

Cheltenham Borough Council Audit, Compliance and Governance Committee

Meeting date: 28 January 2026

Meeting time: 6.00 pm

Meeting venue: Council Chamber - Municipal Offices

Membership:

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

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Agenda

1 Apologies

2 Declarations of interest

3 Minutes of the last meeting (Pages 5 - 12)

4 Internal Audit Update Report (Pages 13 - 30)

Report of Lucy Cater, Assistant Director, South West Audit Partnership (SWAP)

5 Annual Governance Statement Action Plan Progress Update (Pages 31 - 36)

Report of Claire Hughes, Director of Governance, Housing and Communities

6 Briefing Note: Review of Risk Register (Pages 37 - 42)

Margaret Anderson, Interim Governance, Risk and Assurance Officer

7 Work Programme (Pages 43 - 44)

Agenda items for the next two meetings

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

9 Date of next meeting

- Monday 23 February, 6.00pm – additional meeting
- Wednesday 22 April, 6.00pm

10 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

11 Exempt Minutes of the last meeting (Pages 45 - 46)

12 ICT Security Update (Pages 47 - 54)

Report of John Chorlton, Chief Technology Officer, Publica

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Cheltenham Borough Council

Audit, Compliance and Governance Committee

Minutes

Meeting date: 22 October 2025

Meeting time: 6.00 pm - 7.40 pm

In attendance:

Cllr Adrian Bamford (Chair), Ashleigh Davies, Chris Day, Dr Cathal Lynch, Ben Orme (Vice-Chair) and Duncan Chittenden

Also in attendance:

Emma Cathcart, Lucy Cater, Mark Squibbs (Senior Investigation and Enforcement Officer) and Matt Ward (Head of Housing Services)

1 Apologies

Apologies were received from Councillors Tooke and Willingham.

2 Declarations of interest

There were none.

3 Minutes of the last meeting

Minutes of the last meeting, held on 15 July 2025, were approved as a true record and signed accordingly.

4 Public and Member Questions

There were none.

5 Internal Audit Update

The Assistant Director, SWAP Internal Audit Services, introduced her usual update of work conducted since the last meeting, including three reports – data maturity, disaster recovery (revenues and benefits), and an update on the voids process. She also reported good progress with agreed actions, as set out in Appendix B, with nothing of any concern.

The Chair invited the Head of Housing Services to speak about the voids process. He said the report indicates a few challenges, predominantly around procurement and how CBH contracts were handled, and shared the following background information:

- there are currently 125 void properties, 77 of which require major work, and 33 of which have been allocated to contractors. The best-performing contractor has taken on an additional 30 properties, which should be available by Christmas;
- properties requiring minor works are reviewed weekly, and the voids team is now fully resourced and working hard, with the aim to complete 10 minor voids every week; this work is progressing well;
- having gone through procurement, we now have trusted contractors, have turned a massive corner, and are seeing good progress;
- voids are not static, with about 20 terminations every month as tenancies end;
- voids are a concern not just because of the rent loss but also because there are a lot of people waiting for homes. We now have a 100% satisfaction rate at sign-up stage, with new tenants happy with the quality and condition of their properties;
- new-build sites such as Regency Village are welcomed, but also create more voids;
- each operative now has their own property to work on from start to finish, taking ownership and making it easier to manage productivity and keep track, and more accuracy about getting properties back means the lettings team can start advertising and viewing earlier, making immediate occupation possible and minimising the void rent loss;
- changes are being made to improve the quality and finish of the end product, such as the use of aqua board and splashbacks instead of tiles in showers and kitchens which are easier to install and maintain.

He said it has been a steep learning curve, but continuing on the current trajectory will bring voids to an acceptable level by the end of January – although there will always be a certain amount with tenancy turnaround.

The Chair thanked the Head of Housing for this useful operational oversight, and checked that the management policy was on target. The Head of Housing confirmed that tenant consultation is complete and this will be considered by Cabinet Housing Committee on 28 November. It includes aspirational performance targets and introduces some new stages to speed up the turnaround of properties. He hopes it will be embedded by the end of the year.

Regarding the failures and findings of the audit, a Member asked if the list is complete or whether others have come to light since work began, having noted a discrepancy between the open actions on the progress summary table and those on

the action tracker, where there is only one item outstanding for CBH. The Assistant Director SWAP said the voids showing on the list are CBC's and CBH's combined, and that the CBH one brought forward is with a separate partner and needs to be kept under review. She said she would check with her colleague if any other control failures have come to light since work began and email Members. ACTION

Regarding disaster recovery, a member of the committee didn't understand the reference to IT officers' advice on longer recovery times due to the systems being approximately four times larger – he asked for clarification and how this would apply to the shortfall in disaster recover. The Assistant Director SWAP said she would email the answer to Members. ACTION

Turning to data maturity, the Assistant Director SWAP said the Monitoring Officer had asked for this piece of work, to consider CBC's data maturity appetite to support the work she is doing. She said the attachment shows the assessed framework for CBC to work on going forward, and although she normally just brings the first page of the report, said she would share by email more information to show what CBC is working towards ACTION

A member of the group with significant experience in this field made the following comments:

- he suggested that a macro document was needed, setting out the council's vision for data, risk appetite, accessibility goals, and any design authority to ensure no-one can procure without agreeing with the council's data standards;
- regarding data architecture, he would expect to see a schematic, showing understanding of different data sets and the terms of licensing around that, for example managing the problem of getting data out when moving from one system to another, and the legal team looking at the company providing data when procurement is made, how often are its terms and conditions changed, have these been seen etc;
- he asked about capability and accountability, whether we have a data owner for each of the data sets, whether the skills sets and knowledge they need have been defined, and whether they are signing an annual assurance plan. This list is not exhaustive, and he asked if the council has that as an understandable and comprehensive risk management process that feeds back in;
- he suggested this is needed so that auditors can ask the right questions, and could foresee a lot of work if not, with commentaries that the directors concerned didn't agree but had no definitions or assurance document. Without that kind of document, he felt sympathy for the auditors trying to present information to the committee in a way they can reasonably understand.

The Assistant Director SWAP said she would share the attachment for the report, and would be catching up with officers soon to do another piece of work on this. She suggested inviting the member to join them to share his experience.

The Chair suggested that the organisation appears to have a lot of work to do before it can be properly audited. The committee member said for the benefit of those concerned, it would be easier if they know everything they need to understand about corporate standards and what they are expected to do things. The Chair said it was

difficult without officers present to explain, and noted that the Assistant Director SWAP says a lot more work is needed before we can move on and get into the normal audit cycle from which we can see what actions are required. He welcomed the suggestion that officers liaise with the Assistant Director SWAP and use the expertise of the committee member.

6 Counter Fraud and Enforcement Unit Update

The Head of Service, Counter Fraud and Enforcement Unit (CFEU) introduced her biannual report, saying she was planning to change the format slightly, still within the workplan, by presenting a full report on the year's activities at the first meeting in April, and one more focussed on risks at the second, allowing the opportunity to talk about bigger projects, proactive work, corporate projects etc. She said tonight's report concerns risk areas over the last year, including high risk areas and what might be done to mitigate those. Anything else will be fitted around the workplan.

Referring to paragraph 3.11 of the report, the Chair asked about the role of the committee, its interaction with the portfolio lead, and who that is. The Head of Service CFEU said this arises from a checklist in Appendix 2, and what the Local Government Association suggests the council should be doing from a counter fraud point of view. She was pleased to say that the council is compliant in a lot of areas but that interaction with councillors outside the committee – the wider council, Cabinet and executive committee – isn't so good. There is no direct portfolio holder – in her opinion, there is fraud risk in absolutely everything and this should be considered by all Members for all activities; she doesn't want to tether responsibility to one particular Cabinet member. The suggestion across all the councils is that a completed Audit, Compliance and Governance report is complete, she should take it to informal cabinet to ensure they understand the issues and fraud risk in what we do, to ensure general awareness rather than focus on one Cabinet Member. She added that if there is a particular issue in a particular area, she will liaise directly with the relevant portfolio holder.

She said she will attend Informal Cabinet to talk about the workplan, CFEU's works, results and high risk areas, and will roll this into their programme when they have space.

In Appendix 1 Risk Assessment, the Chair was surprised to see the likelihood score bigger than the impact score for the risk *Without dedicated specialist staff in place, the Council may be unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud and error.* The Head of Service CFRU said we have to be realistic - fraud is in everything everywhere, touches the council in many ways, including small scams around council tax support and benefit fraud – these are less impactful than a huge fraud but this is what her team are trying to manage. She will look at the issue with the Head of Governance, Risk and Assurance

Introducing the updated 2022 Fraud Risk Strategy, the Senior Investigation and Enforcement Office said this high level summary of current risks and mitigation also commits the team to update the council on compliance with the local government

fraud checklist, setting out best practice for fraud prevention. He highlighted the following:

- the council is compliant in most areas, with one or two exceptions, including data analytics – we do not have the software to do this but do use data from national exercises and fraud initiatives with excellent results;
- the fraud risk register shows risk to all service areas across the council – in particular in recruitment, housing, and revenues and benefits – and what the council is doing to mitigate. It is a live working document, updated as new risks emerge;
- the fraud response plan is a quite reference guide for all staff, setting out what they should do if they have any concerns, and includes a flow chart to help them identify what they should report, with the aim of protecting the integrity of evidence investigation;
- high risk areas – mainly grant schemes and polygamous working - have been looked at, with a grant management policy and toolkit introduced to help staff to verify information on grant application forms, and 16 recommendations across the board to help mitigate the risks of polygamous working across the partnership.

Members welcomed the excellent documents, but had a number of questions:

- regarding the strategy report, a Member noted that weak internal controls and ineffective monitoring of controls appears to be present in some areas, and looked for reassurance that there is a laser focus on what is happening on the ground day to day. The Head of Service, CFEU, said her team has to rely on referrals and cannot foresee where issues will arise, so her focus tends to be prevention, and the raising of awareness, to avoid losing any money. She has to consider that where an issue is perceived as fraud but will not get to a criminal level, internal controls can undermine a court case if internal checks have not been carried out – it is a fine balance;
- she said her team is totally transparent and undertakes any work it is commissioned to do, but with fraud the most prevalent crime, it can be difficult to keep up with. The CFEU works on awareness and focuses on areas where it can have an impact and help people, such as ensuring grants are being paid correctly, and following up cases of undeclared secondary employment;
- she said this year is all about procurement, with a significant need to look at the controls around the new act, including fraud, contract management, and pre-tendering. Everything sent to the teams is triaged and considered, and any concerns are acted upon. She meets regularly with the Assistant Director SWAP to ensure issues are investigated and to provide reassurance, but they are fighting a massive battle;
- regarding the checklist, a Member wondered what the whistle-blowing policy, which is currently only partially compliant, would look like after it is reviewed, whether contractors or third parties would sign up to the policy, whether training would be provided, and how this would be monitored. The Head of Service CFEU said we need to look at how we engage contractors to point them in the right direction. The whistle-blowing policy can be found on the website, and staff are directed to it every year – contractors will be included in this email and

encouraged to engage like other staff. She said she would come back next year with any changes rather than the whole checklist, and an update to give reassurance that all the boxes are being ticked;

- in response to a Member's question about how the management team are kept up to date, she said she is a member of the governance group at CBC and meets quarterly with all three statutory officers and the Assistant Director SWAP, and her report was considered by that group before being presented to Audit, Compliance and Governance. Any particular issues, such as polygamous working, will be presented to corporate management teams across the six councils, setting out the commitment to how CFEU is working with HR and how the organisation will handle the issue;
- she confirmed that her team is completely compliant in its reporting to Audit, Compliance and Governance committees; it is partially compliant in how it is auditing to councils as a whole. This will be sorted, with more conversations about fraud risk in all activities;
- in response to a committee member's question, she confirmed that the report includes confirmation that there are adequate routine checks and follow-ups within the system – reporting to governance groups, audit groups and corporate management, and working with chief finance officers, as well as a commitment to produce management reports where any significant issues arise from internal cases.

Members accepted the report by a show of hands.

7 Briefing Note - Review of Corporate Risk Register

The Chair said this item is presented for information only, and unusually there are no officers present at the meeting, but if Members have any questions, written responses will be provided as soon as possible.

Members asked the following questions:

- i. Looking at the closed risks, a Member wondered why general balances is being taken off and asked for the rationale? These are critical, and are likely to be an absolute focus for the S151 officer;
- ii. Of the four new risks, two are itemised and two not available to the committee due to their confidential nature. Members wondered why these cannot be taken under exempt session – the committee approves the accounts and should be provided with all information in order to do that;
- iii. Regarding the top council risks on page 81, the matrix suggests there are three in the top category with a score of 20 but only two are listed, and 12 in the matrix with a score of 16 but only 11 listed; what is the reason for that?
- iv. Risk ID159 is very high – is there anything CBC as housing authority can do to reduce it? Discussions at Budget Scrutiny Working Group suggest that there are things to be done re the timing of repairs and renewals, but if this is the case, the wording should be made clearer;

- v. Risks 158 and 197 are also very similar, both concerned with financial preparations for local government reorganisation – why are these itemised twice?

A Member noted that risks 142 and 152 are closely linked, and both concern the Cheltenham Trust. Another Member suggested that the Trust operates its buildings on a day-to-day basis, with income and expenditure, but if substantial repair is needed, then CBC as landlords have to step in and finance this out of its accounts.

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

There were none.

9 Date of next meeting

The next meeting is scheduled for 28 January 2026.

10 LOCAL GOVERNMENT ACT 1972 - EXEMPT INFORMATION

RESOLVED 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, 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)

11 Recharging Mechanisms and Section 20 Process

Members considered the report and voted to approve the recommendations.

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Cheltenham Borough Council

Audit, Compliance and Governance Committee –

28 January 2026

Internal Audit Update 2025/26

Accountable member:

Councillor Peter Jefferies, Cabinet Member for Finance & Assets

Accountable officer:

Claire Hughes, Monitoring Officer

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

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

The Annual Internal Audit Opinion presented to the Audit, Compliance and Governance Committee provides an overall assurance opinion at the end of the financial year. This Internal Audit Progress Report, however, is designed to give the Audit, Compliance and Governance Committee the opportunity to comment on the work completed by the partnership and provide 'through the year' comment and assurances on the control environment.

Recommendation:

1. That Audit, Compliance and Governance Committee considers the attached reports and makes comment on its content as necessary.
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1. Implications

1.1 Financial, Property and Asset implications

There are no financial, property and asset implications arising from this report.

Signed off by: Claire Hughes, Monitoring Officer,
Claire.Hughes@cheltenham.gov.uk

1.2 Legal implications

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

Monitoring the implementation of Internal Audit recommendations assists the Council to minimise risk areas and thereby reduce the prospects of legal challenge.

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

1.3 Environmental and climate change implications

None arising from the report agreed actions

Signed off by: Maizy McCann, Climate Officer, Maizy.McCann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Quality homes, safe and strong communities
- Reducing Inequalities, supporting better outcomes
- Taking care of your money

1.5 Equality, Diversity and Inclusion Implications

No implications arising from the report agreed actions.

1.6 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 Deputy Chief Executive. New and emerging risks are discussed, and the impact of the recommendations made by Internal Audit are discussed.

2 Background

- 2.1 The Audit Plan for 2025/26 was approved by this Committee in April 2025. The progress report enables the Audit, Compliance and Governance Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.
- 2.2 We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned during 2025/26 has been included for Members information.

3 Reasons for recommendations

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

4 Alternative options considered

- 4.1 None

5 Consultation and feedback

- 5.1 None

6 Key risks

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

Lucy Cater, Head of Internal Audit

Assistant Director, SWAP Internal Audit Services, Lucy.Cater@swapaudit.co.uk

Appendices:

Appendix A – Internal Audit Progress Report, January 2026

Appendix B – Open Agreed Actions

Background information:

N/A

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Cheltenham Borough Council

Report of Internal Audit Activity

January 2026

Contents

The contacts at SWAP in connection with this report are:

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Assistant Director

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Jaina Mistry

Principal Auditor

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- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

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

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



Audit Framework Definitions

Control Assurance Definitions

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

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

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

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



Audit Framework Definitions

Categorisation of Recommendations

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

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

Definitions of Risk

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

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Counter Fraud and Enforcement Unit	Final Report	Low Substantial	1	-	-	1	Reported in July
Key Financial Control	Payroll – Publica Controls	Final Report	Mid Substantial	0	-	-	-	Reported in July
Key Financial Control	Payroll – Council Controls	Final Report	Low Reasonable	2	-	2	-	Reported in July
Follow-Up	Grant Income	Final Report	N/A	0	-	-	-	Reported in July
Governance	Data Maturity	Final Report	N/A	0	-	-	-	Reported in October
ICT	Disaster Recovery – Revenues and Benefits	Final Report	Low Substantial	0	-	-	-	Reported in October
Follow-Up	Voids Review	Interim Report	N/A	0	-	-	-	Reported in October
Operational	Recharging Mechanisms (Housing Services)	Final Advisory Report	N/A	10	5	3	2	Reported in October
Follow-Up	Recharging Mechanisms – Interim Report	Interim Report	N/A	0	-	-	-	Report Included
Key Financial Control	Bank Reconciliations	In Progress						
Operational	Income Streams (Licensing)	In Progress						
Follow-Up	Property and Estates	In Progress						
Operational	Climate Change – Operational	In Progress						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Revs and Bens – Council Tax and NNDR	In Progress						
Key Financial Control	Revs and Bens – Housing Benefit and Council Tax Support	In Progress						
Operational	Housing Allocations	Planned						
Operational	Accounts Payable – Quarterly Review 2025/26	On Going						
Grant Certification	Carbon Data 2023/24	Ready to Start						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Corporate Governance Group	On-Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec				Comments
					Priority			
					1	2	3	
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

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

Recharging Mechanisms & Section 20 Process Interim Report – January 2026

Interim Report Objective

Interim report of 2024/25 Recharging Mechanisms and Section 20 audit actions to assess if they have been implemented to improve the process for the recovery of expenditure (materials, labour, service charges, overheads, etc) due from housing tenants and Leaseholders.

Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	1	4	-	5
Priority 2	-	1	2	3
Priority 3	1	1	0	2
Total	2	6	2	10

Interim Assessment.

We have prepared this interim report at the request of Audit, Compliance and Governance Committee to provide an update of the progress of the agreed actions from our 2024/25 Recharging Mechanisms and S20 Advisory, completed in September 2025.

Our findings have been summarised below; we have found two actions have been completed, six are in progress and two have not yet started.

Part 1 – Recharging process - Key Findings Update.



Monitoring processes are not in place – Not yet started. The Head of Housing Services confirmed (December 2025) monitoring reports have been written but these cannot be run until the process is live in February 2026.

Expenditure incurred is not reconciled – Not yet started. The Head of Housing Services confirmed (December 2025) the Income Team Leader and Finance Administrator are due to test reports identifying rechargeable repairs during January 2026. And that the system will go live in February 2026.



Lack of Governance and Documentation – In progress. A Recharge Policy was approved by Cabinet on 16 December 2025. Recent meeting minutes support the recharge process has been partly mapped. However, further work is required to strengthen and define roles and responsibilities for internal processes.

QL – Recharges Data is not reliable – In progress. The Head of Housing Services advised that once CBC have gone live with the Recharge Policy all rechargeable repairs will be logged in QL. However, currently it is unclear if QL is working correctly, therefore, further work is required to ensure all rechargeable repairs are recorded in QL, the system is working correctly, and it contains accurate and trustworthy data.

Repair Operatives PDAs permissions unclear – In progress. October 2025 meeting minutes support the Application Business Analyst was investigating these permissions.




Schedule of Rates are not up to date - Action complete. The Recharge Policy confirms the Council uses the National Schedule of Rates (version 8). October 2025 meeting minutes support QL has been updated with these rates.

Part 2 – Section 20 - Key Findings Update.



Training for administering the Section 20 Notice Process is lacking – In progress. Several positive steps have been taken which should improve understanding and adherence to statutory requirements greatly, particularly the appointment of an Operations Manager within the Technical & Investment team. However, no mandatory training programme has been implemented, as per the agreed action, with reliance largely placed on the individual to consult the new guides. It also remains important to clearly define how officers' understanding of, and adherence to procedures and processes will be assessed and monitored, ensuring alignment with statutory and internal requirements.

	<p>Non-compliance with the Section 20 Notice Process – In progress. Additional steps have been incorporated into the process to strengthen controls surrounding the issuance of S20 notices and the process overall. This includes the implementation of a new S20 proforma designed to ensure that the process is consistently reviewed, documented, and authorised at each stage. We have not seen evidence to support that the S20 proforma is in use. Additionally, a S20 and contracts for major works database is being created which once operational will be of great value in tracking S20 notices.</p> <p>Document Storage is poor – In progress. We understand that preliminary meetings have been held with a view to exploring how the QL Housing Management System’s S20 module could be utilised to automate the document saving process in a standardised format. A follow-up meeting is planned for the new year.</p>
	<p>‘Additional Works’ wording on Section 20 Notices is insufficient – Complete. A new S20 Proforma has been introduced to strengthen process controls, supported by scheduled meetings to review required works and assess contingencies. The Head of Housing Services advised where further clarification is needed, meetings will be arranged with the Technical Investment team. And that, discussions with the new Operations Manager have focused on improving the flow of S20 information and ensuring that the scope of works and contingency requirements are clearly defined at the outset of the process.</p>

Conclusion

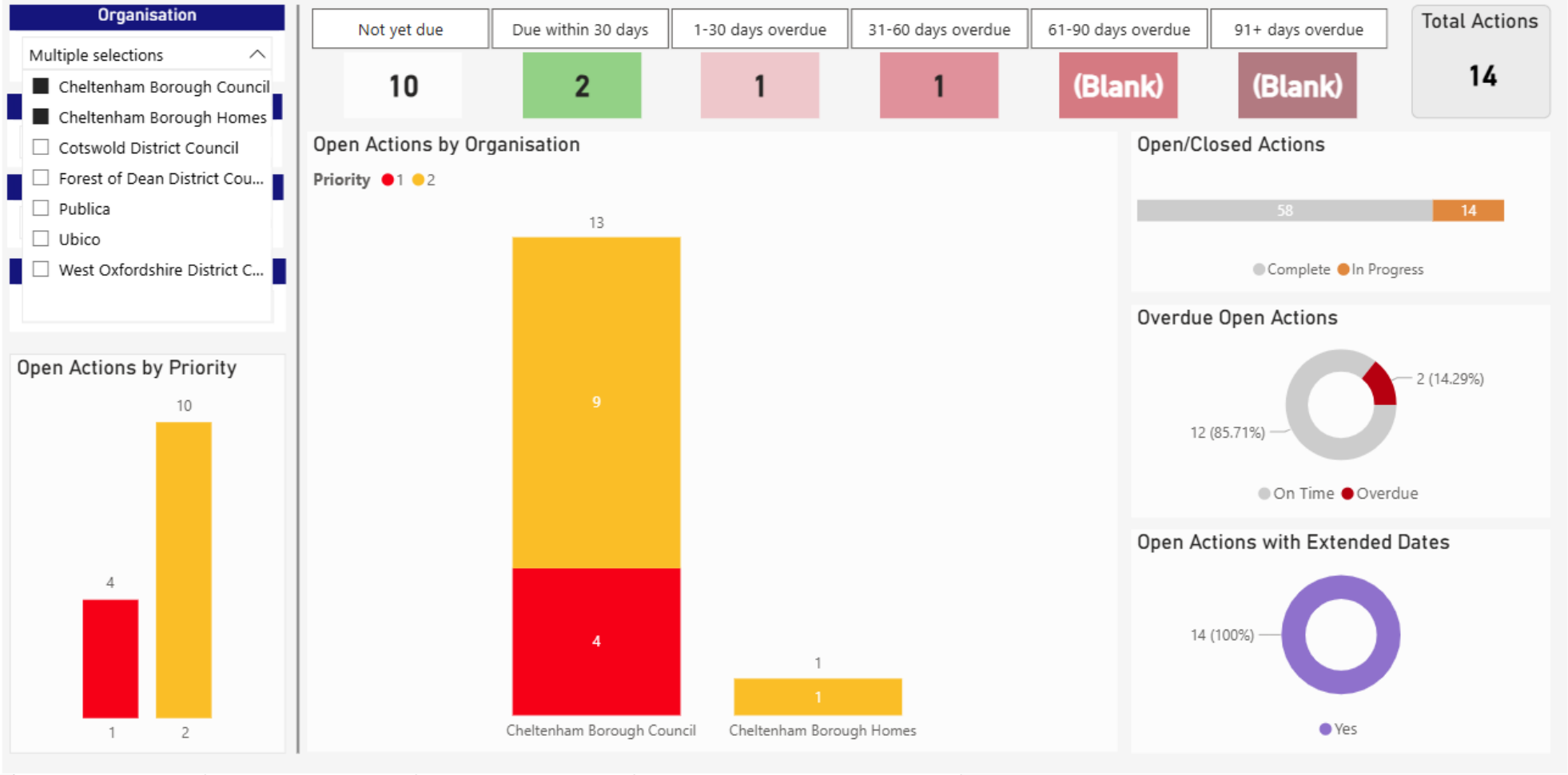
All actions from our 2024/25 report had a target implementation date of 31 December 2025. Two actions are complete and we have agreed extending the implementation date to 31 March 2026 for the outstanding eight actions.

Open Agreed Actions – January 2026



Open Management Actions

All open issues and closed actions in the last 2 years based on a rolling period.



OPEN AGREED ACTIONS - JANUARY 2026

ID (Action Plan)	ID (Issue)	Audit Title	Title (Issue)	Issue Status	Period	Priority Score	AP Status	Original Timescale	Timescale	Follow-Up Assessment
2372	2233	CBH - James Donovan Court Service Charges - 2022/23 Audit	There are no policies or procedures for James Donovan Court	Pending Remediation	2023/24	2	In Progress	31/12/2023	30/11/2025	Nov 2025: Policy has been drafted but is in the wrong format - necessary amendments will be made and sent back to Director for review.
7076	6630	CBC - Payroll 2024/25	Mileage Claims missing trip details	Pending Remediation	2024/25	2	In Progress	30/09/2025	31/01/2026	Dec 2025: Meeting held with Head of HR and agreed to extend the timescale to 31/1/2026.
7077	6631	CBC - Payroll 2024/25	Receipts are not viewable in Business World	Pending Remediation	2024/25	2	In Progress	31/12/2025	31/01/2026	Dec 2025: Meeting held with Head of HR and agreed to extend the timescale to 31/1/2026.
5092	4762	CBC - Property & Estates H&S Compliance 2024/25	There is no overarching policy or procedures for the Property Team	Pending Remediation	2024/25	2	In Progress	31/01/2025	31/12/2025	Oct 2025: We were advised that a wider H&S Policy has been created and awaiting SLT and Council sign off. Extended deadline until the end of the year.
6813	6380	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Governance and Documentation.	Pending Remediation	2024/25	1	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
6814	6381	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Monitoring.	Pending Remediation	2024/25	2	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
6820	6387	CBC - Recharging Mechanisms - 2024/25	CBC QL – Recharges Data.	Pending Remediation	2024/25	1	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
6822	6389	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Repair Operatives PDAs.	Pending Remediation	2024/25	2	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
6823	6390	CBC - Recharging Mechanisms - 2024/25	CBC Recharges Reconciliations	Pending Remediation	2024/25	2	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
7474	7011	CBC - Recharging Mechanisms - 2024/25	Training for administering the Section 20 Notice Process is lacking.	Pending Remediation	2024/25	1	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
7475	7012	CBC - Recharging Mechanisms - 2024/25	Non-compliance with the Section 20 Notice Process	Pending Remediation	2024/25	1	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
7477	7014	CBC - Recharging Mechanisms - 2024/25	Document Storage is poor.	Pending Remediation	2024/25	2	In Progress	31/12/2025	31/03/2026	Jan 2026: Interim report completed and as per the report, deadline extended until 31/3/26.
5149	4815	CBH - Voids Review - 2024/25	Budget Monitoring is ineffective	Pending Remediation	2024/25	2	In Progress	31/12/2024	31/03/2026	Nov 2025: Officer's understanding was that we need to see a regular pattern, therefore this audit action is pushed back until end of Q4 for 25/26 to allow that to happen - deadline extended.
5150	4816	CBH - Voids Review - 2024/25	Lack of Management Oversight	Pending Remediation	2024/25	2	In Progress	31/12/2024	31/03/2026	Nov 2025: Officer's understanding was that we need to see a regular pattern, therefore this audit action is pushed back until end of Q4 for 25/26 to allow that to happen - deadline extended.

Cheltenham Borough Council

Audit, Compliance and Governance Committee

28 January 2026

Annual Governance Statement Action Plan Update

Accountable member:

Councillor Rowena Hay, Leader of the Council

Accountable officer:

Claire Hughes, Director of Governance, Housing and Communities

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.

The Annual Governance Statement for the period 2024/25 included four areas of focus for the financial year 2025/26. The report provides an update on the progress of those actions.

Recommendations:

That the Audit, Compliance and Governance Committee:

- 1. notes the Annual Governance Statement action plan update**
-

1. Implications

1.1 Financial, Property and Asset implications

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

A copy of the Annual Governance Statement was published as part of the accounts.

Signed off by: Jon Whitlock, Head of Finance jon.whitlock@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: Claire Hughes, Director of Governance, Housing and Communities

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, Housing and Communities

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Looking after your money

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 is 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 preparing the AGS for 2024/25 the following areas were identified as areas of focus for the financial year 2025/56

- Safeguarding
- Partnership Register
- Annual assurance process
- Housing compliance

2.3 The attached action plan provides an update as to the progress against each of those areas of focus.

3 Alternative options considered

3.1 N/A

Report author:

Claire Hughes, Director of Governance, Housing and Communities

Appendices:

- i. Risk Assessment
- ii. Annual Governance Statement action plan update

Background information:

None

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 monitor completion of the actions identified in the Annual Governance Statement, then it will not be able to assurance itself that robust systems of governance and control are in place.	Claire Hughes	3	2	6	Accept	Provide updates on action plan to Corporate Governance Group and Audit, Governance and Compliance Committee	Claire Hughes	Annually

Appendix 2: Annual Governance Statement Action Plan – update against actions January 2026

No.	Key Area of Focus	Planned Actions	Update as at 01 January 2026
1.	Safeguarding	<p>Implement a new safeguarding policy which incorporates the council's extended role in the delivery of housing services.</p> <p>Roll out safeguarding training to all staff and elected members.</p>	<p>The updated safeguarding policy was approved by cabinet on 18 November 2025: Decision - Updated Safeguarding Policy - Modern Council</p> <p>Safeguarding training is being rolled out across the organisation to both staff and members.</p>
2.	Partnership Register	<p>In response to the Value for Money review completed by external auditors Bishop Fleming create a partnership register which includes:</p> <ul style="list-style-type: none"> • A central record of Council's partnership activity, including partnership governance arrangements • An assessment of partnership risks and subsequent mitigations through the inclusion of a partnership risk register. • Best practice information for officers in respect of partnership management 	<p>A template form to collect the required data has been created and circulated to relevant officers for completion.</p> <p>All forms are due to be completed by 31 January, following which the partnership register will be compiled and complete.</p>
3.	Commissioned Services Assurance	<p>In response to the Local Partnerships Review consider ways of strengthening the assurance process for commissioned services, including by further development of the annual assurance process and the client management role.</p>	<p>Completed – The annual assurance process has been updated to reflect the feedback from local partnerships.</p>
4.	Housing Compliance	<p>Continue to develop the approach to property compliance reporting including:</p> <ul style="list-style-type: none"> • Completing of a data validation exercise • Creating a compliance strategy • Updating compliance policies • Implementing a standardised performance framework 	<p>Completed</p> <ul style="list-style-type: none"> • Data validation exercise completed • Compliance strategy completed and approved by cabinet on 15 July 2025: Decision - Compliance Strategy and Policies - Modern Council • Compliance policies updated and approved by cabinet on 15 July 2025: Decision - Compliance Strategy and Policies - Modern Council • Standard performance framework now in place

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Briefing Note

Committee name: Audit, Compliance and Governance Committee

Date: 06/01/2026

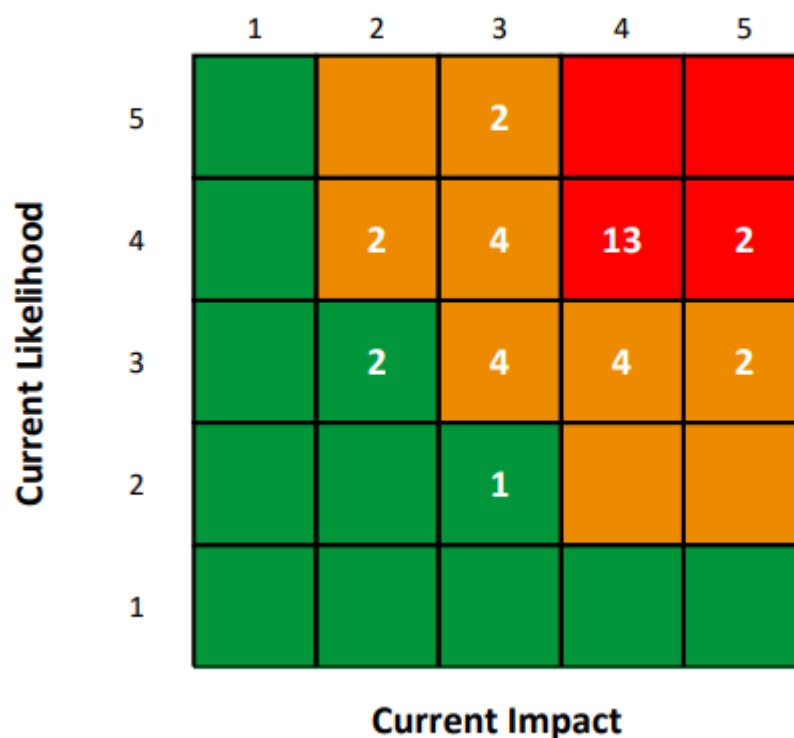
Responsible officer: Margaret Anderson– Interim Governance, Risk and Assurance officer

Cheltenham Borough Council corporate risk register

There are currently 36 active risks on the corporate risk register.

The below matrix shows the breakdown of current risk scores:

Current likelihood and impact of risks



In summary:

- 3 risks were added this quarter
- 2 were closed and archived
- 2 were suspended
- 32 risks had no change since the last assessment
- 3 risks reduced since their last assessment
- 1 risks increased

New risks:

Three risks were added to the corporate risk register this quarter:

1. Senior finance capacity- If we do not adequately manage the strategic management capacity within finance then there is a risk that the council operates outside of its effective financial and governance controls
 - a. Raw risk score – 20
 - b. Current risk score - 15

Two of those added were confidential risks and so cannot be shared in a public forum.

Closed risks

Two risks were closed, archived and are being appropriately managed on their service level risk registers:

All of those closed were confidential risks and so cannot be shared in a public forum.

Two risk were suspended and will be amended following further review:

1. 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.
 - a. Moved to a service level risk register. It will be a perpetual risk for the organisation so it will always need to be acknowledged and managed.

One of those suspended were confidential risks and so cannot be shared in a public forum.

Overview of change in risk score:

Three risks reduced since their last assessment

1. Property Compliance - If there is ineffective management of property compliance then this will result in regulator intervention and reputational damage
 - a. Mitigation measures updated and risk reduced accordingly from 12 to 9.
2. Big Local- In connection with the community hub building, if the Petersfield Partnership and the Council do not meet the conditions set out by local trust then there is the possibility they will withdraw their grant funding.
 - a. Mitigation measures updated and risk reduced accordingly from 12 to 6
3. Compliance with Property Legislation & Regulations- If we are not compliant with relevant legislation / regulations in all operational CBC properties then this may result in incidents resulting in reputational damage, fines and potential corporate manslaughter charges.
 - a. Mitigation measures updated and risk reduced accordingly from 12 to 6.

Risks increased since their last assessment

1. Leisure and 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.
 - a. Increased due to political ambitions. Current score is 12.

The highest risks on the corporate risk register are:

The top two risks have a current risk score of 20:

Risk ID	Risk Status	Risk Title	Risk Description	Risk Manager	Date Raised	Risk Category (Multi-Select)
159	Active	Housing Revenue Account	If the housing revenue account becomes unviable then this may result in the council being unable to fund service delivery, investment in existing homes and the delivery of new housing.	Jon Whitlock	21/01/2025	Financial Customer satisfaction Performance Governance
142	Active	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	14/01/2025	Financial Reputation Customer satisfaction H&S well Contract governance

The following risks have a current risk score of 16.

Risk ID	Risk Status	Risk Title	Risk Description	Risk Manager	Date Raised	Risk Category (Multi-Select)
145	Active	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.	Jon Whitlock	20/02/2025	Financial Capacity Reputation Governance

195	Active	Private Sector Housing (resourcing)	If CBC does not, or cannot, adequately resource its private sector housing work, then the authority will be unable to meet its statutory obligations and duties.	Bernadette Reed Louis Krog	12/09/2025	Reputation Legal
197	Active	People resource, LGR and financial provision	If we do not make an adequate provision in our financial plan for additional people resources over the next few years then we may not be able to deliver business as usual	Ann Wolstencroft	18/09/2025	Employee Capacity Reputation Customer satisfaction Performance Legal
146	Active	M5 J10 Planning	If the SLP councils do not come to an agreement with GCC as Local Highways Authority, in regard to the highway capacity in advance of the full build out of M5 J10 and an appropriate method of testing S106 contributions, then this may have a major impact on how planning applications are considered and impact on meeting the councils 5-year housing land supply.	Tracey Birkinshaw	07/05/2025	Contractual governance Performance
151	Active	Impact of lack of 5 Year housing land supply	If the housing delivery action plan, which seeks to address the lack of a 5-year housing land supply, is ineffective then will need to consider alternative actions.	John Spurling	14/01/2025	Reputation Capacity Performance
153	Active	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	21/01/2025	Reputation Contractual governance Financial Performance Capacity Governance Legal
158	Active	Local Government Reorganisation	If local government re-organisation is not managed effectively then it may impact on financial viability, services to residents and staff motivation and retention.	Gareth Edmundson	12/12/2024	Employee Financial Capacity Reputation Customer satisfaction Performance Governance

188	Active	Demand for Housing accommodation	If the number of asylum seekers and refugees and homelessness generally continues to increase in Cheltenham, and there is insufficient accommodation to meet the demand for housing then there will be increased pressures on homelessness and rough sleeping services.	Martin Stacy	25/06/2025	Financial Capacity Customer satisfaction Performance Reputation
152	Active	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	14/01/2025	Financial Reputation
160	Active	Medium Term Financial Strategy (GF)	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.	Jon Whitlock	21/01/2025	Financial Capacity Customer satisfaction Governance Reputation
157	Active	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	21/01/2025	Reputation Governance Financial

Two of those with a score risk score of 16 were confidential risks and so cannot be shared in a public forum.

Contact Officer: Margaret Anderson

Email: margaret.anderson@cheltenham.gov.uk

WORK PROGRAMME 2026

28 January

1	Audit committee update	External auditor	moved to February
2	Annual Auditors report (for previous year)	External auditor	moved to February
3	Audit Findings Report – ISA260 (for previous year)	External auditor	moved to February
1	Internal audit monitoring report	Internal Audit	
2	Annual Governance Statement Action Plan Progress Update	Claire Hughes	
3	IT Security update	John Chorlton	
4	Review of Risk Register	Margaret Anderson	
5	Review of Risk Management Policy	Victoria Bishop	moved to July

23 February – additional meeting

1	Audit committee update	External auditor	held over from January
2	Annual Auditors report (for previous year)	External auditor	held over from January
3	Audit Findings Report – ISA260 (for previous year)	External auditor	held over from January

22 April

1	Audit progress report and sector updates	External auditor	
2	External audit plan (for the current year)	External auditor	
3	External Audit Fee Letter (for previous year)	External auditor	
4	Annual plan (for the upcoming year)	Internal Audit	
5	Internal audit monitoring report	Internal Audit	
6	Counter Fraud and Enforcement Unit report (inc. RIPA / IPA update)	Counter Fraud Unit	
7	Whistle-blowing Policy - update	Counter Fraud Unit	
8	Local Code of Corporate Governance and Annual Governance Statement	Claire Hughes / Margaret Anderson	
9	Review of Draft Accounting Policies	Finance Team	
10	Review of Risk Register	Margaret Anderson	

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