate Governance. The governance framework includes arrangements for:

- Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the authority's vision and its implications for the authority's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the executive (Cabinet), non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the authority's financial management arrangements meet the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)*;
- Undertaking the core functions of an Audit Committee, as identified in *CIPFA's Audit Committees: Practical Guidance for Local Authorities*;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing referrals and for receiving and investigating complaints from the public;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

4. Principles Framework

The main areas of the authority’s governance framework and the assurance on compliance are set out over the next pages under the headings of the core principles and sub-principles from the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016).

Governance Principle	Sub-Principle	Assurance on Compliance
Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behaving with integrity	<ul style="list-style-type: none"> • The political and executive leadership sets the tone for CBC and ensures that the required policies are put into place and monitored. • The Council’s Constitution sets out how decisions are made and the procedures that are followed to ensure these are efficient, transparent and accountable to local people. • Statutory Officers’ responsibilities are defined in the Constitution and are employed in accordance with statutory guidance. • The Employee Code of Conduct forms part of the Constitution and sets out the behaviours expected of employees. • The Members’ Code of Conduct forms part of the Constitution sets out the standards of conduct expected by Members of the Council. • The Planning Code of Conduct and Probity in Licensing, both of which were reviewed and updated in December 2023, supplement the Members Code of Conduct and set out the standards of conduct expected from members dealing with planning and licensing matters. • The Protocol for Member/Officer Relations is designed to guide Members and Officers of the Council their relations with one another to maintain the integrity of local government. • The standards committee is in place to promote and maintain high standards of conduct and to assist Members and Co-opted Members to observe the Code of Conduct.
	Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • In accordance with the Localism Act 2011 we have adopted a Code of Conduct for our Councillors that is in keeping with the general principles of public life and based upon the Local Government Association Model. All Councillors and co-opted Members undertake that they will observe the Code of Conduct. • All members keep their register of interests up to date. The registers are available for public viewing either at the Council Offices or via the website. • Members are required to declare relevant interests at meetings and these are recorded in the minutes. • The Employee Code of Conduct provides guidance to our employees on the ethical framework within which we seek to conduct its activities; and on the processes that the Council uses to ensure compliance with the highest ethical standards. • A register of gifts and hospitality is maintained for both Officers and Members.

	Respecting the rule of law	<ul style="list-style-type: none"> • The roles and responsibilities of Members and all holders of an office are set out in the authority's Constitution. • Codes of Conduct set out the standards of behaviour that are expected of our Councillors and Officers. Should these standards be breached they will be dealt with, either through the standards Committee or, in relation to Officers, action taken under our capability and/or disciplinary procedures. • The Whistleblowing Policy adopted by the Council ensures its effectiveness from a safeguarding perspective and to make it easier for staff to raise concerns about malpractice or illegal activity. The Policy contains clear guidance about how to report a concern, who to contact and sources of internal and external support. • Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures and statutory legislation. Where non-compliance is identified, this is reported to management and to Members via the Audit, Compliance and Governance Committee. • CBC work with a Gloucestershire wide Counter Fraud and Enforcement Unit to help prevent and detect fraud and corrupt practices, including abuse of position. The service reports to the Audit, Compliance and Governance Committee twice a year.
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Governance Principle	Sub-Principle	Assurance on Compliance
Principle B - Ensuring openness and comprehensive stakeholder engagement	Openness	<ul style="list-style-type: none"> • The annual accounts are published in a timely manner and in accordance with specified timescales so that the financial position and performance of the authority is open to public scrutiny. • Committee meetings, agendas and minutes are published in accordance with the Forward Plan and publication of agendas is done in accordance with the Local Government Act 1972. • Council, Cabinet and Committee reports clearly outline their purpose, so the public can understand what the decision is aiming to achieve. • Council, Cabinet and Committee reports address financial, legal, equalities, risk and sustainability implications to allow public scrutiny and aid Members in their decisions making. • All public meetings that take place in the council chamber are webcast live to the council's YouTube channel. All recordings are available to view for a period of 4 years from the date of the meeting. • Members and the public are able to ask questions at Council, Cabinet and the Overview and Scrutiny Committee. Processes are in place which facilitate public participation at Audit, Licensing and Planning Committee meetings. All meetings are held in public unless exempt business is under discussion. • CBCs petition scheme makes provision for the submission of petitions

		<ul style="list-style-type: none"> • Overview and Scrutiny committee promotes open and transparent decision-making, democratic accountability and holds the Cabinet to account for its decisions. • Officer and individual Portfolio Holder decisions are published on our website • Transparency data is published on the website and includes supplier payments, senior management structure charts, annual pay policy statement, and our gender pay gap report for the previous financial year. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information Request and the procedure that will be followed to answer the request.
	<p>Engaging comprehensively with institutional stakeholders</p>	<ul style="list-style-type: none"> • We engage with large numbers of stakeholders through forums such as Leadership Gloucestershire, Southwest Councils and the Local Government Association. • We have a comprehensive engagement system with statutory stakeholders such as the NHS, Gloucestershire County Council and the Gloucestershire Police. • We are members of the District Councils' Network (DCN) a cross-party member led network of councils. • We engage with further subject based stakeholders particularly around economic development such as the Cheltenham BID, The Cheltenham Economic Advisory Board, The Cheltenham Culture Board and our partners in the Golden Valley Project. We hold a statutory responsibility around the duties of the Community Safety Partnership, made up of both statutory agencies and co-operating bodies within the borough and the county (known as the 'responsible authorities') • As part of the budget setting process consultation takes place through the authority's website and through attendance at meetings of the parish councils and business community by the Deputy Chief Executive and Cabinet Member Finance / Leader of the Council. • Engagement with staff happens in a number of ways; whole authority staff sessions, directorate team meetings, monthly managers meetings and one-to-one meetings • We have an active C5 group that regularly brings together the five parish councils of Cheltenham to discuss shared issues, opportunities and challenges.
	<p>Engaging with individual citizens and service users effectively</p>	<ul style="list-style-type: none"> • Local focus and community group engagement are undertaken by our communities and partnership team with wider engagement taking place across our service areas. • Our Solace Partnership comprising of Cheltenham Borough Council, Gloucester City Council and Gloucestershire Constabulary come together with communities to prevent, investigate and tackle anti-social behaviour (ASB) in Cheltenham and Gloucester.

		<ul style="list-style-type: none"> • The Communications team and our Marketing Cheltenham Team ensure that specific matters are placed in the media and engage with the media over enquiries on specific matters. • Engagement and consultation with the public is undertaken through public meetings, surveys and other mechanisms as required throughout the year or around specific topics, e.g. Cheltenham Plan. • A Statement on Community Involvement is approved which sets out the opportunities by which the public and organisations can engage with the planning system, including the procedures and methods used to consult on planning applications. • Our resident survey provides an opportunity for residents to feed back on the services we provide. • Planning has a particular focus on engagement with statutory consultation forming part of each planning proposal. • We have a customer feedback policy and process which enables residents to provide feedback, to raise complaints or provide us with a compliment.
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Governance Principle	Sub-Principle	Assurance on Compliance
Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits	Defining outcomes	<ul style="list-style-type: none"> • Our Corporate Plan sets out CBC's purpose, principles and priorities for the future, developed to make the biggest difference to Cheltenham's communities, businesses and residents, in line with Cheltenham's place vision. • The Borough has a statutory development plan in place made up of the Gloucester, Cheltenham and Tewkesbury Joint Strategic Plan (adopted 2017) and The Cheltenham Plan (adopted 2020), together these plans make provision for the long term growth of our area delivering sustainable, social and environmental benefits across the Borough up to 2031. • The Council is updating its Local Development Scheme, which sets out the key milestones for the preparation of its statutory development plan, as required by the Planning and Compulsory Purchase Act 2004 (as amended).
	Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Our pathway to Net Zero sets out our aims to achieving our target of CBC and Cheltenham becoming carbon neutral by 2030. • We actively monitor our progress against this pathway and publish our key achievements. We also report our scope 1, 2 and 3 emissions. • CBC have developed an award winning environmental impact assessment tool which ensures that the environmental impacts of all new projects and policies are properly assessed. The result of the assessment are captured within decision making reports to facilitate informed decision making. • We are committed to social value and how we can drive this through our own procurement, decision-making and project delivery. A social value charter will be prepared over 2023 and best practice is being developed through the Golden Valley programme.

Governance Principle	Sub-Principle	Assurance on Compliance
Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes	Determining interventions	<ul style="list-style-type: none"> • A mixed economy approach to service delivery is in place to deliver the priority outcomes of Members. • To operate within a more constrained financial cost base CBC has over a number of years created a number of new organisations to deliver services once provided in house. • Each partner service is assigned a client officer who undertakes frequent and direct liaison with the service provider and monitors the contract performance and delivery. • A member of the Leadership Team holds accountability for these services and provides the strategic guidance and support to the client officers. • The Leadership Team and client officers keep relevant Cabinet members apprised of commissioned service performance as well as Cabinet Members being engaged directly in performance meetings with commissioned service providers. • Regular Peer Reviews are undertaken for quality assurance with the most recent being in July 2023 with a follow up in February 2024. • CBC have an Overview and Scrutiny Committee whose role it is to deliver measurable outcomes which benefit the effectiveness of the Authority and the community.
	Planning interventions	<ul style="list-style-type: none"> • Performance, audit, risk, finance information and contract management is used to identify areas of concern and plan required interventions. • Corporate risks are considered by the Leadership Team on a monthly basis. • Operational risks are monitored and managed at Manager level. • Any strategic risks scoring 16 or more are escalated to the corporate risk register discussed by the Leadership Team and considered by members of the Cabinet. • Our Leadership Team has strategic oversight of major issues affecting the Council with a well-developed forward plan. • Budget monitoring is designed to capture and incorporate internal & external factors and to enable the authority to respond appropriately.
	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> • We continue to work on achieving the aims of our commercial strategy that sets out the authority's ambition to be an enterprising and commercially focused authority. • CBC's approach to drive down the Council's net costs and increase income via a commercial mind-set with the aim to hold down council tax as far as possible, now and in the longer term helps the Authority protect frontline services. • Following the refresh of the Corporate Plan for 2023-2027, the drive towards financial sustainability includes the review and re-alignment of our resources to ensure the key priorities are able to be

		<p>delivered over this period. The Deputy Chief Executive oversees all commercial work to ensure it fits with our role as a council and within our financial framework.</p> <ul style="list-style-type: none"> • CBC's Capital Strategy 2024 to 2025, Investment Strategy 2024 to 2025 and Treasury Management Strategy 2024 to 2025 were refreshed and approved by full council in February/March 2024. • The authority's budgets are prepared annually in accordance with objectives, strategies and the MTFS is finalised following consultation with Members, customers, stakeholders and officers. • Financial stewardship in respect of both capital and revenue proposals is reviewed and challenged by the Budget Scrutiny Working Group and considered regularly by the Leadership Team. • The MTFS is a live document and is updated as necessary, to respond to the changing environment and in such circumstances would be discussed by the Leadership Team to determine any necessary mitigating actions that would then be discussed with the Cabinet.
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Governance Principle	Sub-Principle	Assurance on Compliance
Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	Developing the entity's capacity	<ul style="list-style-type: none"> • The Chief Executive is responsible for the organisation of the staff. • Leadership and Management is delivered through the Leadership Team consisting of the Chief Executive, Deputy Chief Executive and Directors to ensure proper oversight of the whole business. The Leadership Team meet once a week and have leadership / manager briefing on a monthly basis which sit alongside departmental management team meetings. Monthly all staff webinars are in place and are utilised not only for knowledge sharing but as a development opportunity on a wide range of topics e.g. change management. • 1:1 conversations are held with our people about performance and development. • During 2023/24 we continued to work on our organisational review to ensure our resources were structured to deliver our corporate plan • In October 2023 the Cabinet agreed that the Council should return its housing services in-house and wind up its ALMO, Cheltenham Borough Homes. Work on organisational capacity is of vital importance during this transition and moving into the future • In 2023 the Council returned to an in-house HR Service, moving away from its previous approach of commission the service via Publica. • We have procured and installed a new digital platform aimed at improve services to our residents and businesses.

	<p>Developing the capability of the entity’s leadership and other individuals</p>	<ul style="list-style-type: none"> • We have a programme of training available for both Councillors and Officers at all levels. • All new employees take part in an induction programme and ongoing staff development needs are identified through our system of 1:1 meetings • There is mandatory compliance training for all staff and members on key items and policies via our Learning Management System and this includes training on Equality, Diversity and Inclusion. • Professional members of staff are required to undertake additional training requirements (continuing professional development) as set by their professional bodies. • We continue to run a range of leadership programmes for our people designed to give them behaviours and skills for the future. • All new Members undertake a comprehensive Members induction programme that is delivered after each borough election • New Members are matched with a senior officer under a “buddy” system to provide practical support as they develop into their roles. • Training is provided for Members on an ongoing basis as appropriate and necessary. Members on certain committees (e.g. Planning and Licensing) are required to undertake initial and ongoing “top up” training in order to take their place on the committee. • In 2023 the Council established a member development to provide oversight to member induction and development. • The authority is a member of the Local Government Association who provide individual mentoring and support to Members and officers as necessary or requested.
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Governance Principle	Sub-Principle	Assurance on Compliance
<p>Principle F - Managing risks and performance through robust internal control and strong public financial management</p>	<p>Managing risk</p>	<ul style="list-style-type: none"> • Our Risk Management Policy are in place and subject to regular review. Our risk maturity assessment assed us at Level 3. Work continue to develop in this area with a view to working towards Level 4. • Officers are required to maintain the CBC Service / Operational Risk Registers and the Leadership Team and Informal Cabinet reviews the corporate risk register on a monthly basis. • Any strategic level risks that score 16 or above are incorporated in the corporate risk register. • The Audit, Compliance and Governance Committee reviews and approves the Risk Management Policy on a regular basis. Risks are identified when undertaking Internal Audit reviews and reported when necessary. • A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the Deputy Chief Executive The Audit Plan is approved at Audit, Compliance and Governance Committee prior to the financial year.

	Managing performance	<ul style="list-style-type: none"> • Organisational performance against the authority's corporate plan objectives is reviewed by the Leadership Team to ensure key programmes of work remain on track to achieve CBC goals and objectives. • Principal performance KPI's and targets are being developed throughout the organisation and captured within our organisational performance management system, Clearview. • Individual programmes and projects have their own targets and performance expectations and are reported via the programme/project boards as required. • Programmes and Projects are tracked through our Clearview system and reported to the Leadership Team.
	Robust internal control	<ul style="list-style-type: none"> • CBC corporate governance group meets on a quarterly basis, chaired by the Chief Executive and its attendees are the other statutory officers, internal audit, counter fraud, risk management and Human Resources. • Assurance is gained through regular internal audits and reporting. • External Audit recommendations are reported to Audit, Compliance and Governance Committee following the completion of their annual audit process with follow-ups of recommendations also reported. Any recommendations are incorporated into the planning for the next years Audit. • Internal Audit is delivered through SWAP Internal Audit Services (SWAP) and processes ensure compliance with Public Sector Internal Auditing Standards. • Internal Audit agreed actions are followed up and reported to Audit, Compliance and Governance Committee with further follow up being reported where agreed actions have not been implemented in full. • Copies of all Internal Audit reports are provided to the Deputy Chief Executive and / or Monitoring Officer who ensures that other relevant Directors and Officers are made aware of any significant issues or recommendations. • Audit reports, once completed are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to Audit, Compliance and Governance Committee, on a quarterly basis. • Agreed Actions made in audit reports are followed up one month after the agreed target implementation date. High priority agreed actions are reported to Audit, Compliance and Governance Committee with quarterly updates on progress. • A Counter Fraud and Enforcement Unit supports all the Gloucestershire Local Authorities, West Oxfordshire District Council and other third parties. Where investigations identify possible improvements to the internal control framework, the Counter Fraud and Enforcement Unit will liaise with the Internal Audit Team to ensure the improvements are followed up and implemented by Management.

	<p>Managing data</p>	<ul style="list-style-type: none"> • Our Data Protection Policy provides a framework for all other Information security and Information Management Policies all of which are available to all data users on the Councils intranet. • These policies also provides the responsibilities and accountabilities for the roles of the Data Protection Officer, Senior Information Risk Officer (SIRO) and the Single Point of Contact (SPoC). • All officers and Councillors are required to undertake mandatory e-Learning training on information governance. • The importance of reporting breaches of Data Protection legislation is well publicised and individual officers are welcomed when they come forward to report incidents. • The authority is part of the Gloucestershire Information Sharing Partnership. This will enable data to be shared when necessary. • Audit reviews ensure data is held securely whether electronic or hard-copy.
	<p>Strong public financial management</p>	<ul style="list-style-type: none"> • The Finance Strategy sets the overall direction for how we will fund our activities and invest in the future. • We have a budget setting process with the Budget and Medium Term Financial Plan decided annually by Council. • We have in place a statutory Section 151 Officer with finance teams that support the budget holders. • The MTFS is reviewed and updated on a regular basis so that Members and the Leadership Team are aware of the financial standing of the authority in terms of delivering against cost reduction or revenue raising targets. • Performance against budget is reported to Cabinet and any significant variances explained. • Financial Procedure Rules and Contract Procedure Rules are in place. • The Statement of Accounts is produced and published annually in accordance with statutory legislation. • The Treasury Management Panel, Asset Management Working Group and Budget Support Working Group all provide valuable input into the development of the councils overall financial position. • Aligned with the accounts the production of this Annual Governance Statement that identifies how the authority has met its governance reporting obligations.

Governance Principle	Sub-Principle	Assurance on Compliance
<p>Principle G - Implementing good practices in</p>	<p>Implementing good practice in transparency</p>	<ul style="list-style-type: none"> • Agendas for all Council meetings are publicly available on website and meetings are accessible on YouTube and promoted via social media. • Performance monitoring reports considered by Overview and Scrutiny are published on the authority's website in accordance with publication standards and guidelines.

transparency, reporting, and audit to deliver effective accountability		<ul style="list-style-type: none"> • Data in respect of transparency is published on the authority’s website. • We have a Whistleblowing Policy in place.
	Implementing good practices in reporting	<ul style="list-style-type: none"> • We have in place comprehensive procedures for the making of decisions, either by Full Council, Committee, Cabinet or individual decisions made by Directors and Cabinet Members. • All reports are taken through Democratic Services and require clearance by Legal, Finance, HR and Property/Assets and risk and environmental implications for every report are identified. • Reports for Council, Committees and Cabinet business and minutes of these meetings are available on our website, save for reports which contain information that is exempt from publication.
	Assurance and effective accountability	<ul style="list-style-type: none"> • The Constitution sets out the executive arrangements and the roles and responsibilities of the Leader of the Cabinet, the Cabinet and each of the Portfolio Holders individually and the roles and responsibilities of other Council Members. • The Constitution sets out the functions of Council, Cabinet and the various committees. • We have an effective Overview and Scrutiny function whose responsibilities are also set out in the Constitution. • The principal roles and responsibilities of the Chief Executive and senior officers, including the Chief Financial Officer (Section 151 Officer) and the Monitoring Officer, are also set out in the Constitution. • Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit agreed actions are followed-up and reported to Audit Committee, further follow-up is planned agreed actions have not been implemented in full.

5. Review of Effectiveness

The authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the officer Corporate Governance Groups and comments made by the external auditors, other review agencies and inspectorates.

The authority's process for maintaining and reviewing the effectiveness of the governance framework has included the following:

- Directors complete an Annual Assurance Statement at the end of each financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.
- Annual Assurance Statements are also completed by Client Officers in respect of external service providers, The Cheltenham Trust, One Legal, Publica, Ubico, SWAP and CBH.
- Where the assurance review highlights elements that do not fully or partially meet the systems of internal control then the Directors and Client officers explain what action needs to be taken within an agreed timeframe.
- Leadership Team review the Corporate Risk Register on a monthly basis and service risk registers are managed by each manager.
- The SWAP Assistant Director (Head of Internal Audit) provides the Audit, Compliance and Governance Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the authority, which includes its governance arrangements.
- Investigation of, and decisions on, allegations of failure to comply with Members Code of Conduct are considered and determined through processes involving the Monitoring Officer/Independent Person(s)/Standards Committee/Sub-Committee as set out in the Constitution.
- The Deputy Chief Executive ensures training and awareness sessions are carried out for the Audit, Compliance and Governance Committee periodically.
- The External Auditors present progress reports to the Audit, Compliance and Governance Committee. The Chief Executive and Deputy Chief Executive attend audit liaison meetings with the external auditors on a regular basis.
- The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit, Compliance and Governance Committee.
- Performance with regard to achievement of corporate priorities, budgets and risk are reported and monitored as outlined in this statement.
- The Audit, Compliance and Governance Committee review the Annual Governance Statement.
- The Audit, Compliance and Governance Committee review the Annual Statement of Accounts and reports from both Internal Audit (SWAP) and External Audit, including quarterly progress reports.
- Council approves the annual budget, reviews and approves the Treasury Management Strategy.
- Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including agreed actions for improvement are detailed in an action plan agreed with the relevant Director/Service Manager.

Audit statement – 'On the balance of our 2023/24 audit work for Cheltenham Borough Council, enhanced by the work of external agencies, I am able to offer a XXXXXX Assurance opinion in respect of the areas reviewed during the year.'

6. Governance Issues During 2022/23

In preparing the 2022/23 statement and reviewing the effectiveness of the governance arrangements the governance issues listed below were identified. Updates as to the progress are included within the table:

No.	Key Area of Focus	Planned Actions	Lead Officer	Progress
1.	Update our HR and ICT Policies	Complete a review of our HR and ICT policies to ensure they are fit for purpose and reflect current statutory requirements and best practice	Head of Corporate Services	Policy review/gap analysis completed, work to update all policies is not anticipated to be completed until the end of September due to bringing HR in house and the CBH transfer. Policy review work will now include bringing together CBC & CBH policies into 1 policy.
		Ensure that where appropriate HR and ICT policies are interconnected to ensure that appropriate procedures are in place concerning matters such as employee access to systems and data during periods of long-term sickness absence or when the subject of disciplinary investigations	Head of Corporate Services	Policy review/gap analysis completed, work to update all policies is not anticipated to be completed until the end of September due to bringing HR in house and the CBH transfer. Policy review work will now include bringing together CBC & CBH policies into 1 policy as well as considering ICT policies from Publica and CBH.
		Update our guidance on the use of personal devices for council business	Head of Corporate Services	To be completed by the end of September ensuring both CBC and CBH devices are covered by the policy.
2.	Develop our approach to Member Development	Set up a cross party member development working group	Corporate Director and Monitoring Officer	Complete – working group established and meeting regularly
		Develop a member development Strategy	Corporate Director and Monitoring Officer	This work now forms part of the member development work plan
		Prepare a comprehensive induction programme for implementation following the local elections in May 2024	Corporate Director and Monitoring Officer	Complete
		Work towards achieving the Member Development Charter status	Corporate Director and Monitoring Officer	Ongoing work with member development group

3.	Information Governance policies	Adopt the refreshed suite of policies	Corporate Director and Monitoring Officer	Complete
		Ensure staff are fully trained on the revised policies so that they can become fully embedded them within the organisation	Corporate Director and Monitoring Officer	Complete
		Conduct ICO Self-Assessments	Corporate Director and Monitoring Officer	Complete
4.	Equity, Equality, Diversity and Inclusion	Develop our approach to equality impact assessments	Corporate Director and Monitoring Officer	Complete
		Create an EEDI action plan to demonstrate our compliance with the Public Sector Equality Duty	Corporate Director and Monitoring Officer	Complete
5.	Continue to develop our approach to project and programme management	Establish a dedicated corporate programme office	Head of Corporate Services	Programme Office Manager has now been appointed and taken up post
		Establish a project overview group to provide corporate oversight of projects, resources, risk and benefits realisation	Head of Corporate Services	Draft TOR produced and it is anticipated the formal group will be established in July post CBH transfer to ensure all projects/programmes covered. In the interim Leadership Team is taking oversight of projects and programmes.

7. Governance Issues During 2023/24

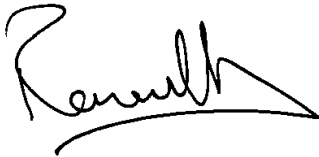
In preparing the 2023/24 statement and reviewing the effectiveness of the governance arrangements the following areas have been identified as areas of focus for the next financial year:

No.	Key Area of Focus	Planned Actions
1.	Transition of Cheltenham Borough Homes	<ul style="list-style-type: none"> • Ensure workstreams remain on track for transition to take place on 1 July • Establish appropriate governance arrangements to facilitate the transition, including relevant updates to the Constitution • Conduct a TUPE compliant transfer • Ensure compliance with new Housing Regulations, reporting regularly to relevant committee/Cabinet
2.	Strategic Procurement	<ul style="list-style-type: none"> • Recruit a new strategic procurement manager with a view to undertaking a review of the Councils procurement activities to identify best practice, value for money and delivery of social value

8. Approval of Leader and Chief Executive


We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit, Compliance and Governance Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed on behalf of Cheltenham Borough Council:



Rowena Hay
Leader of the Council

Date: 19/07/2023



Gareth Edmundson
Chief Executive

Date: 19/07/2023



Local Code of Corporate Governance

July 2024



CHELTENHAM
BOROUGH COUNCIL



www.cheltenham.gov.uk

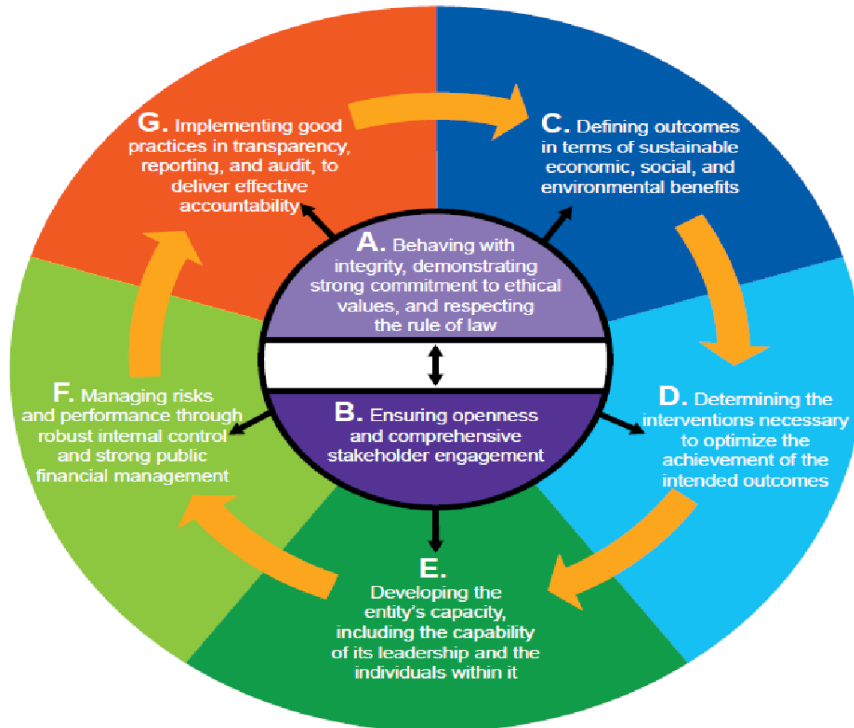


Delivering Good Governance

- 1.1** The Delivering Good Governance in Local Government; Framework, published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

 - Resources are directed in accordance with agreed policy and according to priorities
 - There is sound and inclusive decision making
 - There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities
- 1.2** Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 1.3** Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.
- 1.4** The Delivering Good Governance in Local Government Framework, sets out seven core principles of governance as detailed in the diagram below. Cheltenham Borough Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of the document – The Council's Local Code of Corporate Governance.
- 1.5** Our Local Code is underpinned by the Delivering Good Governance in Local Government; Framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed. These key governance areas and how the Council provides assurance that is complying with these are set out in more detail within its Governance Assurance Framework.
- 1.6** The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects members and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.
- 1.7** This diagram illustrates how the various principles for good governance in the public sector relate to each other. Principles A and B permeate the implementation of Principles C to G.
- 1.8** Further information regarding each of the principles and the behaviours and actions that demonstrate good governance in practice are detailed below.

**Achieving the Intended Outcomes
While Acting in the Public Interest at all Times**



2. Status

- 2.1 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
- 2.2 The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore, a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government; Framework (2016) and this section of the Code.

3. Monitoring and Review

- 3.1 The Council will monitor its governance arrangements for their effectiveness in practice and will report them on a continuing basis to ensure that they are up to date. The Council's Governance Assurance Framework sets out in more detail how the Council will seek assurance on its adherence to the adopted principles of governance.
- 3.2 On an annual basis, the Chief Executive and Leader of the Council will publish an Annual Governance Statement which will:
 - Assess how the Council has complied with this Local Code of Corporate Governance
 - Provide an opinion on the effectiveness of the Council's arrangements
 - Provide details of how continual improvement in the systems of governance will be achieved.
- 3.3 The Audit, Compliance and Governance Committee considers the Annual Governance Statement before it is published as part of the Council's financial statements.

4. Cheltenham Borough Council's Corporate Governance Principles

A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Council fosters a culture of behaviour based on shared values, ethical principles and good conduct. It puts in place arrangements to ensure that Members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

The Council does this by:

- Establishing and keeping under review:
 - a Member Code of Conduct;
 - a protocol governing Member/Officer relations;
 - protocols for members and officers dealing with licensing and/or planning matters;
 - a protocol for the attendance of officers and members at meetings of another public authority;
 - Employee Code of Conduct;
 - systems for reporting and dealing with any incidents of fraud and corruption;
 - Whistleblowing policy
- Appointing an Audit, Compliance and Governance Committee that has responsibility for promoting and monitoring the application of many of the above protocols;
- The Monitoring Officer, supported by three independent persons, receiving and determining any complaints about an elected member (of the Borough or a Parish Council)

B: Ensuring openness and comprehensive stakeholder engagement

The Council engages with local people and other stakeholders by:

- Forming and maintaining relationships with the leaders of other organisations;
- Holding all Member decision-making meetings in public (except where information to be discussed is exempt);
- Live broadcasting its cabinet, committee and council meetings;
- Providing and supporting ways for citizens to present community concerns to the Full Council, Cabinet and Committee meetings, including procedures for raising public questions and presenting petitions;
- Carrying out public consultation on budget priorities, major service changes and projects as required;
- Conducting an annual resident and business survey;
- Promoting the use of community forums/panels on specific issues

C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The Council's corporate priorities, set out what the Council hopes to achieve; on its own or in partnership with others. These priorities are supported by this Code as good governance should underpin all the work of the Council.

The Council's five key priorities are set out in the Corporate Plan 2023-2027:

- Enhance Cheltenham's reputation as the cyber capital of the UK;

- Working with residents, communities and businesses to help make Cheltenham net zero by 2030;
- Increasing the number of affordable homes through our £180m housing investment plan;
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity;
- Being a more modern, efficient and financially sustainable council

These priorities are underpinned by a number of objectives and associated actions.

D: Determining the intervention necessary to optimise the achievement of the intended outcomes

The Council has a Corporate Governance Group who provide strategic oversight of governance whilst seeking to continually enhance our three lines of defence. Their regular oversight facilitates key intervention as required.

The Leadership Team provides strategic leadership for the council, overseeing a working environment which supports the effective delivery of the corporate plan, maintains all necessary standards of compliance and good practice, and ensures the council is a great place to work.

The Council engages with the Local Government Association to share good practice and from time to time engages in a peer challenge process of functions.

Risk is managed by way of operational risk registers and a strategic risk register. The strategic risk register is reviewed at least quarterly by the corporate governance group, the leadership team and the Audit, Compliance and Governance Committee.

Performance management and service planning is linked to the Corporate Plan and includes appropriate KPIs on business performance. Key indicators are reported to the leadership team on a quarterly basis.

A robust system of budgetary control is in operation. Monthly budget monitoring is carried out between individual budget holders and the finance team. Any variances identified are recorded, monitored and reported on a quarterly basis to the Cabinet and Budget Scrutiny Working Group.

As part of the annual budget setting process through October to February, a revised budget is produced which formally reflects the variances in the base budget for the year. An annual outturn report on overall financial performance, including movement on usable reserves, is considered by Cabinet and Full Council each July.

E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Ensuring the leadership team have clearly defined and distinctive leadership roles within a structure whereby the team lead in implementing strategy and managing the delivery of services.

Ensuring staff have access to a suitable induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. Officers are supported in their development through the use of corporate training offered via a range of channels, including face to face and web-based delivery. Where required as part of their job, officers are actively encouraged to fulfil their Continuing Professional Development requirements and budget is made available for this purpose.

Operations, performance and the use of assets are reviewed on a regular basis to ensure their continuing effectiveness

To ensure that members have the skills to operate effectively the Council provides a detailed induction programme for all new members. This is supplemented with additional training throughout their term of office including:

- Running a range of training sessions on a variety of topics;
- A specific requirement for members of the planning and licensing committees to have attended training before determining any applications, together with a continuing requirement for planning committee members to attend at least 1 further training session per year;
- The use of bespoke external training as and when required.

The Council also has a member development group who are working towards the creation of a member development strategy

F: Managing risks and performance through robust internal control and strong public financial management

The Council explains and reports regularly on activities, performance and the Council's financial position through reports to Cabinet, Committees and Full Council. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:

- An annual budget proposal including reserves statement and Medium Term Financial Strategy
- Annual Capital, Investment and Treasury Management strategies
- Quarterly budget monitoring reports
- Annual Outturn Report
- Externally audited accounts including an Annual Governance Statement.

The Council aims to ensure that it makes best use of resources and that tax payers and service users receive good value for money. The Council does this by:

- Delivering and enabling services to meet the needs of the local community, and putting in place processes to ensure that they operate effectively in practice;
- Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;
- Responding positively to the findings and recommendations of internal and external auditors and putting in place arrangements for the implementation of agreed actions and
- By conducting post implementation project reviews.

The Council ensures that:

- Its decision-making processes enable those making decisions to be provided with information that is relevant, timely and gives clear explanations of technical issues and their implications; and
- Appropriate legal, financial and other professional advice is considered as part of the decision-making process.

The Council operates a [risk management framework](#) (updated April 2023) that aids the achievement of its strategic and business outcomes and priorities, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

The Council ensures that the risk management framework:

- Enables officers to formally identify, evaluate and manage risks;
- Involves elected Members in the risk management process;
- Is applied to the Council's key business processes, including strategic planning, financial planning, policy-making and review, performance management and project management; and
- Is applied to the Council's significant partnerships and projects.

Allied to the risk management framework, the Council also develops and maintains plans for business continuity and emergency management.

The Strategic Risk Register is reviewed by the Leadership Team, the Corporate Governance Group and the Audit, Compliance and Governance Committee. Individual projects are required to retain their own risk register with any high/red risks being escalated to Leadership Team. Elevated project or service risks are reviewed by the Leadership Team quarterly or more often if required.

The Council reviews and, if necessary, updates its risk management framework regularly, with the last update being approved by the Audit, Governance and Compliance Committee in April 2023. It also provides appropriate training and awareness-raising activity to ensure that risk management is embedded into the culture of the authority, with elected members and managers at all levels recognising that risk management is part of their jobs.

G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Council ensures that the necessary roles and responsibilities of those with responsibility for the governance of the Council are identified and allocated so that it is clear who is accountable for decisions that are made. The Council does this by:

- Agreeing the functions to be delegated to Cabinet, Individual Cabinet Members and Committees;
- Agreeing a scheme of delegated Council responsibilities to senior officers;
- Appointing Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles and ensuring that these roles are properly understood throughout the authority;
- Appointing Committees to discharge the Council's regulatory and audit responsibilities;
- Ensuring that our partnerships have in place appropriate arrangements for:
 - all aspects of operational management;
 - ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control; and
 - ensuring that agreed procedures are followed and that all applicable statutes, regulations, procedure rules and other relevant statements of good practice are complied with.
- Publishing and reviewing, as necessary, a Constitution which includes:
 - schemes of delegation of both Council and Executive functions;
 - a Members' Allowances Scheme, developed taking into account the recommendations of the Independent Remuneration Panel; and
 - protocols governing Member/Officer Relations and the roles of members and officers in decision making

Developing a governing document for all key partnerships which sets out the roles and responsibilities of partnership members and details decision making procedures. The Council

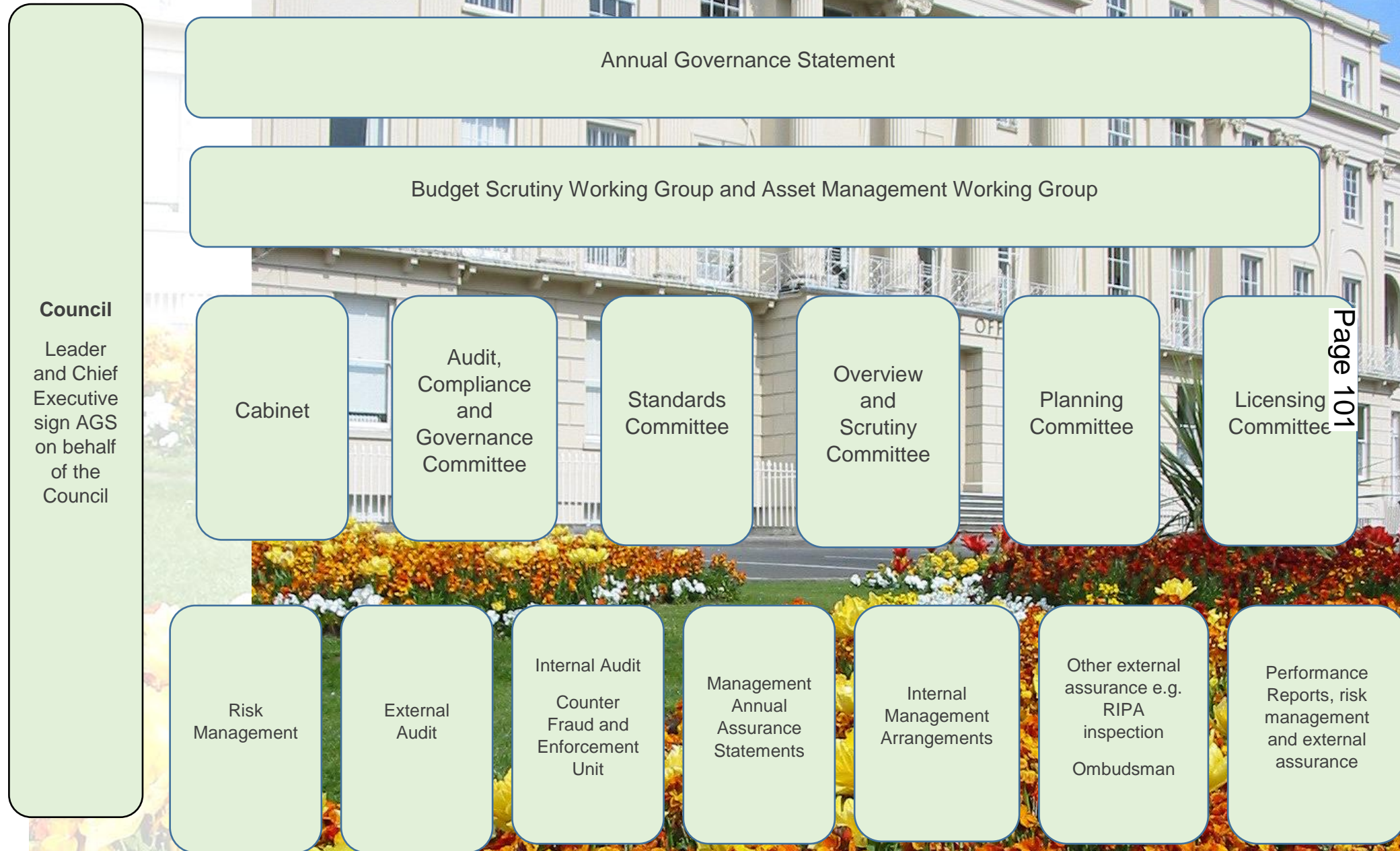
aims to be transparent about how decisions are taken and recorded. The Council does this by:

- The live broadcasting of Council, Cabinet and Committee meetings;
- Ensuring that cabinet, committee and council decisions are made in public and that information relating to those decisions is made available to the public (except where that information is exempt);
- Recording all decisions that are made by the cabinet, committees and making the details publicly available (except where that information is exempt);
- Recording key officer decisions and making the details publicly available (except where that information is exempt);
- Recording individual cabinet member decisions; and
- Having rules and procedures which govern how decisions are made.

The Council has put in place a range of arrangements to ensure that decision makers can be held to account, including:

- Establishing an effective Audit, Compliance and Governance Committee, to oversee the Council's corporate governance arrangements and ensure that they are operating effectively;
- Establishing an accessible system for dealing with customer complaints, and a separate system for dealing with complaints of misconduct against Councillors; and
- Establishing, reviewing and publicising a whistleblowing policy.

Overview of Corporate Governance Assurance Framework



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ANNUAL ITEMS (standing items to be added to the work plan each year)	
September	
Audit Findings Report - ISA260 – for previous year	External Auditor
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) (h/o from July)	Finance Team
Annual Review of Risk Management Policy (h/o from April)	Ann Wolstencroft
Auditing Standards – communicating with the Audit Committee (h/o from July)	Paul Jones/Chair
January	
Audit committee update	External Auditors
Internal audit monitoring report	Internal Audit
Review of Risk Register	Ann Wolstencroft
April	
Audit progress report and sector updates	External Auditors
External audit plan (for the current year)	External Auditors
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 Review of Draft Accounting Policies	Gemma Bell
IT Security update EXEMPT	John Chorlton/Tony Oladejo
July	
Internal audit opinion (for the previous year)	Internal Audit
Annual update on FOI and EIR	Beth Cordingley
Quarterly Corporate Risk Report	Ann Wolstencroft
Annual Governance Statement and Local Code of Corporate Governance	Claire Hughes

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