

Open

Audit Committee

Agenda

6pm
Wednesday, 27 November 2024
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Audit Committee

Members of Committee:

Chairman: Councillor N J Desmond
Vice-Chairman: Councillor G Connolly

Councillor J F Byng

Councillor J Griffiths

Councillor A Sutton

Councillor K Gale

Councillor M Rayner

Councillor P W M Young

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to request to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of "Exempt Information" for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Disclosure of Interests

Members and co-opted Members of the Council are reminded that, in accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, they are required to consider in ADVANCE of each meeting whether they have a disclosable pecuniary interest (DPI), an other registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. If advice is needed, Members should contact the Monitoring Officer or other legal officer in good time before the meeting.

If any Member or co-opted Member of the Council identifies a DPI or ORI which they have not already registered on the Council's register of interests or which requires updating, they should complete the disclosure form which can be obtained from Democratic Services at any time, copies of which will be available at the meeting for return to the Monitoring Officer.

Members and co-opted Members are required to disclose any DPis and ORIs at the meeting.

Where the matter relates to a DPI they may not participate in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.

Where the matter relates to an ORI they may not vote on the matter unless granted an advance dispensation.

Where a Member or co-opted Member has an NRI which directly relates to their financial interest or wellbeing, or that of a relative or close associate, they must disclose the interest at the meeting, may not take part in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.

Where a matter affects the NRI of a Member or co-opted Member, the Code of Conduct sets out the test which must be applied by the MEMBER to decide whether disclosure is required. Again please ensure you have spoken in ADVANCE to the relevant legal officer and determined whether it is appropriate to declare the NRI and leave.

For further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Karen Morton, Assistant Committee Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732726 or email committee.services@wyreforestdc.gov.uk

Wyre Forest District Council

Audit Committee

Wednesday, 27 November 2024

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any disclosable pecuniary interest (DPI), an other registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the Minutes of the meeting held on the 26 September 2024.	6
5.	Let Us Know complaints and compliments half yearly report – H1 2024-25 To receive a report from the Head of Revenues, Benefits & Customer Services on the outcome of complaints and compliments received by the Council for the period of 1 April 2024 to 30 September 2024.	11
6.	2023-24 External Audit Certificate (latest position) To receive a verbal update from Bishop Fleming.	
7.	Internal Audit Progress Report To receive a report from the Head of Resources and s151 Officer that presents the Internal Audit Progress Report for November 2024.	23
8.	Internal Audit Follow up of Recommendations Report To receive a report from the Head of Resources and s151 Officer that presents the Internal Audit Follow Up of Recommendations Report.	57

9.	<p>Annual Governance Statement 2023-24 – Action Plan Mid-year Progress report</p> <p>To receive a report from the Head of Resources that presents the current position in relation to performance against the action plan which was developed to address the issues identified within 2023-24, it reports on year-to-date progress during 2024-25.</p>	70
10.	<p>External Auditors Annual Report (AAR) 2021/22 and 2022/23 - Action Plan November Progress Update</p> <p>To receive a report from the Head of Resources on the latest progress against the Auditors Annual Report action plan which has been developed to address the issues identified within the 2021-22 and 2022-23 Combined Auditors Annual Report.</p>	91
11.	<p>The CIPFA Financial Management Code</p> <p>To receive a report from the Head of Resources and s151 Officer on the Council’s compliance with the standards as set out in the Code.</p>	109
12.	<p>Forward Plan</p> <p>To review the forward plan for the current municipal year.</p>	142
13.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
14.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in the paragraph 1 of Part 1 of Schedule 12A to the Act”.</p>	

Part 2

Not open to the Press and Public

15.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
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WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

26 SEPTEMBER 2024 (6PM)

Present:

Councillors: N J Desmond (Chairman), G Connolly (Vice-Chairman), J F Byng, K Gale, J Griffiths, M Rayner, A Sutton and P W M Young.

AUD.29 Apologies for Absence

There were no apologies for absence.

AUD.30 Appointment of Substitutes

There were no substitutes appointed.

AUD.31 Declarations of Interests by Members

No declarations of interest were made.

AUD.32 Minutes

Agreed: The minutes of the meeting held on 24 July 2024 were confirmed as a correct record of the meeting and signed by the Chairman.

AUD.33 Audit Completion Report

The Committee received the draft Audit Completion report from the Key Audit Partner, Bishop Fleming, which summarised the audit conclusions and highlighted the key findings. The audit is largely complete, and the auditors anticipate issuing an unmodified audit report subject to finalisation of a few outstanding queries. The Key Audit Partner explained about changes to the legislation with regards to deadline for completion of audits and advised that, despite this, it is hoped that completion will be achieved by 30 September 2024, or very soon after. The Key Audit Partner thanked the WFDC Finance team for their co-operation and prompt assistance in providing information.

Members were given the opportunity to raise questions, to which the Head of Resources and s151 Officer, the Principal Accountant and the Key Audit Partner provided responses.

The Chairman added thanks on behalf of the Committee to Bishop Fleming and the WFDC Finance team for all their hard work.

Agreed: The report be NOTED.

AUD.34 Auditor's Annual Report

Members received the draft Auditor's Annual report from the Key Audit Partner, Bishop Fleming, which will be finalised after the opinion had been given. The Key Audit Partner added that, due to the last Auditor's Annual Reports for 2021-22 and 2022-23 not being received until March 2024, there had not been enough time to implement all recommendations made by 31st March 2024. The auditor acknowledged the significant progress that has since been made.

The Committee discussed the report and was invited to ask questions. The Key Audit Partner and the Head of Resources and s151 Officer offered verbal responses to their questions and comments.

Agreed: The report be NOTED.

AUD.35 Statement of Accounts 2023-24

The Committee considered a report from the Head of Resources and s151 Officer, which provided members with an update on the audit of the Council's accounts for 2023-24 and presented them with the Statement of Accounts and the draft of the Letter of Representation to the auditors for their approval.

The Principal Accountant presented the report, highlighting the key issues and providing members with an updated list of audit adjustments Appendix 2 – Audit Adjustments.

The Committee discussed the report and the Head of Resources and s151 Officer and the Principal Accountant were able to provide verbal responses to their questions on Statement of Accounts 2023-24.

Councillor P Young joined the meeting at 6.29pm.

Agreed: The Audit Committee APPROVED:

- 2.1 The Audited Statement of Accounts for 2023-24 and granted delegated authority to the Head of Resources and s151 Officer to make any minor changes that are appropriate as part of resolution of the final external audit queries should this be necessary.**
- 2.2 The draft Letter of Representation for 2023-24 attached at Appendix 1 and authorised the s151 Officer (Head of Resources), and the Chair of the Audit Committee to make any minor changes that are appropriate as part of the resolution of the final external audit queries should this be necessary and granting delegated authority for the Chair of Audit Committee to sign the Letter of Representation.**

AUD.36 Internal Audit Progress Report September 2024

The Committee received a report from the Internal Audit Manager, BDO, which

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presented the Internal Audit Progress Report attached as Appendix 1 of the report.

The Internal Audit Manager informed members of the progress against the 2024-25 internal audit plan and was pleased to report that two of the planned audit reviews for 2024-25 were complete at the report date and in addition the Treasury Management report had been finalised that day. Excellent progress against the plan had been made in the year to date and it was expected that 7 of the 8 scheduled reviews for the 2024-25 year would be complete by the November meeting of the Committee.

The Committee was then invited to ask questions and the Internal Audit Manager provided verbal responses.

Agreed: The Audit Committee NOTED:

2.1 The Internal Audit Progress Report as detailed in Appendix 1 of the report.

AUD.37 Internal Audit Follow Up Report September 2024

The Committee received a report from the Internal Audit Manager, BDO, that presented the Internal Audit Follow Up of Recommendations report which was attached as Appendix 1 of the report.

The Internal Audit Manager presented the report to members explaining that there were 3 recommendations due since the last meeting of the Audit Committee (1 completed and 2 in progress). Of the 2 in progress, 1 was complete but was being held open until March 2025 to allow time for the Risk Registers to be embedded.

The Committee was then given the opportunity to ask questions and the Internal Audit Manager and the Head of Resources and s151 Officer provided verbal responses.

The Chairman thanked the Internal Audit Manager for all their work to keep the internal audit on track and commented that a good relationship had been built between BDO and WFDC.

Agreed: The Audit Committee NOTED:

2.1 The Internal Audit Follow Up of Recommendations Report as detailed in Appendix 1 of the report.

AUD.38 External Auditors Annual Report (AAR) 2021/22 and 2022/23 - Action Plan Month 5 Progress Update

Members received a report from the Head of Resources and s151 Officer which presented the latest progress against the Auditors Annual Report action plan, which had been developed to address the issues identified within the 2021-22 and 2022-23 Combined Auditors Annual Report.

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The Head of Resources and s151 Officer presented the report and highlighted that of the 21 actions agreed, 18 had been completed. An up-date of the remaining 3 actions will be reported to Audit Committee at the November meeting.

Questions were invited from the Committee members and the Head of Resources and s151 Officer and the Internal Audit Manager gave verbal responses.

Agreed: The report be NOTED.

AUD.39 Risk Management action plan update

The Committee received a report from the Head of Resources and s151 Officer that presented members of the Audit Committee with detail of the progress made in delivering the mitigating actions outlined in the Corporate Risk Register and progress made in implementing the updated Risk Management Strategy considered at the March meeting of the committee and approved for adoption by Cabinet on 9 April 2024.

The Head of Resources and s151 Officer presented the report, explaining that there had been some changes to the presentation of Corporate Risk Register Action Plan update 2024-25 attached at Appendix 1 of the report to reflect audit recommendations. Good progress had been made against the action plan but no risks had been rescored during the quarter.

The Committee was then invited to ask questions and the Head of Resources and s151 Officer gave verbal responses.

AUD.40 Forward Plan

The Forward Plan for Audit Committee for the municipal year 2024-25 was reviewed by the committee, and the items for the November and March meetings were noted, including the Finance and Budgetary Control training to take place prior to the November meeting.

Councillor M Rayner queried if it would be possible for attendance certificates to be issued to councillors when attending training sessions in person. The Head of Resources and s151 Officer confirmed that records are kept of attendance and the Assistant Committee Services Officer advised that training attended, both in person and online, is recorded on Members' Activity Reports, which are issued at the end of the municipal year at the meeting of full Council each May. Thanks were extended by members of the committee to the Assistant Committee Services Officer and the rest of the Committee Services / ESO team for the excellent job that they do.

A further request was made, which was supported by the Chairman that, in future, meetings of the Audit Committee are not held on Thursdays.

Following the Governance Framework training, which took place in September, a discussion took place around forging links between Audit and Overview and Scrutiny Committees. It was agreed that there was no need for

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regular meetings between the Chairs of these committees but, should an item of interest to Overview and Scrutiny appear on an Audit agenda, a meeting could be arranged. There is also the possibility of members attending the meetings as observers.

Thanks were also extended by members for relevant pages of the agenda being printed in colour so that the tables, and other indicators, could be interpreted and understood more easily.

There being no further business, the meeting ended at 7.42pm.

WYRE FOREST DISTRICT COUNCIL**Audit COMMITTEE**
27th November 2024**Let Us Know complaints and compliments half yearly report – H1 2024-25**

OPEN	
RESPONSIBLE OFFICER:	Head of Revenues, Benefits & Customer Services
CONTACT OFFICER:	Lucy Wright, Ext. 2948 lucy.wright@wyreforestdc.gov.uk
APPENDICES:	Appendix A - Let Us Know half yearly report H1 2024-25

1. PURPOSE OF THE REPORT

- 1.1 To report the outcome of complaints and compliments received by the Council for the period of 1st April 2024 to 30th September 2024.

2. RECOMMENDATION

The Committee is asked to DECIDE that:

- 2.1 This report is noted.

3. BACKGROUND

- 3.1 The Council's Corporate Complaints Procedure, Let Us Know, provides a two-stage approach for handling of customer complaints. If resolution through this process is not possible, the complainant can contact the independent Local Government and Social Care Ombudsman.
- 3.2 The Council have made significant efforts over the last 9 months regarding complaints policy, processes, training and awareness. Managers with the highest volume of front facing services have undergone training in effective complaint handling.
- 3.3 The report at Appendix A details the feedback received during the first half of 2024-25 and will be presented to the Committee on a half yearly basis.

4. KEY ISSUES

- 4.1 It is expected that the number of complaints will rise since the start of this financial year due to the training and changes to processes that have taken place. Complaints should

be seen as an opportunity to identify common themes, to inform decisions to drive improvements in service delivery.

5. FINANCIAL IMPLICATIONS

- 5.1 The improvements to the complaint handling arrangements, including the system for recording complaints and production of this report, have been implemented within existing budgets. The changes aim over time to reduce the number of complaints and in turn references to the ombudsman and findings of fault.
- 5.2 All the payments made following recommendations by the Ombudsman are at or below the £500 figure delegated to officers, as set out in section 4 of the constitution (responsibility for functions).

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 There are no specific statutory provisions governing the handling of complaints by councils. The Local Government and Social Care Ombudsman operates under the provisions of the Local Government Act 1974 and her complaint handling code, to which councils are required to have regard, is mentioned in Appendix A.

7. RISK MANAGEMENT

- 7.1 None.

8. CONSULTEES

- 8.1 Corporate Leadership Team.
- 8.2 Councillor Marcus Hart, Leader of the Council and Cabinet Member for Strategy.
- 8.3 Councillor David Ross, Cabinet Member for Finance and Capital Portfolio.

9. BACKGROUND PAPERS

- 9.1 None

Let Us Know – half yearly report - HI 2024-25

Introduction

The Council recognises the importance of listening to the views of the community about the service they have received. Our Let Us Know policy allows us to record, investigate, learn and improve the way we deliver our services.

The information contained in this half yearly report gives an overview of the authority's performance in respect of complaints and compliments. The data outlines the complaints received between **1 April 2024 and 30 September 2024**. During this period the Council received 66 complaints and 44 compliments. 6 of the complaints were escalated to stage 2 and 1 complaint was investigated the Local Government and Social Care Ombudsman.

Background

In February 2024 the Local Government and Social Care Ombudsman (LGSCO) issued all Local Authorities with a 'complaint handling code'. This was issued under the LGSCO powers to provide 'guidance about good administrative practice' to organisations under section 23 (12A) of the Local Government Act 1974. The new code will not come into effect until 2026/27 however there is an expectation that all Local Authorities will use the code as soon as possible. The new code includes completing an annual self-assessment against the 'code', carrying out qualitative and quantitative analysis of complaint performance and reporting service improvements made as a result of learning from the complaints. There is a requirement to publish results on the website, including the annual Ombudsman letter that will include individual Council's performance.

The benefits of an effective and efficient complaint process is:

- Good complaint handling promotes positive relationships between organisations and service users.
- Complaints allow an issue to become resolved before it becomes worse.
- Involvement in complaint resolution develops staff ownership, decision making and engagement.
- Complaints provide senior staff and elected Members with essential insight into day-to-day operations, allowing them to assess effectiveness and drive a positive complaint handling culture.
- Data collected about complaints can be analysed to look for common themes and used to inform key business decisions to drive improvement in service provision.
- Enables us to be a transparent organisation and drive a culture of learning from the complaints we receive.

The Council’s ‘Let Us Know’ complaints process has two stages:

Stage 1 – Complaints received are sent to the relevant service manager to be investigated and responded to.

Stage 2 – If the complainant is not satisfied with the outcome of their stage 1 complaint the matter is referred to a senior manager to review the case and provide a full response.

If the complainant remains dissatisfied, they can refer their case to the LGSCO.

The ‘Let us know’ process has been reviewed and no significant changes are required to comply with the LGSCO code. Work has been undertaken over the last 9 months to encourage the culture change across the organisation to enable complaints to be seen as an opportunity to learn from them and drive forward service improvements.

There is no informal complaint process therefore an increase in the number of complaints recorded is expected when compared to previous years data. The revised process will allow more detailed reporting including the outcome of complaints, lessons learnt and any service improvements made as a result of customer complaints. Compliments are now also being recorded and this data will be reported annually.

Context

The council delivers services across various areas and feedback is received for all services. It is inevitable that areas that provide a higher volume of services will receive more comments. The following data has been included for context:

2,623,000	24,000	48,850	7,600	6,150	465
Refuse and recycling bins emptied each year	Enquiries received by customer services in 2024-25 YTD	Homes registered for council tax	Council tax reduction scheme claimants	People approached the housing team for advice in 2024-25 YTD	Planning applications received in 2024-25 YTD

Summary of feedback

The table below summarises the feedback received during the first half of 2024-25:

Complaints resolved at Stage 1	Complaints resolved at Stage 2	Complaints referred to LGSCO	Total Complaints Received	Compliments
60	5	1	66	42

The above figures **do not include** enquiries that were subsequently categorised as service requests. Nor do they include complaints that were made to the Council but found to be another organisation such as complaints about highways, Community Housing Group etc. Complaints relating to Worcestershire Regulatory Services are also excluded as these are published separately.

Stage I complaints

Complaints are a valuable source of information that help the Council to identify areas for improvement and gain insight into areas where the service received is of value.




Number of complaints received

At the end of 2023-24, considerable work was undertaken with service managers around complaints. The importance of accurately capturing and learning from complaints has been reiterated and service areas are encouraged to ensure all complaints are logged centrally. Service managers from the highest volume areas of customer demand took part in complaints handling training delivered by the LGSCO. Quick links to report complaints has been added to the staff intranet and the Customer Services Manager has taken responsibility for overseeing the process of learning from feedback received. It is expected, that from 2024-25, the Council will report an increase in the number of complaints and compliments received.

Stage I complaints by service area

60 out of 66 complaints received were resolved at Stage I. These have been broken down into service areas as follows:



Community & Environment – 21 complaints received	Complaint category												
<p>Stage I complaints received</p>  <table border="1"> <caption>Stage I complaints received - Community & Environment</caption> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Other</td> <td>1</td> </tr> <tr> <td>Car Parks</td> <td>3</td> </tr> <tr> <td>Parks</td> <td>3</td> </tr> <tr> <td>Commercial Services</td> <td>4</td> </tr> <tr> <td>Refuse & Recycling</td> <td>10</td> </tr> </tbody> </table>	Category	Count	Other	1	Car Parks	3	Parks	3	Commercial Services	4	Refuse & Recycling	10	<p>13 for service delivery (missed/failure or lack of action) 4 for officer conduct/attitude 2 for general dissatisfaction (other) 2 for dissatisfaction with policy or decision</p> <p>Two complaints related to noise following an event in Brinton Park, one for the lack of communication regarding redevelopment of Brinton Park</p> <p>16 were upheld, 4 were not upheld and 1 was partially upheld</p>
Category	Count												
Other	1												
Car Parks	3												
Parks	3												
Commercial Services	4												
Refuse & Recycling	10												
Strategic Growth – 26 complaints received	Complaint category												
<p>Stage I complaints received</p>  <table border="1"> <caption>Stage I complaints received - Strategic Growth</caption> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Planning Enforcement</td> <td>3</td> </tr> <tr> <td>Planning</td> <td>4</td> </tr> <tr> <td>Housing</td> <td>19</td> </tr> </tbody> </table>	Category	Count	Planning Enforcement	3	Planning	4	Housing	19	<p>Breakdown of complaints:</p> <p>11 for officer conduct/attitude 5 for service delivery (missed/failure or lack of action) 5 for dissatisfaction with policy or decision 2 for general dissatisfaction (other) 2 for officer decision/advice provided 1 for delays/backlogs</p> <p>7 were upheld, 6 were partially upheld and 13 were not upheld</p>				
Category	Count												
Planning Enforcement	3												
Planning	4												
Housing	19												
Revenues, Benefits & Cmr Services – 7 complaints received	Complaint category												
<p>Stage I complaints received</p>  <table border="1"> <caption>Stage I complaints received - Revenues, Benefits & Cmr Services</caption> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Hub</td> <td>1</td> </tr> <tr> <td>Benefits</td> <td>1</td> </tr> <tr> <td>Revenues</td> <td>5</td> </tr> </tbody> </table>	Category	Count	Hub	1	Benefits	1	Revenues	5	<p>Breakdown of complaints:</p> <p>2 for delays/backlogs 2 for officer conduct/attitude 1 for officer decision/advice provided 1 for general dissatisfaction (other) 1 for service delivery (missed/failure or lack of action)</p> <p>5 complaints were upheld and 2 were not upheld</p>				
Category	Count												
Hub	1												
Benefits	1												
Revenues	5												

<p style="text-align: center;">CEX/Corporate Issue – 3 complaints received</p> <p style="text-align: center;">Stage I complaints received</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Out of hours incident</td> <td>1</td> </tr> <tr> <td>Flag flying</td> <td>1</td> </tr> <tr> <td>Media/Website</td> <td>1</td> </tr> </tbody> </table>	Category	Count	Out of hours incident	1	Flag flying	1	Media/Website	1	<p style="text-align: center;">Complaint category</p> <p>Breakdown of complaints: All 3 complaints were categorised as other dissatisfaction (general). 1 for dissatisfaction with type of flag being flown. This complaint was not upheld. 1 for communication issues after being evacuated out of hours. 1 for dissatisfaction with the website. Both of these complaints were upheld.</p>
Category	Count								
Out of hours incident	1								
Flag flying	1								
Media/Website	1								
<p style="text-align: center;">Solicitor to Council – 2 complaints received</p> <p style="text-align: center;">Stage I complaints received</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Legal</td> <td>1</td> </tr> <tr> <td>Elections</td> <td>1</td> </tr> </tbody> </table>	Category	Count	Legal	1	Elections	1	<p style="text-align: center;">Complaint category</p> <p>Breakdown of complaints: 1 for dissatisfaction with policy/decision due to having to produce photo ID at elections. 1 for officer decision/advice provided. Both complaints were not upheld.</p>		
Category	Count								
Legal	1								
Elections	1								
<p style="text-align: center;">Resources – 1 complaint received</p> <p style="text-align: center;">Stage I complaints received</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Data protection</td> <td>1</td> </tr> </tbody> </table>	Category	Count	Data protection	1	<p style="text-align: center;">Complaint category</p> <p>Breakdown of complaints: 1 for dissatisfaction with officer conduct/attitude and this was not upheld.</p>				
Category	Count								
Data protection	1								

Complaints by category and outcome

Once a complaint has been fully investigated, the manager will determine whether the complaint was upheld, partially upheld or not upheld. The outcome of each complaint will be recorded. Complaints can contain more than one issue and complaints partially upheld include some elements of the complaints but not all. Complaints that have not been decided may be addressed after the reporting period and will be included in future reports once the decision process is complete.

Officer conduct/attitude was the most mentioned category with 32% of all complaints received closely followed by failure to deliver a service/lack of action (30%). 50% of all complaints were upheld.

Category	Complaints received	Upheld	Partially upheld	Not upheld
Officer (conduct/attitude)	19 (32%)	8 (42%)	4	7
Service delivery (failed/missed or lack of action)	18 (30%)	13 (72%)	2	3
Dissatisfaction of policy or decision	8 (13%)	1 (12%)	0	7
Dissatisfaction (other)	8 (13%)	5 (62%)	1	2
Officer (service decision/advice given)	4 (7%)	0	0	4
Delays/backlogs	3 (5%)	3 (100%)	0	0
TOTAL	60	30 (50%)	7 (12%)	23 (38%)

What have we learned?

Issues relating to complaints about officer conduct have been raised with officers during investigations of complaints, looking at why customers have complained and whether communication styles can be adapted, particularly when delivering adverse news. It is acknowledged there will be limitations on how positively news will be received when a service can't be provided in the way customers would want. By undertaking assessments of specific complaints, to identify reoccurring themes, means we can work to reduce them.

Analysing customer feedback allows us to identify and tackle specific issues. The following table shows where we have made improvements as a result of a complaint:

Area of concern	Action taken to improve
Noise complaint with one of our events in Brinton Park	Agreed that event needs to end earlier in future years
Time taken to process reported benefit change of circumstance	New ways of working have been introduced, new staff have been trained and a temporary resource has been put in place to reduce the backlog

Length of time taken to process council tax refund	Made changes to the way refunds are processed to reduce unnecessary delays
Dealing with Homeless Review requests in line with the legislative requirements (that they are responded to in writing and not verbally).	Briefing note issued and face to face training with officers about distinguishing between Homeless Reviews and our Let Us Know Policy and how they are both dealt with

Stage 2 complaints

Stage 2 complaints are when a customer remains unsatisfied with the response they have received at Stage 1. We can learn from this in terms of service delivery as well as whether we need to improve our approach to dealing with the Stage 1 complaint. There were 5 complaints escalated to stage 2 all of which were answered within the reporting period:

Team	Nature of complaint	Category	Outcome at stage 1	Reason for stage 2	Outcome at stage 2	Lessons learned
Housing	Delay awarding banding	Delays/ backlogs	Upheld	Unhappy with apology and wants to be rehoused immediately	Partially upheld	Thorough investigation at stage 2 and confirmed earlier banding would not have led to earlier rehousing. Implemented new processes for all banding reviews and rolled out training to all staff.
Parks & open spaces* x2	Unhappy with event continuing until 10pm due to excessive noise levels	Other dissatisfaction	Upheld	Remained dissatisfied	Upheld x2	Will ensure family events, in future, finish earlier than 10pm and improved monitoring to ensure event hire agreements are adhered to.
Planning	Unhappy with planning decision	Dissatisfaction with policy/ decision	Not upheld	Dissatisfied that applicant can apply for retrospective planning permission	Not upheld	No fault made by Council.
ASB	Not happy with way ASB case review was handled	Service delivery failure	Upheld	Not satisfied with letter of apology	Upheld	Acknowledged delays due to availability of panel members and subsequent delay following up actions. Learning points cascaded to relevant staff.

*2 complaints both related to an event held in Brinton Park

Ombudsman complaints

The Local Government and Social Care Ombudsman (LGSCO) produces Annual Review Letters setting out how many complaints they received for each Council and how many decisions they have made. These are reported to Audit Committee each year. On occasions a complainant will approach the LGSCO but their complaint will not be investigated. Details of these complaints are published on the LGSCO website.

The table below shows the number of complaints investigated by the LGSCO for the previous 3 years. One complaint has been investigated by the LGSCO in the reporting period and included in the table:

Year	Decided by the LGSCO	Number upheld	Link to decision letter
April 2024 – Sept 2024	1	1	23 012 466
April 2023 – March 2024	0	0	
April 2022 – March 2023	0	0	
April 2021 – March 2022	1	1	20 007 555

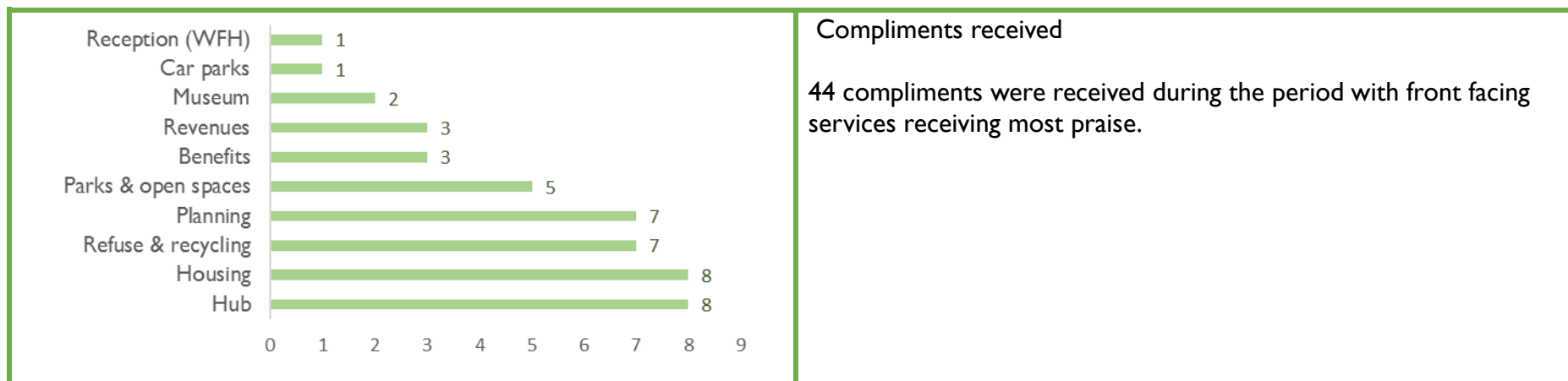
Only 2 complaints investigated by the LGSCO were upheld between 2021 - 2024. This is testament to the detailed responses to the complaints submitted to the Council. One case related to how the Council considered the impact of a planning decision. The LGSCO found the Council failed to document its consideration of the impact of a proposed development which was a fault but this did not cause a significant injustice. The more recent decision was published in June 2024 and will be included in the Annual Review Letter for 2024-25. The LGSCO found fault with the way the Council dealt with a request for a review of a priority banding which resulted in a payment of compensation.

It should be noted that these figures may change. If a complaint is received during 2023 - 2024 but a decision made in 2024 - 2025 the outcome of the complaint will show in a later year's report.

The Council is aware of 3 complaints that were investigated by the LGSCO prior to, or during, the HI reporting period which were upheld and resulted in the Council issuing a financial remedy to the complainants. As the decisions were not published by 30 September these will be reported in the Annual Review Letter for 2024-25 and will be referred to in a future complaints report. One of the 3 complaints relates to a service provided by WRS. Although WRS complaints are reported separately, the LGSCO decision reiterated the Council is responsible for services commissioned by other organisations and the financial remedy was the responsibility of the Council.

Compliments

Compliments show us when the service we provide is of value and highlights good practice. The includes compliments to the Council relating to the quality of service provided by individual staff members or teams.



Compliment examples

What a difference it makes to be greeted by such a happy smiley face. Seems wherever you go these days people aren't very forthcoming with smiles and being helpful. You are an asset to your workplace.

I can't remember who I spoke to but she was lovely and explained the council were going to see if they could offer me help to clear some of my bill...
Everyone I have ever spoken to at the council has been nothing but empathetic, kind and quiet with me. Words can't express what that means.

I would like to commend the tall man that came today. I had took my bin back in thinking it had been emptied and your collection man came down my drive and emptied my bin anyway! This may sound quite trivial but acts like this are few and far between these days. What a credit he is to put himself out like that!

I am passing by to thank you and to express my gratitude and appreciation for your help, kindness, support and understanding during the time I have been on the housing list.
As it all has only been possible thanks to you keeping me positive always and understanding my frustrations at times and still been there giving me the support I've needed.
Thank you from the bottom of my heart, for being a professional with a heart.

<p>I would like to congratulate the Council on the appearance of our borders. A particular highlight is on the dual carriageways in town, a wonderful display of poppies. They look really beautiful. With the horrendous cuts you have faced decisions to not cut the grass as frequently have been forced upon you. However I understand not cutting the grass everywhere is good for bio diversity and it looks okay. Well done to all concerned.</p>	<p>Wanted to pass on my thanks. This is a case that has required a lot of additional work and if it had not been put in she would be homeless and left in limbo and it is thanks to folks in this e-mail going above and beyond to secure a suitable housing outcome. I know a lot of authorities where this wouldn't have happened and would have been left with a long term homeless household.</p>
<p>We moved to the area 3 weeks ago and are new to the area after living in Birmingham for a number of years. Myself and my husband are so impressed by the friendliness of the two staff who attended to collect our weekly rubbish. Being helpful, advising us on how the service works. Building up our relationship that we know if we have any issues they will be friendly to approach. Thank you.</p>	<p>I had some recent back dated business rates invoices which I had raised some queries about a few months ago but had not been resolved. I then had a court summons sent me so I contacted the council again and X replied. After a couple of calls, X not only managed to reduce my business rates bill down but had the best demeanour and client care approach. I paid our rates in full last week and just wanted to express my gratitude to him but also let you/someone know what a thoroughly awesome person he is.</p>

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
27TH NOVEMBER 2024

INTERNAL AUDIT PROGRESS REPORT NOVEMBER 2024

OPEN	
CABINET MEMBER	Councillor David Ross, Finance & Capital Portfolio
RESPONSIBLE OFFICER	Helen Ogram, Head of Resources and s151 Officer helen.ogram@wyreforestdc.gov.uk
CONTACT OFFICER:	Lucy Baxter Lucy.Baxter@bdo.co.uk
APPENDIX	Appendix 1 Internal Audit Progress Report – November 2024

1. PURPOSE OF REPORT

- 1.1 To present the Internal Audit Progress Report attached as Appendix 1.

2. RECOMMENDATION

The Audit Committee is asked to NOTE:

- 2.1 The Internal Audit Progress Report as detailed in the Appendix to the report.**

3. BACKGROUND

- 3.1 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Council's Internal Auditor (BDO) is required to provide a written status report to Senior Management and Audit Committee, summarising:

- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review.

4. KEY ISSUES

- 4.1 The report attached at Appendix 1 provides an update to the Audit Committee in respect of the progress made against the Internal Audit Plans for 2023-24 and 2024-25. It reports on matters relevant to the responsibilities of members of the Audit Committee.
- 4.2 This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.
- 4.3 Detailed reports of findings, recommendations and agreed actions are available to Committee Members on request.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report. There may however be financial implications if the audit recommendations made within audit reports are not implemented on a timely basis or if a control environment requires strengthening with the introduction of additional procedures/processes.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Accounts and Audit Regulations 2015 regulation 5(1) require 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.”

7. RISK MANAGEMENT

- 7.1 In order to manage risk, internal controls are used to mitigate and manage the identified risks to an acceptable level. Any weakness in the operation of internal controls therefore impacts directly on the management of risk.
- 7.2 Risk management issues could arise when weaknesses in internal controls are identified during the audit review process and management delay or defer implementation of the recommendations made.
- 7.3 The Internal Audit service is one element of the Council’s assurance/internal control framework.
- 7.4 Key audit risks are evidenced against expected controls for all internal audit briefs to focus on risk management issues throughout the delivery of each specific audit review.

8. CONCLUSION

- 8.1 The work undertaken by the Council’s Internal Auditors (BDO) is reported within Appendix 1.

9. CONSULTEES

- 9.1 Corporate Leadership Team
- 9.2 Cabinet Member for Finance and Capital Portfolio

10. BACKGROUND PAPERS

- 10.1 Internal Audit Plan 2023-24
- 10.2 Internal Audit Plan 2024-25

INTERNAL AUDIT PROGRESS REPORT

WYRE FOREST DISTRICT COUNCIL

November 2024

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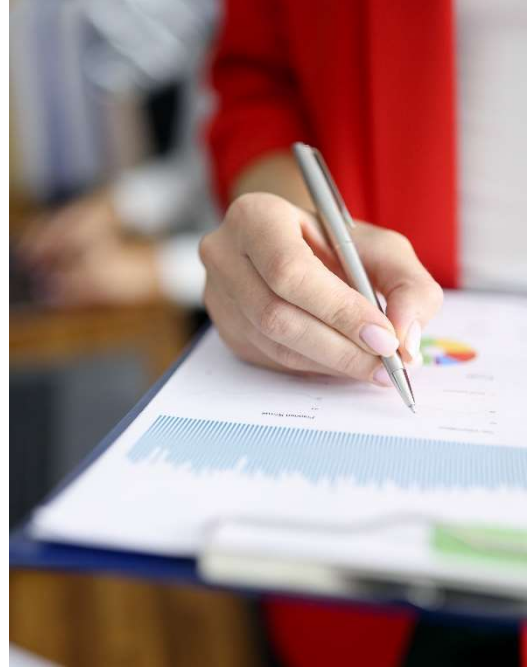
SUMMARY OF INTERNAL AUDIT WORK

INTERNAL AUDIT

This report is intended to inform the Audit Committee of the progress against the 2024/25 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.



2024/2025 INTERNAL AUDIT PLAN

As part of the 2024/25 internal audit plan, we have completed and are pleased to present the following reports to the Audit Committee:

- ▶ Equality Diversity and Inclusion
- ▶ Depot Management - Commercial and Garden Waste
- ▶ Revenue and Benefits
- ▶ Key Financial Systems - Treasury Management
- ▶ Information Governance - GDPR (confidential - please see separate paper).

We have commenced the scoping of the remaining audit for 2024/25 and expect to present the following report at the next Audit Committee meeting:

- ▶ Income Generation.

With the flexible audit days, we are also scoping an additional review of Third Party Suppliers within the Garage, as per a request from the Head of Resources and S151 Officer to be presented at the next Audit Committee meeting in March 2025.

We will commence planning for the 2025/26 Internal Audit Plan in January 2024 and expect to present the draft plan at the next Audit Committee meeting.


REVIEW OF 2024/25 WORK

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Recruitment and Retention	July 2024	✓	✓	✓	S	S
RSI Spend and Thank You Payments	September 2024	✓	✓	✓	M	M
EDI Maturity	November 2024	✓	✓	✓	M	L
Depot Management - Commercial and Garden Waste	November 2024	✓	✓	✓	L	M
Revenue and Benefits	November 2024	✓	✓	✓	M	M
Key Financial Systems - Treasury Management	November 2024	✓	✓	✓	S	S
Information Governance - GDPR	November 2024	✓	✓	✓	L	M
Income Generation	March 2025	✓				

EQUALITY, DIVERSITY AND INCLUSION

CRR REFERENCE: SR11 - WE FAIL TO PROTECT THOSE TO WHOM WE OWE A DUTY OF CARE RESULTING IN THE HEALTH, SAFETY OR WELLBEING OF INDIVIDUALS BEING COMPROMISED, MAY RESULT IN FINES FROM THE HSE AND REPUTATIONAL DAMAGE RESULTING IN INABILITY TO ATTRACT AND RETAIN STAFF.

Design Opinion	M	Moderate	Design Effectiveness	L	Limited
Recommendations	0	3	2		



SCOPE

BACKGROUND

- ▶ The Equality Act 2010 sets out the Council’s legal duties to have due regard to:
 - Eliminating discrimination, harassment, victimisation and any other prohibited conduct.
 - Advancing equality of opportunity between people who share a protected characteristic and those who do not.
 - Fostering good relations between people who share a protected characteristic and those who do not.
- ▶ The protected characteristics are:
 - Age
 - Disability
 - Gender reassignment
 - Marriage and civil partnership
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex
 - Sexual orientation.
- ▶ The Public Sector Equality Duty (PSED) came into force on 5 April 2011. PSED requires the Council to consider how different people will be affected by its activities, helping it to deliver policies and services which are efficient and effective; accessible to all; and which meet different people’s needs.
- ▶ The Equality Duty is underpinned by specific duties, set out in regulations which require the Council to produce an annual report detailing relevant, proportionate information demonstrating its compliance with the Equality Duty. As part of PSED the Council are required to publish a Workforce Profile and Gender Pay Report. These are published on the Equality, Diversity and Inclusion pages of the Council’s website. Both reports are based on information as at 31 March 2023. The Workforce Profile provides the demographics of the Council’s employees against the protected characteristics of gender, race, age and disability.
- ▶ The Council has an Equality, Diversity and Inclusion (EDI) Policy - Workforce which was agreed in September 2023. The Policy states that “the Council is committed to promoting equality, diversity and inclusion throughout our workforce, and eliminating unlawful discrimination. We work within the spirit and the practice of the Equality Act 2010 by promoting a culture of respect and dignity.” The Policy confirms that the Council is dedicated to the promotion of equal opportunities and eradicating discrimination.

AREAS REVIEWED

- ▶ We reviewed the Council’s Staff EDI Policy and draft Corporate EDI Policy to ensure that they were sufficient and included detail such as roles and responsibilities and acceptable and unacceptable behaviours.

- ▶ We reviewed the Council’s EDI staff network/ forum arrangements. We held interviews with two staff members interested in being involved in the Council’s proposed EDI Working Group to seek feedback on these arrangements, the support provided by the Council and what is desired by staff.
- ▶ We liaised with the Human Resources (HR) Leads and Web Development and Digital Communications Officer regarding EDI communications and sought feedback from the same staff members outlined above on the effectiveness of these.
- ▶ We evaluated the current EDI training arrangements, reviewed compliance rates and assessed how these were monitored.
- ▶ We reviewed the protected data collected by the Council on the workforce and analysed how this was being reviewed, improved and utilised to inform key changes.
- ▶ We established the current governance processes in place to monitor and manage EDI work programmes and reviewed a sample of reports and meeting minutes to evidence that EDI is being sufficiently considered amongst all levels of management and is being embedded within the Council.

 AREAS OF STRENGTH

- We identified the following areas of good practice:
- ▶ The Staff EDI Policy and draft Corporate EDI Policy, expected to be ratified by the Overview and Scrutiny Committee by 30 November 2024, outline responsibilities with regards to EDI for the Corporate Leadership Team (CLT), HR, service provision and employees and include definitions of non-acceptable behaviours.
 - ▶ The Council have a comprehensive workforce dashboard which is updated quarterly and presented to the CLT. The Q1 dashboard for 2024/25 includes the following protected data on the workforce:
 - Split of workforce by gender
 - Average age of employees
 - Mean and medium Gender Pay Gap data
 - ▶ The Council’s Workforce Profile Report for 2023/24, published in March 2024, cross references data on the profile of leavers to ethnicity data, data on disciplinary action and grievances to ethnicity and gender data and data on recruitment applicants to ethnicity, gender, disability and age data.
 - ▶ There are a large range of voluntary training modules available on the Council’s Learning Management System (LMS). These cover EDI & Belonging, EDI in the workplace and Unconscious Bias but also include more specific topics such as LGBT+, Disability Inclusion and Trans & Non-Binary, with separate courses available for team members and managers.


 AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>Collection and Analysis of Protected Data - Further investigation is required on the 2023/24 Workforce Profile Report results. Methods could also be improved to collect and analyse protected data held on file and to gain better insights into the EDI culture of the organisation (Finding 1 - Medium).</p>	<p>1a. A conversation should be held outside of CLT with all relevant parties to discuss the trends identified in the 2023/24 Workforce Profile Report and any necessary actions to be taken.</p> <p>1b. HR should collect and analyse data held on all protected characteristics of the Council’s workforce and use this to inform decision making.</p> <p>1c. HR should include a question on inclusion within the annual staff satisfaction survey. Examples of Inclusion questions included in an annual Staff Survey completed by another local authority client of ours include:</p> <ul style="list-style-type: none"> – To what extent do you agree with this statement: The Council provides an environment for the free and open expression of ideas, opinions and beliefs?

		<p>– To what extent do you agree with this statement: I feel included and respected within the organisation?</p> <p><u>Management Response</u></p> <p>1a. HR and the Corporate Policy Officer will meet to discuss the trends in the Workforce Profile Report 2023/24 and present recommendations to CLT.</p> <p>1b. HR are working through and planning a refresh/request to review of all staff EDI data to ensure this reflects their current status and to complete the data set. We will request this from staff over two sperate occasions and hope to have this in place so that we can assess the staff demographic before year end.</p> <p>1c. We have added questions about inclusion in the staff survey.</p> <p>Target Date: 31 March 2025</p>
	<p>EDI Governance, Monitoring and Reporting - The Council have not developed an overarching EDI action plan or monitoring arrangements to support in meeting its equality objectives under PSED. Further training is required around Equality Impact Assessments (EIA) to ensure these are compliant with PSED requirements (Finding 2 - Medium).</p>	<p>2a. The PSED EDI equality objectives should be monitored through Pentana in a combined EDI action plan and reported to the Overview & Scrutiny Committee for oversight. Please find an extract from an example EDI action plan for PSED EDI equality objectives in Appendix I for your consideration.</p> <p>2b. The Web Development and Digital Communications Officer should ensure that updates to the equality objectives published on the Council’s website are dated.</p> <p>2c. Roles and responsibilities for EDI should be clarified and communicated across the Council.</p> <p>2d. HR should ensure that training on EIAs (including when EIAs are applicable and how these should be completed) is provided to all relevant managers. Please find guidance on completing EIAs in Appendix II for your consideration.</p> <p><u>Management Response</u></p> <p>2a. Thank you for providing the example in the Appendices. HR to work with the Corporate Policy Officer to identify reportable objectives and scheduling of presentation at Overview Scrutiny Committee.</p> <p>2b. The PSED objectives have been amended to add the date.</p> <p>2c. There is greater clarity in terms of EDI responsibility and the formation of the EDI Taskforce (staff group) will assist in raising the agenda across the Council.</p> <p>2d. A training module is available on our eLearning platform and has been added to each managers mandatory training requirements. This will be supported by CLT/senior managers in a mentoring and</p>

		<p>support capacity. Thank you for sharing the guidance notes in the Appendices which will assist in this supportive conversation.</p> <p>Target Date: 30 April 2025</p>
	<p>EDI Working Group - The Council does not have an EDI staff forum in place to support staff and provide a safe space for staff to raise concerns and promote diversity and inclusion in the workplace (Finding 3 - Medium).</p>	<p>3a. HR should ensure the EDI working group is formally established. The Council should consider whether this will be a group to represent staff, i.e. a staff forum, or if it will form part of the EDI governance structure. If the latter, the Council should offer protected time for staff participating. Once decided, a ToR should be developed which outlines the purpose of the group and how it fits within the Council’s organisational structure.</p> <p>3b. If the EDI Working Group does form part of the EDI Governance Structure, HR should also consider setting up a separate EDI staff forum to provide a safe space for staff to raise concerns. Please find an example ToR for a staff network/ forum in Appendix III for your consideration.</p> <p><u>Management Response</u></p> <p>3a. The EDI staff group is now in place and the first meeting happened just as the audit completed. At the moment the group are forming, and it is likely to be a staff forum during this initial period - it is hoped that the staff group will evolve to form part of the EDI Governance Structure over the next year or so. Time for staff to attend the group is already protected. An initial ToR has been drafted for consideration and this will be considered by CLT to agree and position the EDI staff group and EDI more generally within the Council’s organisation structure.</p> <p>3b. Agreed and will assess as the position of the group becomes clearer.</p> <p>Target Date: 30 April 2025</p>
	<p>The Council does not currently have an EDI Communication Plan due to lack of relevant activity and whilst EDI training has been made mandatory for new staff, it has not been made mandatory for incumbent staff. This, however, is planned to be implemented in January 2025. (Finding Four - Low).</p>	<p>4a. An EDI communications plan should be developed that links to worldwide events and PSED reporting deadlines to encourage awareness and provide staff with updates on the Council’s performance.</p> <p>4b. A member of the communications team should attend the EDI working group meetings to communicate the communication plan and use the information discussed/ actions progressed to inform appropriate EDI communications. Please see Finding Three.</p> <p>4c. HR should ensure EDI training is made mandatory for all Officers and Members on a three-year basis, at a minimum, and that this is communicated clearly.</p>

	<p>4d. Completion of EDI mandatory training should be encouraged through communications and disciplinary measures or restrictions introduced if it is not completed.</p> <p><u>Management Response</u></p> <p>4a. 4a Agree and working with the staff group to assess approach - quarterly newsletter and events to support activities a likely starting point.</p> <p>4b. 4b There is a member of the communications team who has agreed to join the EDI staff group - The HR Manager and staff member are already working closely to coordinate communications and webpages etc regarding EDI and activities.</p> <p>4c. 4c EDI training has already been added to mandatory training for new starter. We are in the process of assigning this to all existing staff members to refresh and update their knowledge. A three-year refresh is in place for this module and there are other EDI related modules that will be drip fed through this period to build knowledge, awareness and understanding of broader EDI issues and considerations.</p> <p>4d. 4d Agreed and HR are working to upgrade the eLearning platform which will provide managers with greater visibility of their staff/learners, so this is monitored appropriately. We are currently considering the triggers and associated actions/sanctions for non-completion.</p> <p>Target Date: 30 April 2025</p>
	<p>The Council has drafted a Corporate EDI Policy which outlines its external delivery of EDI objectives and PSED responsibilities. However, this policy has not yet been finalised and remains in draft to date. (Finding Five - Low).</p> <p>The Corporate EDI Policy should be finalised, ratified and published on the Council's website.</p> <p><u>Management Response</u></p> <p>The Corporate EDI policy has been completed, ratified and published on the website.</p> <p>Target Date: Complete.</p>


 CONCLUSION	<p>We conclude that the Council has a Moderate design and Limited effectiveness of controls for EDI.</p> <p><u>Control Design</u></p> <p>The control design is Moderate because a sound system of internal control is being designed to achieve system objectives with some exceptions identified. This specifically relates to the Medium findings raised around insufficient PSED governance, monitoring and reporting and the fact that a staff forum had not been developed at the time of testing.</p> <p>The control gap of there being no Corporate EDI policy in place has been identified as a Low finding as this is currently in draft form and going through stages of consultation and ratification with the relevant oversight groups.</p> <p><u>Control Effectiveness</u></p> <p>The control effectiveness is Limited as we identified non-compliance with key procedures and controls which place the system objectives at risk. This opinion was principally driven by the</p>
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Medium findings around insufficient investigation of data trends identified, lack of EDI communications and inconsistencies and inadequacies in EDI training completion and reporting ability. While these are rated as Medium, we do believe that without addressing Finding 1 and 2 promptly, this increases the likeliness that these areas move to a High Risk.

DEPOT MANAGEMENT: COMMERCIAL AND GARDEN WASTE

CRR REFERENCE: SR08 - INCOME PROJECTIONS FROM THE COUNCIL'S PROPERTY ESTATE, COMMERCIAL INCOME TARGETS AND FEES AND CHARGES ARE NOT MET RESULTING IN A WIDENING OF THE FINANCIAL GAP AND GREATER DRAIN ON RESERVES.

Design Opinion	M Moderate	Design Effectiveness	L Limited
Recommendations	0	4	0



SCOPE

BACKGROUND

- ▶ Wyre Forest District Council (the Council) currently operates one Depot, located in Kidderminster, that is responsible for the management of the commercial and garden waste revenue streams. These are two of the Council’s top five commercial income streams.
- ▶ As reported to Cabinet on 9 April 2024, the Council has expanded its commercial activity to generate revenue to help close the funding gap and prevent dependence on cash reserves.
- ▶ Income for the 2023-24 year in this area was budgeted at £1.48m, a 3% increase year on year. As of March 2024, commercial waste generated £885,881 income in the 2023-24 financial year for the Council which was £76k below the original forecasted income. This was due to a business case that was not subsequently enacted which included the procurement of an additional vehicle and two members of staff to increase capacity and therefore income. Income for the year was 5.7% higher than in 2022-23 (£838k).
- ▶ Customers can manage their garden and commercial waste collections via the Council’s website and can pay invoices via direct debit and by card. The Council currently manage collections via the Waste Data Spreadsheet which is updated by the Business Support Unit (BSU) Officers.
- ▶ The Council are currently in the early stages of establishing the governance and process for key areas of the Service. The Commercial Manager became responsible of the Service in 2022 and has since defined process for enrolling new garden waste customers. In June 2023, the Commercial Manager submitted a business case to the IT Strategy Board for the acquisition of a new Bin Weighing System which has now been approved. Approval for a wider waste management system is being proposed at the November 2024 IT Strategy Board for approval.
- ▶ In July 2024, the Council entered a contract with Moba Mobile Automation Limited (Moba) to install a bin weighing system. Moba will install a dynamic bin weighing system and software which will allow live data to be obtained on waste collection to allow the service to be managed electronically. The system will allow elements of the process to be completed automatically which include invoicing and the creation of collection lists, in conjunction with the council’s financial management system.

AREAS REVIEWED

- ▶ We interviewed the Commercial Manager to confirm if there are policies and guidance documents in place which govern the management of commercial and garden waste services.
- ▶ We reviewed 10 new garden waste customers from between 1 January and 30 June 2024, and 10 commercial waste customers who were on the current commercial waste register to confirm that customers had been invoiced, the Council had received payment for the service and the customer had been added onto the collection lists issued to the waste collection staff.
- ▶ We reviewed 10 customers included on the Aged Debt Report as at 30 June 2024, which had not paid for the waste collection service, to confirm the waste spreadsheet had been updated to indicate the waste collection should be stopped/paused and that no services were currently being provided to those customers.
- ▶ We reviewed the procurement documentation for two Depot suppliers the Council procured in the period between 1 January and 30 June 2024 to confirm appropriate process was followed in accordance with the Council’s Regulations.

▶ We reviewed the quarterly Budget and Performance Monitoring Reports issued to the Overview and Scrutiny Committee and Cabinet to confirm there is sufficient oversight of waste performance.


AREAS OF STRENGTH

We identified the following areas of good practice:


- ▶ Garden waste customers are required to pay for the annual subscription of £65 in advance for the year. We reviewed 10 new garden waste customers who signed up to the service between 1 January and 30 June 2024 and in all instances, we obtained the payment receipt which confirmed that all customers had paid for the service one year in advance prior to services commencing.
- ▶ We reviewed a sample of two Depot contracts with a total value of £97k which procurement was completed in the period between January to June 2024, and identified the appropriate procurement route was undertaken. Additionally, the Council retained signed and sealed versions of the contract.
- ▶ We reviewed a sample of 10 new garden waste customers and found that in all cases payment was taken for the first year of services upfront before services commenced. This limits the risk of non-payment for services in the first year and means that the Council did not need to issue an invoice.
- ▶ Income reports are created monthly by the Commercial Manager. Data is extracted from the Agresso finance system. For each service within the area, the following figures are reported:
 - 2022-23 actual year-end
 - 2023-24 actual
 - 2023-24 original budget
 - 2023-24 revised budget
 - Revised vs forecast.
 These reports are prepared for the Commercial Manager to manage the service internally.


AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>The Commercial Waste Data spreadsheet, which contains key customer information, is not maintained in a systematic order which prevented us from being unable to undertake detailed testing of new customers. resulting in the incompleteness of testing for new customers. We reviewed 10 commercial customers and identified evidence was missing for the following areas:</p> <ul style="list-style-type: none"> ▶ In seven instances, the customer application form could not be located. ▶ In all instances, the collection list issued to customers to verify the service has commenced could not be located. <p>(Finding One - Medium).</p>	<ul style="list-style-type: none"> a. Following implementation of the Waste Management Software, the Commercial Manager should define timeframes for the Council to complete key stages which include processing applications, commencing the service and issuing invoices. b. A process should be developed to ensure new customer applications, invoice history and key details are centrally retained within the new system. <p><u>Management Response</u></p> <p>All customers complete an application form that is saved electronically in their customer file which hasn't always been the case. If a waste management solution is approved by the council's IT Strategy Board, a bolt-on module can process applications digitally, removing elements of manual processing, and retaining these within the software. Setting timeframes to process these stages will be easier once a system is in place.</p> <p>The weighing system currently being implemented will hold a complete record of customer and bin/container history, meaning all data will be stored digitally. Invoices will</p>

		<p>continue to be processed and retained within the council’s financial management system.</p> <p>Target Date: 30 June 2025</p>
	<p>The Council does not retain documentation to ensure collection services (for both commercial and garden waste) have been paused/stopped to debtors in a timely manner (Finding Two - Medium).</p>	<p>a. Following implementation of the Waste Management Software, the Commercial Manager should work with the IT and Finance Team to integrate the Agresso System to allow customers who have missed payments of invoice/ ceased direct debit payments to be identified in a timely manner and the automatic pause of services.</p> <p>b. The Commercial Manager should agree and document a debt recovery process for Depot customers which have a large debt and implement actions to obtain this income. This will need to be in line with the Council-wide Debt Recovery Policy which is due to be finalised in the New Year.</p> <p><u>Management Response</u></p> <p>Work is ongoing with the Finance Team to ensure non-payers are identified as quickly as possible. The implementation of a bin weighing system will allow officers to more easily suspend services of non-payers - this is currently a manual, paper-based process.</p> <p>Target Date: 30 June 2025</p>
	<p>There are insufficient key performance indicators (KPIs) established for the Depot to ensure there is sufficient oversight of waste management performance (Finding 3 - Medium).</p>	<p>a. Establish KPIs to monitor the waste service which are specific, measurable, and achievable and in the following areas:</p> <ul style="list-style-type: none"> - Aged Debtors - Timeliness of invoicing - Waste collection rates - % of successful collection - Invoices paid on time - How many customers are stopped at one time - Attrition rates. <p>b. To establish a process for KPIs to be reported to Corporate Leadership Team (CLT) to inform members if the new bin weighing System has achieved value for money and improved the service.</p> <p><u>Management Response</u></p> <p>Implementation of systems and software will allow for greater data collection and therefore subsequent KPIs can be produced and reported on. The manual systems currently in place allow for extremely limited data collection.</p> <p>Target Date: 30 June 2025</p>

	<p>There are no policies and procedures in place which govern the management of commercial and garden waste collections (Finding Four - Medium).</p>	<p>a. After the implementation of the new bin weighing System, the Commercial Manager should develop a policy and process document which outlines the key stages for the waste collection services and the responsibilities of key officers. The policy should cover at least the following areas:</p> <ul style="list-style-type: none"> - Processing a new customer - Invoicing customers - Aged debtors/overdue payments - Performance Reporting. <p>b. Once finalised, the Policy must be made available on the intranet for staff to access.</p> <p>c. Once the above has been completed, the Commercial Manager should develop a risk register for the Depot to ensure that all potential risks are captured and sufficient action is taken to mitigate them in line with the Council’s risk appetite.</p> <p><u>Management Response</u></p> <p>While there may not be formal documented policies or processes, the onboarding and day-to-day management is completed by officers. These will be formalised to ensure transparency and strong governance. Performance reporting will be possible following the introduction of the weighing system. This will fall in line with a wider debt management policy Target Date: 30 June 2025</p>
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 CONCLUSION	<p>We conclude that the Council has a Limited design of controls and Moderate effectiveness of controls for Depot Management.</p> <p><u>Control Design</u></p> <p>The control design was Limited because the system of internal controls is weakened with system objectives at risk of not being achieved. We have raised a Medium finding as policies and procedures are not in place to outline the key processes within the service for staff to follow. Additionally, the Council does not have a process to identify debtors and there is no audit trail to ensure that collection services provided to customers who have overdue payments have been paused/stopped until payment has been received. This creates a risk the Council are not adequately monitoring the income generated from waste services and may be providing services to customers who have not paid for it.</p> <p><u>Control Effectiveness</u></p> <p>The control effectiveness was Moderate as there was evidence of non-compliance with some controls, that may put some of the system objectives at risk. This opinion was driven by the Medium risk finding which is based on the Commercial Waste Data spreadsheet not being updated chronologically, resulting in the incompleteness of testing on new customers. Additionally, whilst income-based reporting occurs on a quarterly basis to the Overview and Scrutiny Committee, sufficient KPIs have not been established to adequately monitor the performance of the area. Following the implementation of the Moba System, the Waste Services Team must establish KPIs to ensure there has been an improvement of the management of the waste service and the system has achieved value for money. It is expected that this will be automated within the system.</p>
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REVENUES AND BENEFITS

CRR REFERENCE: SR06 - THE COUNCIL IS NOT FINANCIALLY SUSTAINABLE, IS UNABLE TO SET A BALANCED BUDGET AND IS UNABLE TO DELIVER KEY SERVICES THAT OUR COMMUNITIES VALUE. ULTIMATELY RESULTING IN INTERVENTION FROM GOVERNMENT.

Design Opinion	M	Moderate	Design Effectiveness	M	Moderate
Recommendations	0	2	2		



SCOPE

BACKGROUND

- ▶ If households are struggling to make payments on their Council Tax because they are on a low income, they may be entitled to some help towards their bill via Wyre Forest District Council’s (the Council) Council Tax Reduction Scheme. This has replaced Council Tax Benefit and looks at the income and savings of people in the property. The Council Tax Reduction Scheme is worked out differently for working age and pension aged claimants. This is different from the Council Tax discounts available such as Student and Single Person Household.
- ▶ In April 2024 it was reported to Cabinet that 7,726 households are in receipt of the Council Tax Reduction Scheme and that £204.2k was spent on hardship and welfare support in Q3 2023-24. This is a 458% increase from the same period in 2022-23. In September 2024, the Head of Revenue, Benefits and Customer Services reported that 7,593 households are in receipt of the Council Tax Reduction Scheme and that £87,405.43 was spent on hardship and welfare support in Q1 2024-25. The reason for the significant increase in welfare expenditure is largely due to the availability of central government’s Household Support Fund.
- ▶ In 2016 Universal Credit was introduced, which replaced six other benefits with a single monthly payment if a person is out of work or on a low income. Most people now need to apply for this instead of Housing Benefit. The Council also has a small caseload of pension and working age claimants in receipt of Housing Benefit and are in the process of migrating the working age caseload to Universal Credit. In April 2024 it was reported to Cabinet that 3,534 households are in receipt of Housing Benefit. In September 2024 it was reported to Cabinet that 3,190 households are in receipt of Housing Benefit. We were informed by the Head of Revenue, Benefits and Customer Services the Council still retain a Housing Benefit caseload for working age claimants for those living in specified and temporary accommodation even once the managed migration to Universal Credit has completed.

AREAS REVIEWED

- ▶ We reviewed the following Revenue and Benefit policies:
 - Direction in respect of Electronic Communications with regards to Housing Benefit and Council Tax Reduction Policy 2016
 - Council Tax Discretionary Reduction in Liability Policy 2021
 - Housing Benefit Overpayment Policy 2017
 - Discretionary Housing Payments Policy 2016
 - Revenues Debt Recovery Policy 2022.
- ▶ We reviewed the staff training arrangements in place for Housing Benefit and Revenues.
- ▶ We reviewed 15 Council Tax Reduction claims, and 15 Change of Circumstances claims between 1 September 2023 and 31 August 2024 and assessed whether they were processed correctly and in a timely manner.
- ▶ We reviewed 15 Universal Credit notifications between 1 September 2023 and 31 August 2024 to confirm that the relevant Housing Benefit has been stopped when the claimant was put onto Universal Credit.
- ▶ We reviewed 15 overpayments between 1 September 2023 and 31 August 2024 to confirm that appropriate and timely steps had been taken to recover the amounts.

- ▶ We established the fraud detection and referrals arrangements in place and reviewed 15 National Fraud Initiative (NFI) returns between 1 September 2023 and 31 August 2024 to ensure they have been subject to appropriate review.
- ▶ We reviewed the following quarterly Budget and Performance Monitoring reports which are compiled by the Corporate Policy and Performance Officer with input from the Head of Revenue, Benefits and Customer Services and presented at the Overview and Scrutiny Committee and Cabinet.
- ▶ We reviewed the following monthly performance management reports and action logs for June, July and August 2024, which are devised from the monthly management performance meetings attended by the Financial Support Manager, the Senior Systems Officer and the Subsidy and Systems Manager.


AREAS OF STRENGTH


- We identified the following areas of good practice:
- ▶ The in-house Council Tax and Housing Benefit training arrangements in place were robust. The Senior Benefit Assessor, who conducted the in-house training for the two new trainee Benefit Assessors who were appointed in October and November 2023, sent regular updates between 1 September 2023 to 31 August 2024 to the Financial Support Manager detailing the specific areas of training covered and provided detailed updates on their progress.
 - ▶ The 2024 Zebra training pack provided to new starters set out the legislation for Housing and Council Tax Benefit, provided detailed guidance on how the DWP issue changes to Housing Benefit and Council Tax regulations along with guidance on actioning Council Tax and Housing Benefit claims. Furthermore, the training pack set out data protection considerations in respect of Council Tax and Housing Benefit and adequately detailed the process for recovering overpayments in respect of Housing Benefit.
 - ▶ The Council’s external Council Tax and Housing Benefit training provider ACS Consultancy had provided adequate training to the Revenue and Benefits team in March 2024. The training package for March 2024 contained robust information which included detailed updates on changes to Council Tax Reduction rules, detailed updates from the Department for Work in Pensions, Universal Credit updates along with the Housing Benefit and Debt recovery statistics as at March 2024.
 - ▶ We reviewed 15 overpayments between 1 September 2023 and 31 August 2024 and found appropriate and timely steps had been taken to recover the funds.
 - ▶ We reviewed 15 National Fraud Initiative (NFI) returns between 1 September 2023 and 31 August 2024 and found they had been subject to appropriate review.


AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>We reviewed 15 Universal Credit notifications between 1 September 2023 and August 2024 and found six Housing Benefit claims had not been stopped following the receipt of the Universal Credit notification. There were no valid justifications on the Open Revenues system, which is used to obtain the speed of processing times, for these delays. (Finding 1 - Medium).</p>	<p>1a. All Housing Benefit payments should be cancelled within five working days of receiving a Universal Credit notification</p> <p>1b. Staff should be provided with refresher training to ensure timely cancellation of the Housing Benefit claims</p> <p>1c. Periodic sample checking should be carried out to ensure compliance with the five working day target.</p> <p><u>Management Response</u></p> <p>Agreed. We now have a process in place whereby the three document types are selected and processed by the member of staff who downloads the files. Previously they were imported into the main work tray. This means there is ownership of these work items and reduces the impact of overpayments due to admin delay.</p> <p>Target Date: Complete</p>

	<p>Action plans in respect of performance reporting for Revenue and Benefits are not Specific, Measurable, Attainable, Relevant or Time-bound (SMART) and are not linked to the Revenue and Corporate Services Business Plan 2023-27. (Finding 2 - Medium).</p>	<p>2a. Specific, Measurable, Attainable, Relevant, Time-bound (SMART) Action plans should be devised and incorporated into Revenue and Benefits performance reporting that outline the steps required to be taken by the Council to eliminate the backlog in processing Housing Benefit Applications.</p> <p>2b. Action plans should be evaluated and reviewed on a regular basis to ensure the action plan is executed and this should be linked to the Revenue and Corporate Services Business Plan 2023-27.</p> <p>2c. The Revenue & Benefits team should include a risk in the Operational Risk Register regarding the processing times of Housing Benefit applications to ensure that the backlog is regularly monitored and prioritised, and that actions are outlined to minimise the impact of a backlog.</p> <p><u>Management Response</u></p> <p>Agreed. We are pleased to report that the backlog has reduced since the audit took place - it has reduced from 14 weeks down to 5 weeks which is now within normal working times.</p> <p>We will ensure SMART action plans are created if this situation ever occurs in the future. I will update the operational risk register as recommended.</p> <p>Target Date: 1 January 2025</p>
	<p>We reviewed 15 Council Tax Reduction applications, and 15 Change of Circumstances applications received between 1 September 2023 and August 2024 and found that these applications were not processed in a timely manner, in line with Council targets. The Council aims to process applications within 28 working days. Seven of the Council Tax Reduction applications were processed between 32 to 125 working days from the date of receipt and one Change of Circumstances applications was processed in 50 working day. (Finding 3 - Low).</p>	<p>3a. Where significant delays are identified, the reason should be annotated on file and any broader lessons considered.</p> <p>3b. Key Performance Indicators should be established for processing Council Tax and Change in Circumstances applications, which should be lower than the point at which the Council is required to report to the DWP so that the Council has time to identify slippage and rectify it.</p> <p><u>Management Response</u></p> <p>Noted and agreed. Although, as a management team, we monitor speed of processing for CTRS, we do not formally report on them. We will therefore include speed of processing CTRS, alongside speed of processing for Housing Benefit, from April 2025 when the new performance measures are agreed.</p> <p>Target Date: 1 April 2025</p>
	<p>The Housing Benefit and Council Tax policies had not been subject to regular review. (Finding 4 - Low).</p>	<p>4a. The Revenues, Benefits and Customer Service Manager should review the above policies to ensure that they are up to date and in line with current processes and legislation. This review should be documented and going forward all policies should be reviewed on an appropriate basis. The next review date for each policy should also be included within the document.</p>


		<p>4b. The Councils website in respect of Revenue and Housing Benefits should also be updated to reflect the updated review process.</p> <p><u>Management Response</u></p> <p>The review dates were included in the Revenues, Benefits & Customer Services Business Plan for the reviews to be carried out this financial year (target dates were either Sept or Oct 2024). All policies have been reviewed since the audit and the website has been updated with the review dates. I have asked the web team to add 'next review date' to the policies too.</p> <p>Target Date: Complete</p>
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 <p>CONCLUSION</p>	<p>We conclude that the Council has a Moderate design of controls and Moderate effectiveness of controls for Revenue and Benefits.</p> <p><u>Control Design</u></p> <p>The control design is Moderate because the Council generally had a sound system of internal controls designed to achieve system objectives, with some exceptions identified.</p> <p>Training provided by the Senior Benefit Assessor to trainee Benefit Assessors was robust and training updates were regularly provided to the Financial Support Manager on progress. Policies relating to Housing Benefit and Council Tax Reductions were in place and in line with current practice. However, these were not updated on an appropriate basis. Furthermore, SMART action plans to address the application processing backlog have not been collated or linked to the Revenue and Corporate Business Plan 2023-27.</p> <p><u>Control Effectiveness</u></p> <p>Similarly, the control effectiveness was Moderate as there was evidence of non-compliance with some controls, that may put some of the system objectives at risk.</p> <p>The Council processed all overpayments made in line with required process and in a timely manner and National Fraud Initiative (NFI) returns between 1 September 2023 and 31 August 2024 had been subject to appropriate review. The Moderate assurance opinion was principally driven by three medium findings relating to delays in Council Tax Reduction applications and Changes of Circumstances applications. Furthermore, six out of fifteen Housing Benefit claims had not been stopped following a Universal Credit application. These delays were the result of fluctuations in the capacity of the Benefit Assessors team which the Head of Revenues, Benefits and Customer Service confirmed has now been resolved which should enable the team to make progress in reducing the backlogs.</p>
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TREASURY MANAGEMENT

CRR REFERENCE: SR06 - THE COUNCIL IS NOT FINANCIALLY SUSTAINABLE, IS UNABLE TO SET A BALANCED BUDGET AND IS UNABLE TO DELIVER KEY SERVICES THAT OUR COMMUNITIES VALUE. ULTIMATELY RESULTING IN INTERVENTION FROM GOVERNMENT.

Design Opinion	S Substantial	Design Effectiveness	S Substantial
Recommendations	0	0	1



SCOPE

BACKGROUND

- ▶ Good treasury management is a key element of the effective management of working capital, ensuring that the organisation has cash available to meet its obligations while ensuring any surplus cash is managed within the council’s appetite for risk and return
- ▶ Legislation requires local authorities to have regard to statutory proper practices in relation to treasury management, including CIPFA’s Treasury Management in the Public Services Code of Practice and CIPFA’s Prudential Code, which provides guidance on recommended treasury management practices.
- ▶ Wyre Forest District Council (the Council) have established a Treasury team that is proactive in managing daily cash balance. As reported to Cabinet in June 2024, the Council achieved investment income for 2023/24 of £1.9m which was £1.1m ahead of the original budget approved in February 2023. The estimated outturn for 2024/25, as reported to Cabinet in September 2024 is £1.425m, in line with budget.
- ▶ The Council follows the strategy of their treasury advisors, Link Asset Group, and follows their investment methodology.
- ▶ Interest rates set by the Bank of England were held at 5.25% since August 2023 and decreased to 5% in August 2024, increasing the cost of the Council’s future borrowings over the majority of the last 12 months, as current borrowings are at a fixed interest rate.

AREAS REVIEWED

- ▶ We reviewed the Treasury Management Strategy and assessed whether it had been approved by Cabinet and relevant Committees, complied with statutory requirements, and sufficiently outlined the approach and limits for investments and borrowing for and by the Council.
- ▶ We reviewed twenty investments made between 4 September 2023 and 15 August 2024 and two borrowing transactions due to mature between 1 July 2024 and 3 December 2024 and assessed whether these were processed in accordance with the limits set in the Treasury Management Strategy, with counterparties approved by Link Group and with appropriate levels of approval.
- ▶ We reviewed the following treasury management performance reports:
 - The Wyre Forest District Council Monthly Investment Reports sent from the Link Asset Group to the Council from April to July 2024
 - The Quarterly Budget and Performance Reports presented to Cabinet in July 2023, November 2023 and April 2024 and the quarterly 2024/25 budget monitoring report for quarter one presented to Cabinet on 12 September 2024
 - Treasury Management bi-monthly reports for April, June 2024 and August 2024 which are sent to the Leader of the Council and the Member for Finance and Capital Portfolio
 - Wyre Forest District Council Benchmarking reports from April to July 2024, which are reviewed by the Treasury Review Panel on an annual basis along with the Treasury Annual Report and the Mid-Year Review report
 - Prudential and Treasury indicators and Treasury strategy 2023-24
 - Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2023-24

- The 2022-23 Annual Treasury Report which is a backward-looking report to review the previous year’s Treasury Management activities.
- ▶ We reviewed the cash flow forecasts for April 2024 to July 2024 which are presented to management and Members regularly, and in compliance with CIPFA’s Prudential Code, to support effective oversight and scrutiny of treasury performance.
- ▶ We reviewed all treasury reconciliations for 2023/24 to assess whether these were accurate, complete and reviewed by a separate officer in a timely manner.




AREAS OF STRENGTH

During our review, we identified the following areas of good practice:

- ▶ The Council’s Treasury Management Strategy for 2024/25 was approved by the Treasury Management Review Panel on 29 January 2024 and then by Council on 2 February 2024. The Treasury Management Strategy, and the Investment Strategy and Borrowing Strategy within it, complied with the Prudential Code requirements and clearly outlined the Council’s approach and risk appetite for investing and borrowing.
- ▶ The Council established a Treasury Management Review Panel in 2008, following the Icelandic banks crisis, which focuses specifically on Treasury Management activities. The Treasury Management Review Panel is a scrutiny committee set up to provide the Council with additional oversight over the Council’s approach to investing and borrowing. The Treasury Management Review Panel meet two or three times annually to review the Prudential and Treasury Indicators and Treasury Strategy, the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Report and the Annual Treasury Report which looks back at the previous year’s activities.
- ▶ The Annual Report and Mid-Year report, presented to the Treasury Management Review Panel on 13 November 2023 and Council on the 13 December 2023, provided clear information on the performance of each type of investment fund and an overview of its borrowing plans. The report also provided the Panel with forecasts of interest rates, and the interest income from the Council’s investing activities. The forecasts are based on Public Work Loans Board (PWLB) rates (including 20bp certainty rate) and investments income is based on predicted bank rates from Link, Capital Economics and market forecasts.
- ▶ We reviewed the quarterly budget monitoring reports presented to Cabinet in July 2023, November 2023 and April 2024, as well as the quarterly 2024/25 budget monitoring report for quarter one presented to cabinet on 12 September 2024 and found that these were robust. The reports included the investment performances for the period. Cashflow trajectories for the period were reported to support decision making on future treasury activities.
- ▶ The Head of Resources and Section 151 Officer, the Principal Accountants and Deputy S151 Officers and the Finance Business Adviser hold daily meetings to review treasury activity and bi-monthly meetings where treasury is reviewed in depth. The bi-monthly meetings are minuted and sent to the Cabinet Member for Finance and Capital Portfolio and the Leader of Council for oversight.
- ▶ The Council is part of a Link Benchmarking Group with other Local Authorities, who carry out benchmarking analysis on their Councils Investment Portfolio. The benchmarking group gives guidance as to whether the Council are performing in line with market expectations. The benchmarking reports are reviewed by the Treasury Management Review Panel on an annual basis with the Annual Report and Mid-Year Report. The benchmarking information is used to review new investment opportunities. The group shares good practice and as a result of information received from this group the Council opened a Barclays 95-day notice account which pays 15bp above base rate.
- ▶ We reviewed twenty investments which were all reviewed by two separate officers, with a separation of duties maintained between the Finance Business Adviser and the officer processing the payment to the counterparties. All the investments reviewed were within the counterparty limits set by the Link Group.
- ▶ We reviewed two borrowings which were processed in accordance with the limits set in the Treasury Management Strategy and with counterparties approved by Link Group. These borrowings were approved in advance by the Head of Resources and S151 Officer.
- ▶ Reconciliations between the dealing database and Agresso, the finance system, were completed monthly by the Finance Business Adviser and subject to a separate review by the Accountant. Investments for each fund and interest income/expenditure was reconciled to Agresso accurately for April to August 2024.

 AREAS OF CONCERN	Finding	Recommendation and Management Response
	<p>The Council has not developed an Environmental, Social, and Governance (ESG) Policy in relation to treasury management to outline the acceptable policies and practices when managing risk in this area, as required by the CIPFA Prudential Code (Finding 1 - Low).</p>	<p>1a) The Head of Resources and S151 Officer should develop an Environmental, Social, and Governance (ESG) Treasury Management policy and incorporate the ESG risks into Treasury Management Practice 1 (TMP1) rather than a separate TMP 13 as per the CIPFA Treasury Management Code, to ensure that the Council’s investments are made in line with the Council’s climate change, environmental and governance policies. The policy should emphasise that the Council seeks to be a responsible investor and consider ESG risks as an important overlay to the investment process, thereby improving future sustainability of investments.</p> <p>1b) The policy should outline that the Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council’s mission and values. In addition, the policy should outline the conditions where investments should not be made with certain organisations, which have material links to:</p> <ul style="list-style-type: none"> – Human rights abuse (e.g. child labour, political oppression) – Environmentally harmful activities (e.g. pollutants, destruction of habitat, fossil fuels) – Socially harmful activities (e.g. tobacco, gambling). <p><u>Management Response</u></p> <p>There is no need for a separate policy under CIPFA Prudential Code as ESG considerations are now placed under TMP1. Our TMSS was reviewed by our treasury advisors (Link Group) last year and they confirmed that it meets the criteria in relation to ESG requirements.</p> <p>TMP1 currently includes ESG risks in line with the Prudential code requirement, Appendix 1 to the Council’s TMPs sets out the ESG policy issues. Appendix 1 will be refreshed for consideration by the Treasury Management Review panel early in 2025 alongside the 2025-26 TMSS to reflect this report’s recommendations.</p> <p>If the current regulatory requirements are refreshed, we will ensure that our policies remain compliant.</p> <p>Target Date: 28 February 2025</p>

 CONCLUSION	<p>We have concluded a Substantial Opinion for both the design and effectiveness of controls for Treasury Management.</p> <p><u>Control Design</u></p> <p>The control design is Substantial because there is a sound system of internal control in place design to achieve system objectives. The Head of Resources and Section 151 Officer, the Principal Accountants and Deputy S151 Officers and the Finance Business Adviser meet daily to review</p>
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treasury activity and provide a bi-monthly report on activity to Cabinet Member for Finance and Capital Portfolio and the Leader of Council for oversight. The Council follow the strategy of their treasury advisors, Link Asset Group, and follows their investment methodology and this is compliant with CIPFA's Prudential Code and Treasury Management Code of Practice. We have raised one low priority recommendation to improve the Council's Treasury Management arrangements in relation to ESG considerations.

Control Effectiveness

The control effectiveness is Substantial because the controls in place are being consistently applied. We did not identify any exceptions in our review of twenty investments made between 4 September 2023 and 15 August 2024 and two borrowing transactions due to mature between 1 July 2024 and 3 December 2024. We also found that there is effective oversight of treasury activity at Executive and Cabinet level.

INFORMATION GOVERNANCE - UK GDPR

CRR REFERENCE 9: VULNERABILITY TO CYBER-ATTACKS RESULTS IN DISRUPTION IN SERVICE DELIVERY. THREATS MAY ORIGINATE BOTH INSIDE AND OUTSIDE THE ORGANISATION.

Design Opinion	L Limited	Design Effectiveness	M Moderate
Recommendations	1	1	2



SCOPE

BACKGROUND

- ▶ In May 2018, the UK General Data Protection Regulation (the UK GDPR) replaced the Data Protection Act 1998 (the DPA) as the regulation governing the protection of personal identifiable information in the UK. As a data controller, Wyre Forest District Council (the Council) is responsible for ensuring that it complies with the UK GDPR and that parties that process information on its behalf are compliant with the UK GDPR.
- ▶ The penalties for being in breach of the UK GDPR are greater than those that could be levied under the DPA. This regulation places greater responsibilities on data controllers whilst at the same time increasing the power of the Information Commissioner's Office (ICO) to levy fines of up to £17.5 million or 4% of an organisation's global revenue whichever figure is higher. Personal data breaches must be reported to the ICO within 72 hours of the Council becoming aware of the breach if that breach is deemed to have a high risk to the fundamental rights and freedoms of the affected individuals.

AREAS REVIEWED

The following areas were covered as part of this review:

- ▶ Assess whether there is a governance framework in place to support compliance with data protection responsibilities, including defined, approved and up to date policies and procedures.
- ▶ Determine whether roles and responsibilities with regards to data protection are defined and whether there is a training programme in place for data protection and information management for staff which is regularly refreshed.
- ▶ Assess whether the Council has a Record of Processing Activities in place and that this is regularly reviewed and updated and captures appropriate information.
- ▶ Assess whether the Council has defined retention periods in place for held information and that this is adhered to.
- ▶ Determine whether the Council has defined the lawful basis for collecting, processing, retaining, and sharing information and assess whether this is transparent to data subjects using tools such as privacy notices. For special category data, assess whether the reasons for processing are appropriate and in line with the original purpose of the processing activity.
- ▶ Assess whether there is regular monitoring of the Council's compliance with data protection legislation and regulations by senior management, including the identification, assessment, and remediation of risks.
- ▶ Assess whether there are procedures in place to deal with data subject rights requests, including Subject Access Requests (SARs) and Freedom of Information Act requests (FOIs). Determine the extent to which these requirements are complied with, responded to, monitored, and reported on.
- ▶ Assess whether adequate and effective data breach response procedures are in place.
- ▶ Assess whether there are adequate procedures in place for performing DPIAs for the processing of data which is likely to present a high risk to the rights and freedoms of individuals.
- ▶ Where the Council shares personal data as part of its relationships with third parties, determine whether the risks posed by these relationships have been assessed and whether data sharing agreements have been implemented to mitigate these risks.


AREAS OF STRENGTH


We identified the following areas of good practice:

- ▶ There is a dedicated Data Protection Officer (DPO) in place, who has clearly defined responsibilities in line with the requirements of the UK GDPR and regularly reports to Senior Management. The DPO is supported by a dedicated team, which is also responsible for managing the Council’s compliance with data subject rights requests, including SARs. We reviewed a sample of SARs to determine whether the Council has complied with the requirements of the UK GDPR and identified no exceptions.
- ▶ The Council has a defined Data Protection Policy in place, which was last reviewed in January 2024. This is contained within the Council’s ICT Policy Suite and sets out its approach towards complying with the requirements of the UK GDPR, including a defined set of responsibilities that the Council must follow with regards to data processing and data protection.
- ▶ The Council has 31 separate privacy notices in place that are published on its public website in a dedicated privacy and data protection section, which also sets out the Council’s main privacy policy. Each individual notice outlines clearly defined sections for each including what personal data is collected, how long this is retained for and how this is protected.
- ▶ The Council has a documented process in place for reporting a data breach in line with its Data Protection Policy, which requires that any suspected breaches are reported to the DPO. Our review of a confirmed data protection breach found that although the breach was not the fault of the Council, this was still reported to the ICO on the advice of Gatherwell. We have also assessed a “near miss” incident, relating to an email being sent to an incorrect recipient. This was found to have been appropriately responded to with the member of staff being advised that no further action was required.
- ▶ Staff are required to complete mandatory data protection training by completing a Data Protection Essentials Module that is assessed through a post training quiz. Training is expected to be completed by new staff members with refresher training done on an annual basis. At the time of our review, the Council had a compliance rate of 91% with 40 out of 430 staff members showing as having not completed the training. Staff who have not completed the training are reminded to complete the module and this is escalated to both the ICT Manager and the Section 151 Officer if required. Optional training courses, such as Information Security at Home, are also available for staff to complete and improve their data protection knowledge.


AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>A High Finding was raised as part of this review, which has been excluded from the public papers due to its confidential nature. The Chair of the Audit Committee, Chief Executive and Head of Resources and S151 Officer have been made aware of this and it will be shared to the Audit Committee.</p>	
<p>The Council’s retention schedules are overdue for review and have not been revised since December 2022, with ten privacy notices also not been revised since September 2020 (Finding 2 - Medium).</p>	<p>Management should review the Council’s retention schedules and ensure that these are fit for purpose. The retention schedules should be subject to review on a regular basis. This should be done in line with the RoPA review as per Finding 1.</p> <p><u>Management Response</u></p> <p>Agree that departments and data owners should review retention schedules and work with Legal supported by the DPO. Departments to assess where data is stored over retention period and business case as to why this is.</p> <p>This will need to be carried out in conjunction with support of the Cyber Security Information governance group with the backing of the ICT Strategy Board.</p> <p>Target Date: 30 April 2025</p>

	<p>Although training compliance is being monitored, data protection training for members of staff does not identify certain circumstances where Data Privacy Impact Assessments (DPIAs) may need to be performed (Finding 3 - Low).</p>	<p>Management should review and, where necessary, update the Council’s training module so that it includes, but is not limited to, the expectations and roles and responsibilities of members of staff around DPIAs.</p> <p><u>Management Response</u> Data Protection training is a fundamental part of our cyber security training and as such is included in our scheduled mandatory cyber training via our cyber training platform. The next DP training is scheduled to go out in the next few months. Training material will be reviewed to ensure that DPIAs are adequately covered. Targeted reminders will be sent out to users responsible for DPIA.</p> <p>Target Date: 31 January 2025</p>
	<p>Although the Council currently records data breaches and near misses as part of a specific email inbox, there is no dedicated data breach log in place, which would centrally capture all details relating to the breaches, in line with ICO guidance (Finding Four - Low).</p>	<p>Management should put in place a defined data breach log to record all known data breaches and near misses, which could include, but not be limited to, an overview of the incident, the date/time of the incident, when it was identified and addressed, the nature of the incident and the actions taken. The log should be regularly reviewed and updated to ensure accuracy and completeness and should only be accessible by authorised personnel for monitoring and auditing purposes.</p> <p><u>Management Response</u> Agreed, the Data Protection Officer will set up and maintain an incident log to record data breaches and near misses.</p> <p>Target Date: 31 December 2024</p>



CONCLUSION

We raised one high priority recommendation, one medium priority recommendation and two low priority recommendations to improve the Council’s data protection controls for ensuring compliance with the requirements of the UK GDPR.

We found minor exceptions relating to the operation of the controls, and consequently concluded moderate assurance over their operational effectiveness.

However, we concluded limited assurance over the design of the controls as we found weaknesses that put UK GDPR compliance at risk of not being achieved, relating to the absence of a clearly defined RoPA and the lack of an up-to-date retention schedule, as well as DPIA-specific elements within staff training.

SECTOR UPDATE

This briefing summarises recent publication and emerging issues relevant to local government that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior management and Members.

ARE WE IN THE AGE OF THE LATCO?

NORSE GROUP CHIEF EXECUTIVE JUSTIN GALLIFORD BELIEVES THAT A TRADING COMPANY OFFERS THE BEST OF ALL WORLDS.

Almost one in five council leaders and chief executives in England surveyed by the Local Government Association think that across the country, councils are struggling to maintain services in the face of relentless cost increases, skills shortages and rising demand on services. There have been several reports in the media about the financial pressures faced by local authorities and it seems to me that a lack of certainty in an election year only adds to the challenge.

It is perhaps no surprise that there is increasing interest in local authority trading companies. They can give councils all the benefits of insourcing: control over services; direct employment of staff, in a more commercial environment; and they are popular - poll after poll has shown that residents prefer frontline services to be provided by their council rather than the private sector.

Crucially, and unlike a traditional direct labour organisation, they also offer the opportunity to create a more commercial culture, with greater operational efficiency and the ability to trade externally and develop revenue streams. Profits are returned to council coffers rather than private shareholders, helping to close the funding gap and protect public services.

At a time of great uncertainty over the funding of services, perhaps the greatest benefit is the flexibility to bring in changes - such as reducing waste collection frequencies - without the need to renegotiate contracts, and without the penalty of variation charges. As new regulations come in, which will require changes to vehicles and service configuration, and with continuing pressure to achieve net zero, this ability to re-engineer and innovate will become even more important.

<https://www.publicfinance.co.uk/sponsored-articles/2024/03/are-we-age-latco>

FOR INFORMATION

For the Audit Committee Members and Executive Directors

OFLOG CAN ACT AS 'BIG BROTHER' TO PEER CHALLENGE

OFLOG COULD 'STEP IN' WHEN LOCAL AUTHORITIES DO NOT ADHERE TO THE RECOMMENDATIONS OF THE LOCAL GOVERNMENT PEER CHALLENGE

- ▶ The Office for Local Government (Oflog) could "step in" when councils do not adhere to corporate peer challenge recommendations, the chair of the Local Government Association's (LGA) innovation and improvement board has said.
- ▶ The LGA's peer challenge involves a team of senior local government councillors and officers undertaking a review of key finance, performance and governance information. A report outlining key findings and recommendations is shared with the council, which it is required to publish alongside an action plan. However, the LGA cannot enforce any recommendations.
- ▶ The LGA noted that 'most of the time' councils act on the advice received through the peer challenge but where authorities do not accept the recommendations, the LGA lack the ability to 'make people do things they do not want to do'.
- ▶ The Chair of the District Councils' Network's Executive Group supported the proposal, saying, "There is absolutely a space for Oflog in terms of that coercive nature of [saying] if you don't sort it out constructively, we'll bring our big brother into the ring, who might just help persuade you because they've got a regulatory function".

[Oflog can act as 'big brother' to peer challenge | Local Government Chronicle \(LGC\) \(lgcplus.com\)](#)

FOR INFORMATION

For the Audit Committee Members and Executive Directors

LEVELLING UP PROJECTS SEE ‘ASTONISHING’ DELAYS

PROJECTS PAID FOR THROUGH LEVELLING UP FUNDING POTS HAVE FACED HUGE DELAYS AND THE GOVERNMENT DOES NOT PLAN TO EVALUATE THEIR LONG-TERM SUCCESS, DESPITE THE FACT IT WAS SUPPOSED TO BE A FLAGSHIP POLICY, MPS HAVE SAID.

- ▶ The Public Accounts Committee found that, as of December 2023, only £3.7bn of the £10.5bn supposed to be spent by 2025-26 had been given to councils and less than half of this (£1.2bn) had actually been spent. The Department for Levelling Up, Housing and Communities told the committee that delays have arisen because of Covid-19 disruptions and higher-than-expected inflation.
- ▶ However, the committee said potentially more impactful projects lost out to ‘shovel-ready’ alternatives - and even these have not been delivered. “The levels of delay that our report finds in one of [the] government’s flagship policy platforms is absolutely astonishing,” said PAC chair Dame Meg Hillier. “The vast majority of levelling up projects that were successful in early rounds of funding are now being delivered late, with further delays likely baked in. DLUHC appears to have been blinded by optimism in funding projects that were clearly anything but ‘shovel-ready’, at the expense of projects that could have made a real difference”.
- ▶ The committee also expressed concern over transparency, with rules changing while bids were being assessed (changes that councils were not told about in advance), meaning 55 councils wasted much-needed public resources on making bids that stood no chance of winning funding in that round. In its report, the PAC said DLUHC is “playing catch up” in its evaluation efforts, and MPs said they are worried that the evaluation will not cover the long term.





▶

<https://www.publicfinance.co.uk/news/2024/03/levelling-projects-see-astonishing-delays>

FOR INFORMATION





For Audit Committee Members and Executive Directors

KEY PERFORMANCE INDICATORS




QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Partner or Audit Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards.	
Quality of Work	<p>We have now finalised seven reports in the 2024/25 internal audit plan. Discussions with the responsible Executive Directors have highlighted that the process has been positive.</p> <p>We received a survey response for both the 2024/25 reviews presented to the Audit Committee so far. We have received an overall score of 5 (the maximum) from both auditees, with one stating 'All communication and work done to a high standard'.</p> <p>We will continue to remind auditees to complete the survey and will report on results at future Audit Committee meetings.</p>	
Completion of audit plan	We have now finalised seven reports in the 2024/25 internal audit plan. One audit remains outstanding to be started, as planned with the relevant Executive. As per the schedule on page four of this paper, all reviews should be completed and presented to the Audit Committee by the end of March 2025.	

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

FOR MORE INFORMATION:

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WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
27TH NOVEMBER 2024

INTERNAL AUDIT FOLLOW UP REPORT NOVEMBER 2024

OPEN	
CABINET MEMBER	Councillor David Ross, Finance & Capital Portfolio
RESPONSIBLE OFFICER	Helen Ogram, Head of Resources and s151 Officer helen.ogram@wyreforestdc.gov.uk
CONTACT OFFICER:	Lucy Baxter Lucy.Baxter@bdo.co.uk
APPENDIX	Appendix 1 Internal Audit Follow Up Report – November 2024

1. PURPOSE OF REPORT

- 1.1 To present the Internal Audit Follow Up of Recommendations Report attached as Appendix 1.

2. RECOMMENDATION

The Audit Committee is asked to NOTE:

- 2.1 **The Internal Audit Follow Up of Recommendations Report as detailed in the Appendix to the report.**

3. BACKGROUND

- 3.1 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Council’s Internal Auditor (BDO) is required to provide a written report to Senior Management and Audit Committee, summarising the status of implementation of recommendations arising from reports issued.

4. KEY ISSUES

- 4.1 The report attached at Appendix 1 provides an update to the Audit Committee in respect of the progress made in implementing recommendations arising from reports issued. It reports on matters relevant to the responsibilities of members of the Audit Committee.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report. There may however be financial implications if the audit recommendations made within audit reports are not implemented on a timely basis or if a control environment requires strengthening with the introduction of additional procedures/processes.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Accounts and Audit Regulations 2015 regulation 5(1) require 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.”

7. RISK MANAGEMENT

- 7.1 In order to manage risk, internal controls are used to mitigate and manage the identified risks to an acceptable level. Any weakness in the operation of internal controls therefore impacts directly on the management of risk.
- 7.2 Risk management issues could arise when weaknesses in internal controls are identified during the audit review process and management delay or defer implementation of the recommendations made.
- 7.3 The Internal Audit service is one element of the Council’s assurance/internal control framework.
- 7.4 Key audit risks are evidenced against expected controls for all internal audit briefs to focus on risk management issues throughout the delivery of each specific audit review.

8. CONCLUSION

- 8.1 The status of implementation of recommendations arising from reports issued by the Council’s Internal Auditors (BDO) is reported within Appendix 1. There are no overdue recommendations.

9. CONSULTEES

- 9.1 Corporate Leadership Team
9.2 Cabinet Member for Finance and Capital Portfolio

10. BACKGROUND PAPERS

- 10.1 Internal Audit Plan 2023-24
10.2 Internal Audit Plan 2024-25

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

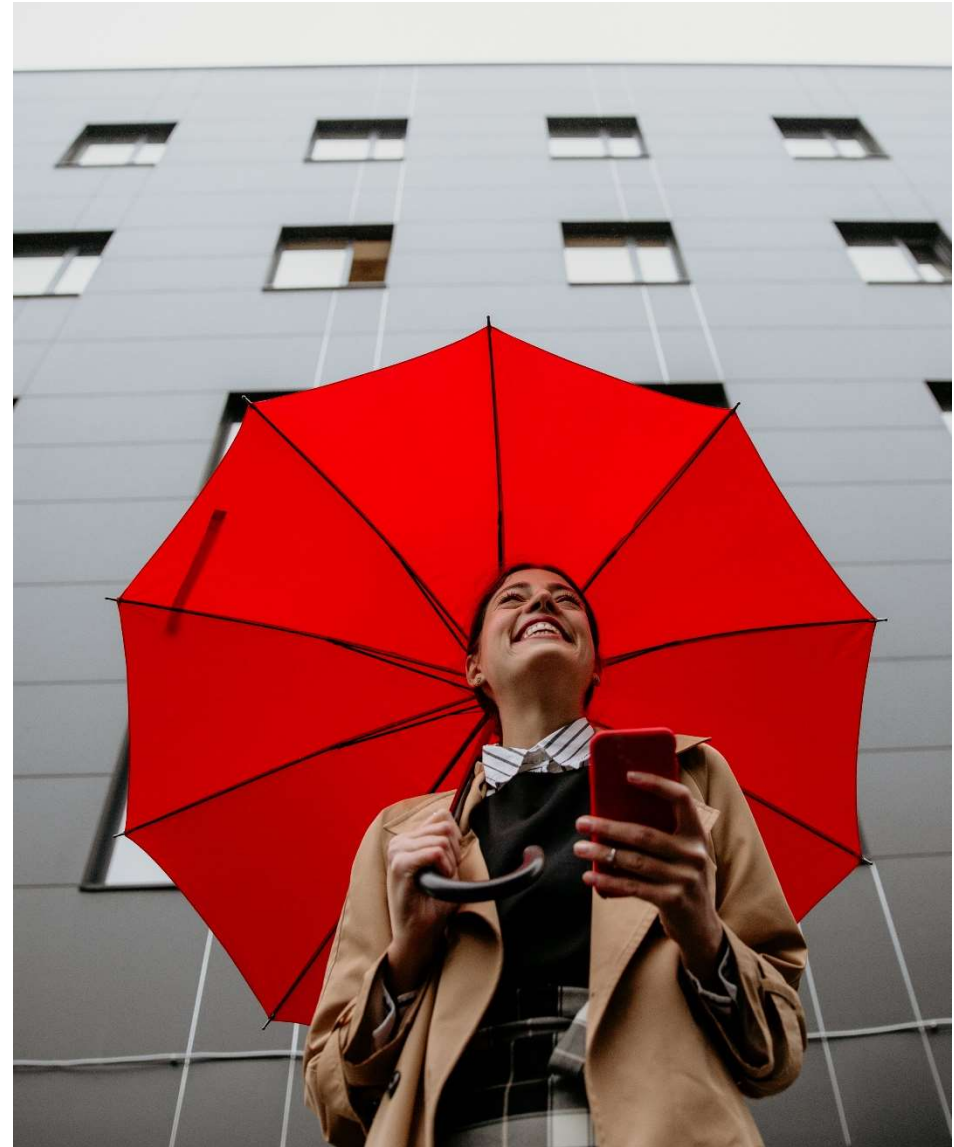
WYRE FOREST DISTRICT COUNCIL

November 2024



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SUMMARY

2023/2024	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M
Governance and Ethics	5	0	4	1	4	0	2	0	0	0	0	0	2
General Controls and Access	6	0	2	4	2	0	2	0	0	0	0	0	0
Risk Management	6	1	3	2	4	0	0	1	3	0	0	0	0
Accounts Receivable and Debt Recovery Procedures	4	0	3	1	3	0	0	0	0	0	0	0	3
Cyber Security	3	0	3	0	3	0	1	0	1	0	0	0	1
Total	24	1	15	8	16	0	5	1	4	0	0	0	6

2024/2025	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M
Rough Sleeper Initiative Spend and Thank You Payments	6	0	3	3	3	0	3	0	0	0	0	0	0
Revenue and Benefits	4	0	2	2	2	0	1	0	0	0	0	0	1
Depot Management	4	0	4	0	4	0	0	0	0	0	0	0	4
EDI Maturity	5	0	3	2	3	0	0	0	0	0	0	0	3
Information Governance - UK GDPR	4	1	1	2	2	0	0	0	0	0	0	1	1
Total	23	1	13	9	14	0	4	0	0	0	0	1	9

SUMMARY

2023/2024

Please find below a summary of the status of implementation of recommendations arising from reports issued in November 2024.

- ▶ One medium recommendation (General Controls) has been completed since the last Audit Committee and will be removed from the follow up tracker.
- ▶ As reported to the previous Audit Committee meeting in September 2024, one high recommendation and one medium recommendation are in progress (Risk Management and Cyber Security respectively) which we will follow up for the March Audit Committee as previously agreed.
- ▶ Three further medium recommendations (Risk Management) have fallen due in the period. We have agreed extensions to these recommendations with the Head of Resources and s151 Officer and will follow up these in line with the new due dates. As only one due date has been missed and progress has been made to implement the recommendations, we have marked these recommendations as in progress. If required, once a second due date is missed, these will be marked as overdue.
- ▶ Six medium recommendations (Governance and Ethics, Accounts Receivable and Cyber Security) remain not yet due. Of these, five fall due at the end of December 2024. An update will be provided on these recommendations at the next Audit Committee meeting.

2024/2025

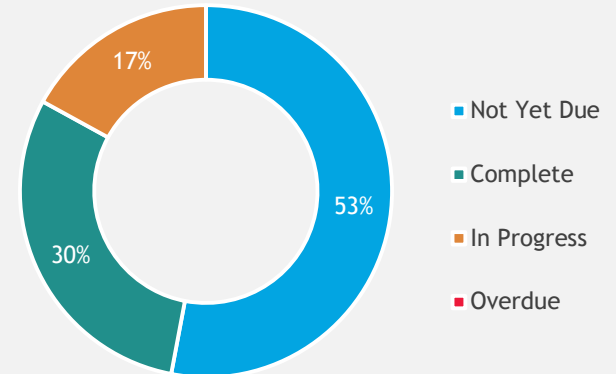
Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/25.

- ▶ Three medium recommendations (RSI & Thank You Payments) have been completed since the last Audit Committee meeting and will be removed from the follow up tracker.
- ▶ One high and ten medium recommendations were raised in four reports (Revenue and Benefits, Depot Management, EDI Maturity, Information Governance) presented at this Audit Committee meeting. We will follow up on progress against these recommendations in line with the due dates provided by management.

REQUIRED AUDIT COMMITTEE ACTION:

We ask the Audit Committee to note the progress against the recommendations.

November 2024 Cumulative Implementation



RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2023/24					
General Controls	The Principal Accountant and Assistant Accountant should perform annual reviews of user access, including dormant accounts and a spot check of access and approval limits, liaising with the relevant Service Area Managers to ensure these are in line with each user's job role. This review should be documented and retained.	Medium	Principal Accountant	Complete	<p><i>Internal Audit Comments:</i></p> <p><i>The Principal Accountant confirmed that these checks had been implemented as an annual process and sent us the evidence that these had been completed for 2024. The Annual Review of Users access was last performed January 2024 and the Bi-annual Review of Approval Limits was last performed June 2024. We therefore have assessed that sufficient work has been done to consider these recommendations as complete.</i></p>
2024/25					
RSI & Thank You Payments	<p>a. The Senior Housing Pathway Officer and Housing Manager should conduct monthly review of P-Card statements to ensure that spend is reasonable and in line with grant conditions. Approval of the statements should be recorded via email confirmation to the Finance team. Any actions that need to be taken following the review should then be taken and logged to create lessons learnt to communicate to staff.</p> <p>b. The Finance team should work with the Head of Strategic Growth to review the cost centres available to P-Card users to assign to spend to ensure that transactions are correctly coded first time. This should minimise miscoding and the need for reallocation.</p>	Medium	Senior Housing Pathway Officer Housing Manager	Complete	<p><i>Internal Audit Comments:</i></p> <p>a. <i>The CIPFA Accountant Trainee confirmed that transactional detail of all spend via the P-Card is available on Agresso. Senior Officers and Managers can download this information for review with Team. The Finance Team will provide any support required. Access to a shared folder will be made available from October 2024 where officers can view original statements.</i></p> <p><i>We also received a copy of the 1-2-1 template, completed for October 2024, which confirmed that a review of expenses and P-Card transactions has been added to the discussions. Only one team member in the period had any P-Card transactions and this is reflected in the meeting notes.</i></p> <p><i>We can therefore confirm that sufficient work has been undertaken to mark this recommendation as completed.</i></p> <p>b. <i>We confirmed with the Head of Strategic Growth that the cost centres available to P-Card users have been reviewed and email evidence was shared with us between the Head of Strategic Growth and the CIPFA Accountant Trainee outlining what codes should be removed, as well as a review of approvers on the finance system. We can therefore confirm that this recommendation has been satisfactorily completed.</i></p>

RSI & Thank You Payments	<p>a. The exceptions noted above should be reviewed by the Housing Manager/Housing Advice Team Leader as appropriate to ensure that the purchases were appropriate and to ensure that they have been correctly entered into the Lloyds banking system.</p> <p>b. All P-Card holders should be reminded of the importance to include correct and detailed descriptions for purchases, including who the purchase was made for, and to provide receipts for all purchases and upload them to the Lloyds banking system.</p> <p>c. P-Card holders should be reminded that their P-Card should not be lent to other members of staff and that all staff should only have access to their own card. This should be updated within the Credit Card Guidance June 2024.</p>	Medium	Senior Housing Pathway Officer Housing Manager	Complete	<p><i>Internal Audit Comments:</i></p> <p>a. <i>Head of Revenue and Benefits confirmed that this action has been completed.</i></p> <p>b. <i>We obtained a copy of the Credit Card Guidance, updated in August 2024, and confirmed that this had been added to the guidance which has been circulated to the relevant staff.</i></p> <p>c. <i>The Head of Revenue and Benefits confirmed that this action has been completed, and the Senior Housing Pathway Officer confirmed that this is covered during monthly one to ones when P-Card returns are reviewed.</i></p> <p><i>We can therefore confirm that sufficient work has been undertaken to complete these recommendations and they can be removed from the recommendation tracker.</i></p>
RSI & Thank You Payments	<p>a. The Council's policies in relation to homelessness spend and P-Cards should be reviewed annually to ensure they are up to date and reflect of current practices. The date of the review, the approver and the date that the policy is next due for review should be recorded within the document.</p> <p>b. The Senior Housing Pathway Officer should update the policies and guidance to refer to the job titles of key individuals, rather than using their names. This ensures that the policies are clear and will remain relevant over time if individuals move roles or leave their roles within the Council.</p>	Medium	Senior Housing Pathway Officer CIPFA Accountant Trainee	Complete	<p><i>Internal Audit Comments:</i></p> <p><i>We confirmed with the CIPFA Accountant Trainee that the guidance on procurement cards has been reviewed and is now available for staff on the intranet. We were also provided with an updated copy of the Credit Card Guidance in which the names of individuals had been replaced by role titles and the name and date of reviews had been included. A date for the next review has also been recorded. Therefore we are assured that sufficient work has been undertaken to mark this recommendation as completed.</i></p>

RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date; a revised date has been provided.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2023/24					
Risk Management	<p>a. The Head of Resources and Section 151 Officer should work with CLT to develop a uniform Risk Register template that includes the following:</p> <ul style="list-style-type: none"> i. Risk reference. ii. Risk Category. iii. Link to the Corporate Plan Priorities. iv. Risk statement. v. Risk Owner. vi. Inherent Likelihood Score, Inherent Impact Score and Total Impact Score. vii. Mitigating controls currently in place. viii. Mitigated Likelihood Score, Mitigated Impact Score and Mitigated Impact Score. ix. Target Risk Score. x. Further Actions Required. xi. Action Due Dates. xii. Progress Update. <p>b. All risks on the CRR and Service Area Risk Registers should be reviewed and revised to incorporate the “if-then” format. This will ensure that the cause and impact of the risk has been fully understood. From this the controls and required actions can</p>	High	Head of Resources and S151 Officer	Complete IA to follow up for the March 2025 Audit Committee Meeting	<p>Council Response:</p> <p>A uniform Risk Register template for Service/Operational risks has been prepared and shared with CLT. The CRR was reviewed and reported to Audit Committee in the May cycle. Good progress has been made in Service Area Risk Registers to incorporate the “if-then” format into the Risk Statement.</p> <p><i>Internal Audit Comments:</i></p> <p><i>We have received a copy of the new Risk Register template from the Head of Resources and S151 Officer and can confirm that all of the elements required in the recommendation have been included within the new template. We have received examples of the Service Area Risk Registers for ICT, Revenues, Benefits and Customer Services and Strategic Growth and can confirm that the risks have been written using the if-then format. Good progress has been made in ensuring that all Service Areas convert their risk registers to the new format and it is clear that the Council has undertaken significant work to achieve this.</i></p> <p><i>As this is a key area in all local authorities, we have extended the due date of the recommendation to early next year, as we would like to perform further follow up of the new divisional risk registers to ensure that the new format has been embedded effectively and that they are operating as we would expect.</i></p>

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	be revised to ensure that they are tailored to the specific risk.				
Risk Management	<p>a. A training course should be developed or procured that takes this report into account.</p> <p>b. The Head of Resources and S151 Officer should identify the staff that the training should apply to and outline the frequency with which the training should be taken (ie every two years).</p> <p>c. Once the above has been completed, the training should be delivered, and attendance should be monitored. When new staff join the Council, they should be provided with the training if it is relevant to their role.</p> <p>d. Compliance with the training should be monitored and reported to CLT. Any non-compliance should be escalated to line managers and if necessary, the Audit Committee.</p>	Medium	Head of Resources and S151 Officer	<p>30 September 2024</p> <p>31 January 2025</p>	<p>Council Response:</p> <p>West Midlands District Insurance consortium successfully recommissioned Insurance services earlier this year (covers commenced 1st July 2024). The new offer includes access to “free” risk management support and training from RMP/Gallagher Basset. The training offer includes a quarterly programme of bite-size sessions.</p> <p>The programme was discussed and shared with CLT in August 2024, and all were encouraged to sign-up. The January programme will be circulated to the managers forum with recommendations for particular sessions to be made when the programme is released.</p> <p>Further in person/face to face training will be delivered to the Managers forum meeting in January (this primarily covers claims and accident reporting but will also include an element of risk management).</p> <p>In addition to the bite-size session more in depth training is also available on their training platform. The Council’s Health and Safety Officer has made extensive use of this resource. Further “in-depth” sessions will be made available following feedback from the bite-size sessions.</p> <p><i>Internal Audit Comments:</i></p> <p><i>Progress has been made on this recommendation; however further work remains to ensure that the recommendation has been embedded. We had therefore marked the recommendation as ‘In Progress’ and will provide an update at the next Audit Committee.</i></p>
Risk Management	<p>a. The Council’s risk appetite and tolerance should be established, and target risk scores should be identified for all risks.</p> <p>b. Once the risk register template has been designed as per Finding Two and the revised Risk Management Strategy has been implemented, the Head of Resources</p>	Medium	Head of Resources and S151 Officer	<p>30 September 2024</p> <p>31 May 2025</p>	<p>Council Response:</p> <p>A paper was considered by CLT on 9th October 2024, setting out the Risk Appetite Statement Development Plan and presenting an example Risk Appetite Statement for approval of the approach to be adopted.</p>

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	<p>and S151 Officer (CRR) and CLT members (service area risk registers) should review all risks to ensure that current controls in place have been distinguished and appropriately recorded separately from the action plan. Where the mitigated risk score is not in line with the target risk score, further actions should be identified and documented that will contribute to reducing the risk score further. All actions should be assigned an action owner and a due date.</p> <p>c. Risk actions should be reviewed on a monthly basis, with updates recorded in the progress notes, to ensure that they are being completed in line with expectation. Once an action has been completed the controls and risk scores should be updated to reflect the impact on reducing the risk level.</p> <p>d. Progress against actions should be reported to the Audit Committee at each meeting to ensure that risk management performance is overseen by members and that CLT is held to account if performance is not sufficient. Please also refer to Finding Four.</p>				<p>RMP/Gallagher Basset will facilitate stakeholder engagement (workshop). This workshop had originally been scheduled for November but was rearranged to January 2025 due to consultant availability.</p> <p>A new risk register template has been designed in Pentana following external support, although some further development is required in order for the template to match the brief.</p> <p>Significant progress has been made in separating controls from actions, this was presented to Audit Committee in September.</p> <p>Target risk scores haven't been set as the work on risk appetite needs to be concluded first.</p> <p>Progress against actions is currently reported to Audit Committee bi-annually (in-line with the current approved strategy). Consideration will be given to introducing more frequent updates when the strategy is next reviewed by Audit Committee (Spring 2025).</p> <p>New target date for full implementation of this recommendation is May 2025.</p> <p><i>Internal Audit Comments:</i></p> <p><i>Progress has been made on this recommendation; however further work remains to ensure that the recommendation has been embedded. We had therefore marked the recommendation as 'In Progress' and will provide an update at the next Audit Committee.</i></p>
Risk Management	<p>a. Following the improvements to the CRR and service area risk registers outlined in Finding Two, in line with the requirements of the revised Risk Management Strategy, KPIs should be developed and approved by Cabinet or the Audit Committee to measure performance against the action plans included in the risk registers. Regular reporting on performance against the KPIs should be provided to the Audit Committee alongside the CRR to demonstrate the</p>	Medium	Head of Resources and S151 Officer	<p>30 September 2024 28 February 2025</p>	<p>Council Response:</p> <p>Whilst some KPIs have been established, this area requires further development. New target date for implementation of this recommendation is end of February 2025.</p> <p><i>Internal Audit Comments:</i></p> <p><i>Progress has been made on this recommendation; however further work remains to ensure that the recommendation has been embedded. We had therefore marked the recommendation as 'In Progress' and will provide an update at the next Audit Committee.</i></p>

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	<p>progression of risk management within the Council.</p> <p>b. The KPIs should be reviewed on an appropriate basis to ensure that they are providing the Council with useful oversight and assurance on risk performance.</p>				
<p>Cyber Security</p>	<p>a. The Council should further investigate the devices which are not up to date in terms of their CrowdStrike definition and platform and confirm their status and if necessary, disable their access to the network until the antivirus signatures have been updated for those systems.</p> <p>b. Additionally, there should be continuous monitoring in place for all devices connected on the network to be fully anti-virus protected.</p>	<p>Medium</p>	<p>ICT Manager</p>	<p>31 June 2024 31 January 2025</p>	<p><i>Internal Audit Comments:</i> <i>We met with the ICT Manager on 28 August 2024 who confirmed that the CrowdStrike checks are being performed on a daily basis by the team. The update to the documented process has been delayed as there are several large process changes underway that will be complete by the end of the year and these will need to be included in the process document. We have marked this recommendation as in progress and will continue to follow up with the ICT Manager to ensure that the new due date will be met.</i></p>

FOR MORE INFORMATION:

GURPREET DULAY

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WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
27TH NOVEMBER 2024

Annual Governance Statement 2023-24 – Action Plan Mid-year Progress report

OPEN	
CABINET MEMBER:	Cabinet Member for Finance and Capital Portfolio
RESPONSIBLE OFFICER:	Helen Ogram, Head of Resources
CONTACT OFFICERS:	Head of Resource Helen.ogram@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Approved Annual Governance Statement (AGS) Action Plan 2023-24 Appendix 2 – Mid Year Review of 2024-25 Annual Governance Statement (AGS) Actions

1 PURPOSE OF REPORT

- 1.1 The report presents the current position in relation to performance against the action plan which was developed to address the issues identified within 2023-24, it reports on year-to-date progress during 2024-25.

2 RECOMMENDATION

- 2.1 **The Audit Committee is asked to note the progress against the Annual Governance Statement Action Plan attached at Appendix 2.**

3 BACKGROUND

- 3.1 The Accounts and Audit Regulations 2015, require the Council to conduct an annual review of the effectiveness of internal control and publish the findings alongside the authority's financial statements. The regulations require that a relevant committee considers the findings of the review.

- 3.2 In determining the Annual Governance Statement (AGS) the Council is required to take into account all relevant information including the following sources of evidence:

- Internal Audit reports
- External Audit reports
- Assurance provided by senior management
- Corporate Risk Register
- External Inspection findings including peer reviews
- Other relevant information.

- 3.3 The 2023-24 Annual Governance Statement identified various issues to be addressed. Following consideration by the Corporate Leadership Team the draft Annual Governance Statement was considered by the Audit Committee at the meeting in May 2024 and published with the Annual Statement of Accounts for 2023-24 on Friday 15th November 2024.

4 KEY ISSUES

- 4.1 The Annual Governance Statement 2023-24 identified areas of Corporate Governance which needed to be addressed during 2024-25. An action plan was developed to address the areas identified and is attached at Appendix 1, The progress that has been made during the year is attached in Appendix 2. This has been reviewed and agreed by the Corporate Leadership Team.
- 4.2 Members are requested to review and note the current progress in relation to the delivery of the necessary improvements.

5 FINANCIAL IMPLICATIONS

- 5.1 There are no direct financial implications arising from this report, some of the actions may result in additional expenditure or resource requirements but where this is the case separate governance will take place. The AGS does take resources to produce and monitor but this is from the existing establishment/staffing budgets.

6 LEGAL AND POLICY IMPLICATIONS

- 6.1 It is a requirement under the Accounts and Audit Regulations 2015 that the Council prepares an Annual Governance Statement and monitors actions arising from the content.

7 IMPACT ASSESSMENTS

- 7.1 The Council must keep its governance processes under review and must ensure that it take steps to ensure that its processes are kept up-date and relevant. Good governance ensures that resources are properly used for the community it serves. Implementing the action plan on other governance issues helps ensure the Council's good governance.

8 RISK MANAGEMENT

- 8.1 The Governance Framework pulls together all of the Council's information in relation to governance. In doing so the Council has regard for the Corporate Risk Register and approach to Risk Management. It is essential that the Council acts upon the significant governance issues that have been identified within the Annual Governance Statement.

9 CONCLUSION

- 9.1 The Council is required to complete an Annual Governance Statement which is required to:

- Consider the arrangements required for gathering assurances for the preparation of the annual governance statement;
- Consider the robustness of the Authority's governance arrangements;
- Monitor any actions arising from the review of arrangements.

9.2 This report identifies the progress that has been made to date in relation to the Annual Governance Statement considered by Audit Committee on 20th May 2024 and re-certified on the 14th November 2024.

10 CONSULTEES

- 10.1 Corporate Leadership Team.
- 10.2 Cabinet Member for Finance and Capital Portfolio.
- 10.3 Officers named in the action plan

11 BACKGROUND PAPERS

- 11.1 Delivering Good Governance in Local Government CIPFA/SOLACE.
- 11.2 UK Public Sector Internal Audit Standards April 2016 (Refreshed March 2017)

Significant Governance Issues for 2023-24: 2024-25 Action Plan

Wyre Forest District Council have completed a number of actions over the last year, that have alleviated significant governance issues identified in the 2022-23 Annual Governance Statement. The following new or continuing governance issues have been identified and further actions have been put in place against each for progression in 2024-25, to continue to strengthen the Council's governance arrangements.

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
1.	<p>Performance Management Governance issues</p> <p>The council needs to focus activity and resource on Council priorities to drive improvements. The council does not have a robust service planning and performance management framework in place to help manage performance, to provide assurance of the effectiveness of strategies and actions in delivering desired outcomes and to enable residents to hold members to account.</p>	<p>Auditors Annual Report 2021-22 and 2022-23 and Peer review March 2024</p>	<p>a) Recruit a Policy and Performance Officer to expand capacity and drive delivery of the framework</p> <p>b) Redesign performance reporting following adoption of the 2023-2027 Council Plan to clearly align with Council priorities.</p> <p>c) A revised presentation will be introduced for the performance summary in the 2023-24 Narrative report to help the public hold Members to account. The performance summary will be published as a news/information item.</p> <p>d) The process for recording, monitoring and reporting complaints has been refreshed for 2024-25 and rolled out to all managers. Information relating to complaints will form part of the quarterly budget and performance monitoring report in 2024-25. A summary of the complaints received in 2023-24 will be incorporated into the Q4 budget and performance report.</p> <p>e) All Council service plans to have a uniform introduction/structure and to be aligned with the vision, priorities, and values outlined in the Council's Corporate Plan so that there is a single 'golden thread' pervading all aspects of the Council's operations. The service plans will identify actions and assurance measures and KPIs.</p>	<p>a) Officer in post</p> <p>b) Refreshed quarterly performance reporting</p> <p>c) Publication of the performance summary</p> <p>d) Data will be analysed for use as a source of performance information to improve service quality</p> <p>e) There will be a golden thread that links and aligns the Council's actions with Council priorities</p>	<p>CLT – Chief Executive, Head of Resources, Head of Revenues, Benefits and Customer Services</p>	<p>a) April 2024</p> <p>b) On going</p> <p>c) June 2024</p> <p>d) June 2024</p> <p>e) September 2024</p>

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
2.	<p>General – Significant Financial Challenges</p> <p>The Council continues to face significant funding pressures.</p> <p>In response we will continue to maintain financial resilience by:</p> <p>i) Moving towards a fully balanced budget without reliance on reserves.</p> <p>ii) Deliver the income growth targets approved in the 2024-27 MTFS</p> <p>ii) Progression a new programme of work to close the funding gap in the 2024-27 MTFS.</p> <p>iii) Promote commercialisation within the Council to ensure that everyone understands the part they play</p>	<p>AGS 2022-23 highlighted by the Corporate Leadership Team and reflected in the MTFS and Corporate risk register. The need to promote commercialisation was identified by the Peer Review Team</p>	<p>The Medium Term Financial Strategy (MTFS) reflects the expected need to make future savings over the medium term taking into account anticipated changes in financing. The council set a budget in February 2024 outlining the strategic direction towards achieving on-going savings:</p> <p>a) Progressing implementation of the Council's plan for financial resilience 2024-27 and the agreed initiatives and projects contained within, such as major service collaborations reviews, redesigning services and digital transformation.</p> <p>b) To continue to actively participate in and understand/model the impact of the fundamental Finance Reform, encompassing New Homes Bonus and Business Rate Review, phasing out of Revenue Support Grant, transfer of New Burdens, progression of Welfare, Waste and Planning Reform including extended producer responsibility for packaging.</p> <p>c) To re-focus the work around income generation and commercialisation on net income, recognising the impact of price and wage inflation and interest rates on service viability.</p> <p>d) To continue to work with partners on Localism to meet target savings in MTFS</p>	<p>a) Target savings achieved and a balanced budget for all years in the three year MTFS 2025-28 with progression of proposals for significant savings/cost reductions to close the funding gap and reduce the contribution from reserves.</p> <p>b) Fair(er) distribution of funding to District Councils</p> <p>c) Income growth targets achieved</p> <p>d) Pursue discussions with town councils to seek further transfers of assets and services, in particular parks and play areas, in order significantly to reduce net cost to WFDC. If internal options to grow income/reduce costs of Bewdley Museum, Guildhall and QE2 gardens are not judged sufficient, explore a significant reduction in net cost through transfer to the joint museum service for Worcestershire or other partner organisation..</p>	<p>Cabinet/CLT Chief Executive, and Head of Resources</p> <p>Chief Executive, Head of Resources</p> <p>Deputy Chief Executive</p> <p>Head of Community and Environment</p>	<p>April to March 2025</p> <p>January 2025</p> <p>March 2025</p> <p>March 2025</p>

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
3	<p>Governance of Property Portfolio to safeguard access to PWLB loans for all Council services by ensuring that the impact of the policy is to deliver corporate service objectives under the Corporate Plan priority to deliver a successful local economy whilst also supporting the Financial Strategy - recognising that the 2021 CIPFA Prudential and Treasury Management codes set out that the CFR cannot be increased for commercial purposes and acquisition decisions cannot primarily be based on generating a financial return.</p>	<p>AGS 2022-23 and AAR 2021-22 and 2022-23</p>	<p>a) Continue to implement the agreed governance framework when considering proposals to be funded via the approved Capital Portfolio Fund Strategy</p> <p>b) Undertake thorough due diligence and complete the due diligence check list at each stage of the approval process</p> <p>c) The business case model and each business case reflects the evidence requirement for the economic argument and fully covers whether capital plans and risks are proportionate i.e., any plausible losses can be absorbed within existing budgets or reserves.</p>	<p>a) All proposals further the Corporate plan priorities, meet service objectives and secure net income streams in accordance with the approved strategy.</p> <p>b) Completed, certified checklist for all acquisitions</p> <p>c) Business case reports on all approved acquisitions contains a strong, evidence based, economic case</p>	<p>CLT -Deputy Chief Executive Head of: Resources, Solicitor to the Council</p>	<p>a) On-going</p> <p>b) On-going</p> <p>c) On-going</p>

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
4.	<p>Partnership and Engagement Governance issues Maintaining resilience in the governance process with particular regard to the increasingly complex array of partnership agreements and alternative funding solutions the Council may enter into as part of alternative service delivery solutions to reduce cost or unlock funding opportunities. This includes the Local Authority Trading Company (LATC), localism, joint operations (e.g. joint County wide food waste collaboration), and other new shared service arrangements, outsourcing or collaborations).</p>	<p>Annual Governance Statement 2022-23 and risk register</p>	<p>a) Ensure all partnering arrangements have robust governance arrangements including full regard to legal, financial and HR implications. Once governance arrangements are in place continue to review and ensure they remain robust.</p> <p>b) Ensure arrangements for traded services and arms-length organisations are fit for purpose</p> <p>c) Further investigation of various structures for different arrangements, including utilisation of the approved LATC.</p>	<p>Robust due diligence for all proposals presented in business cases to be considered by Overview and Scrutiny Committee and Cabinet</p>	<p>CLT – Solicitor to the Council</p>	<p>Ongoing due diligence work presented to Overview and Scrutiny Cabinet throughout the year</p>

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
5	<p>Cyber Resilience Governance Issues</p> <p>There has been an increase in the number of cyber security related incidents affecting the public sector and they are becoming increasingly sophisticated.</p> <p>It is vital that the council maintains ICT resilience to ensure a secure network, ensuring the ICT infrastructure is protected adequately from attacks and threats.</p> <p>The council needs an effective security strategy to ensure that cyber security is embedded as part of normal business activities.</p>	<p>Corporate Risk Register and ICT Strategy Board; ICT Security {Sub-Group}</p> <p>MTFS 2023-2026</p> <p>GDPR Legislation - effective date 25th May 2018</p>	<ul style="list-style-type: none"> a) Develop the overall Cyber security and business continuity Strategies b) Develop the business case for implementing a Cloud First policy c) Quarterly review of network security and cyber resilience; extra assurance/training for remote working/meetings d) ICT Strategy and Strategy Board e) Review of compliance by Cyber Security and Information Governance Sub-Group f) Risk assessments and review of security of hybrid working arrangements built into assurance programme. g) Regular cyber and phishing training h) on-going improvement to infrastructure and system updates including patching, firmware updates. i) annual penetration tests j) additional 2 factor authentication and cloud back-up for o365 k) Signed up to DLUHC Cyber Assessment Framework (CAF) pilot. CAF provides a systematic and comprehensive approach to assessing management of cyber risks to essential functions. l) Continued assessment and replace / upgrade systems where appropriate to enhance security m) Cyber security exercises to test service / users readiness n) Regular security policy updates 	<ul style="list-style-type: none"> a) PSN compliance, secure network. b) Work proceeds to timetable c) Review evidenced compliance d) Compliant risk assessments e) CAF Achievement f) cyber accreditations, cyber essential g) essential functions continue 	<p>Chief Executive/Head of Resources/ICT Manager</p> <p>Data Controller</p> <p>ICT Manager</p> <p>ICT Manager</p> <p>CLT</p>	<p>Ongoing reports to ICT Strategy Board, and Cyber Security and Information Governance Sub- Group, Cabinet Members and Group Leaders</p> <p>Ongoing risk assessments</p> <p>Summer 2025</p>









Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
6.	<p>Major Capital Projects - The Council has a number of major capital projects including Major grant funded regeneration schemes and delivering a Housing provision scheme in Kidderminster.</p> <p>There are significant risks associated with these major schemes, including implications for revenue as well as capital budgets.</p> <ul style="list-style-type: none"> - The governance arrangements to oversee all major schemes, including the Future High Street Fund (FHSF) and Levelling up Fund (LUF) programmes, must ensure a strong first line of defence. - Current arrangements include separate project boards chaired by the Head of NWEDR and attended by the S151 Officer, the Monitoring Officer and lead Cabinet member. The boards receive regular updates on all projects managed through the project delivery boards and to have responsibility for approving project variations. - The boards provide transparent governance arrangements to ensure that projects are run appropriately with vigour ensuring funding and statutory obligations are met. - There is no direct reporting from the Boards to Cabinet or Overview and Scrutiny although regular monthly update briefings are received by Cabinet/CLT. This could result in a perceived lack of transparency by decision makers and the public. - Risk management is reported to the Boards by exception which risks board members losing sight of all risks affecting the project. 	<p>Combined Annual Audit Report 2021-22 and 2022-23, Peer Review and Risk Register</p>	<p>On-going regular reporting on progress will be delivered through enhanced quarterly Capital Programme reporting. Dedicated project management expertise is in place for all major projects and programme and cost risks will be closely managed.</p> <p>All reporting will be assessed to ensure that governance arrangements both pre and post project approval maximises the benefit that can be gained from limited capital resources and exposure to financial risk is managed.</p> <p>Project Boards meets regularly and in line with agreed timeline</p> <p>Financial, performance and assurance returns completed.</p> <p>Clarity of delineation of the roles of those Members and Officers concerned with the delivery of projects and those concerned with regulatory decisions will be factored into the project management and decision making. Protocols will provide necessary ethical walls within the organisation and in line with the council's constitution.</p>	<p>Quarterly progress/monitoring reports presented to Overview and Scrutiny Committee and Cabinet</p> <p>Monthly update provided to Cabinet/CLT</p> <p>Projects delivered on time within cost plan</p> <p>Government Office satisfied with progress</p> <p>Progress reports presented to the Boards and grant draw down meets assurance requirements</p>	<p>CLT, Head of NWEDR, Head of Strategic Growth, Head of Community and the Environment, Head of Resources and Solicitor to the Council.</p>	<p>June 2024</p> <p>March 2025</p> <p>On-going</p>


Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
7.	<p>Workforce planning <i>Resilience, recruitment and retention.</i> Appropriate resilience and succession planning arrangements need to be established across all teams as in some areas there continues to be a reliance on a limited number of key individuals.</p> <p>Attracting suitable candidates to professionally graded posts continues to be challenging with key posts remaining vacant or being filled by agency resource.</p>	<p>Combined Annual Audit Report 2021-22 and 2022-23, Peer Review and Risk Register</p>	<p>Implementation of the new Organisation Development (OD) Strategy action plan which underpins our Wyre Forest Forward vision to become an employer of choice. Actions are based on the following priorities:</p> <ul style="list-style-type: none"> • Recruitment • Retention • Growing our future workforce • Culture and leadership development • Health and Well-being <p>Explore collaborative service solutions where resilience can't be secured internally.</p>	<p>Implementation of OD Strategy.</p> <p>Succession planning embedded with plans developed</p> <p>We are seen as the local employer of choice, demonstrated by the number and quality of applicants for roles and increased staff retention/lower staff turnover.</p>	<p>Chief Executive, Solicitor to the Council, Head of HR&OD</p>	<p>March 2025</p>

Ref	Governance issue	Source	Actions to address the issue	Measures of success	Lead/s	Timescale
8.	<p>Risk Management The 2023-24 Internal Audit plan reviewed the Council’s risk management arrangements to assess how effective and how well embedded risk management arrangements are. The report identified areas that could be further developed to help the Council make better use of its risk register for both management and senior members to support good governance.</p> <p>The latest Risk Management Strategy, approved by Cabinet in April 2024, will, when implemented, embed an effective risk culture.</p>	<p>Internal Audit assessment of risk maturity, Combined Annual Audit Report 2021-22 and 2022-23, Peer Review</p>	<p>Embedding the new Risk Management strategy</p> <ul style="list-style-type: none"> • Work with Cabinet, Committee Chairs and vice chairs, group leaders and senior officers to prepare a risk appetite statement • establishing risk tolerance/appetite for each category of risk • Identify target risk scores for each risk • Identify further mitigations to bring risk in-line with target scores. • Identify assurance measures and KPIs <p>Identify and deliver appropriate risk management training to members and responsible officers</p> <p>Operational risks identified in Service plans and scored in-line with the strategy</p>	<p>Council approve risk appetite statement</p> <p>Risk registers includes Risk category, target risk score, further mitigating actions to bring risk score in-line with target, KPIs and assurance statements</p> <p>Training delivered and training objectives met.</p>	<p>Head of Resources, other members of CLT and risk action owners</p>	<p>September 2024</p>



Annual Governance Statement 2023-24 – Action Plan to be delivered 2024-25




AGSAP01 Performance Management Governance issues

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS01	Recruit a Policy and Performance Officer to expand capacity and drive delivery of the framework.	Lucy Wright	30-Apr-2024	A new officer is in post. For more information look at Auditors Annual Report Action Plan 2024-25 IA01.	 100%	
AGS02	Redesign performance reporting following adoption of the 2023-2027 Council Plan to clearly align with Council priorities.	Lucy Wright	31-Jan-2025	Refreshed quarterly performance reporting. For more information look at Auditors Annual Report Action Plan 2024-25 IA02.	 100%	
AGS03	A revised presentation will be introduced for the performance summary in the 2023-24 Narrative report.	Helen Ogram	30-Jun-2024	Publication of the performance summary. For more information look at Auditors Annual Report Action Plan 2024-25 IA04.	 100%	
AGS04	The process for recording, monitoring and reporting complaints has been refreshed for 2024-25 and rolled out to all managers.	Lucy Wright	31-Mar-2025	Data was analysed for use as a source of performance information to improve service quality. For more information look at Auditors Annual	 100%	

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
				Report Action Plan 2024-25 IA06.		
AGS05	All Council service plans to have a uniform introduction/structure and to be aligned with the vision, priorities, and values outlined in the Council's Corporate Plan with golden thread.	Lucy Wright	30-Sep-2024	For more information look at Auditors Annual Report Action Plan 2024-25 IA03.	<div style="width: 100%;"><div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div></div>	



AGSAP02 General – Significant Financial Challenges

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS06	Progressing implementation of the Council's plan for financial resilience 2024-27 and the agreed initiatives and projects contained within, such as major service collaborations reviews, redesigning services and digital transformation.	Ian Miller	31-Mar-2025	<p>Actions in transformation and financial sustainability plan agreed with Cabinet/CLT, June 2024.</p> <p>Several items already completed, some resulting in no change or opportunity for savings.</p> <p>Being implemented or pursued further:</p> <ul style="list-style-type: none"> - Potential further asset transfers to town councils - Additional debt recovery officer in revenues - Minor potential changes from review postage and printing - Tool to support comparison of productivity. 	<div style="width: 40%;"><div style="width: 40%; background-color: #4f81bd; color: white; text-align: center;">40%</div></div>	
AGS07	To continue to actively participate in and understand/model the impact of the fundamental Finance Reform, encompassing New	Ian Miller	31-Mar-2025	Comprehensive spending review will deliver multi-year settlements for 2026-27 onwards. Work and consultation on distributional changes expected to commence by end 2024 and run through 2025, beyond the	<div style="width: 25%;"><div style="width: 25%; background-color: #4f81bd; color: white; text-align: center;">25%</div></div>	



Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
	Homes Bonus and Business Rate Review.			target date.		
AGS08	To re-focus the work around income generation and commercialisation on net income, recognising the impact of price and wage inflation and interest rates on service viability.	Ostap Paparega	31-Mar-2025	Generation of the new net commercial income is monitored in monthly bases.	<div style="width: 100%;"><div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div></div>	
AGS09	To continue to work with partners on Localism to meet target savings in MTFS.	Steve Brant	31-Mar-2025	Project team established at C&E lead by Cabinet Member / Portfolio Holder (CLA&CS). Currently a number of projects in train together with a series of meetings with all TC / PC etc.	<div style="width: 90%;"><div style="width: 90%; background-color: #4f81bd; color: white; text-align: center;">90%</div></div>	
AGS10	Explore collaborative service solutions where resilience can't be secured internally.	Ian Miller	01-Apr-2025	Comprehensive spending review will deliver multi-year settlements for 2026-27 onwards. Work and consultation on distributional changes expected to commence by end 2024 and run through 2025, beyond the target date.	<div style="width: 25%;"><div style="width: 25%; background-color: #4f81bd; color: white; text-align: center;">25%</div></div>	


AGSAP03 Governance of Property Portfolio

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS11	Continue to implement the agreed governance framework when considering proposals to be funded via the approved Capital Portfolio Fund Strategy.	Caroline Newlands	31-Mar-2025	We continue to implement using agreed governance framework. Work Ongoing.	<div style="width: 60%;"><div style="width: 60%; background-color: #4f81bd; color: white; text-align: center;">60%</div></div>	






Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS12	Undertake thorough due diligence and complete the due diligence check list at each stage of the approval process.	Caroline Newlands	31-Mar-2025	The checklist is in place and used when buying a new property. Work Ongoing.	<div style="width: 60%;"><div style="background-color: #4f81bd; height: 10px; width: 60%;"></div>60%</div>	
AGS13	The business case model and each business case reflects the evidence requirement for the economic argument and fully covers whether capital plans and risks are proportionate.	Ostap Paparega	31-Mar-2025	No new business cases submitted.	<div style="width: 0%;"><div style="background-color: #4f81bd; height: 10px; width: 0%;"></div>0%</div>	







AGSAP04 Partnership and Engagement Governance issues




Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS14	Maintaining resilience in the governance process with particular regard to the increasingly complex array of partnership agreements and alternative funding solutions the Council.	Caroline Newlands	31-Mar-2025	Full business case required for each proposal.	<div style="width: 100%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div>100%</div>	
AGS15	Ensure arrangements for traded services and arms-length organisations are fit for purpose Further investigation of various structures for different arrangements, including utilisation of the approved LATC.	Caroline Newlands	31-Mar-2025	No local authority trading company active at the current time. The companies remain dormant until a proposal requiring their use is identified.	<div style="width: 100%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div>100%</div>	

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS16	Further investigation of various structures for different arrangements, including utilisation of the approved LATC.	Caroline Newlands	30-Jun-2024	For more information look at The Annual Government Statement Action Plan - AGS16.	<div style="width: 100%;"><div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div></div>	



AGSAP05 Cyber Resilience Governance Issues




Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS17	Develop the overall Cyber security and business continuity Strategies.	Dave Johnson	31-Dec-2024	Action progressing well, on track for completion by the due date. The Cyber Security strategy will be heavily reliant on the outcome of the work undertaken through the CAF pilot project.	<div style="width: 90%;"><div style="width: 90%; background-color: #4f81bd; color: white; text-align: center;">90%</div></div>	
AGS18	Develop the business case for implementing a Cloud First policy.	Dave Johnson	31-Dec-2024	Action progressing well, on track for completion by the due date. Cost information received for transfer to the Cloud for Agresso, Civica Open revenues and Idox planning and Land Charges. This will inform the Business Case for a Cloud First policy.	<div style="width: 50%;"><div style="width: 50%; background-color: #4f81bd; color: white; text-align: center;">50%</div></div>	
AGS19	Quarterly review of network security and cyber resilience; extra assurance/training for remote working/meetings.	Dave Johnson	31-Mar-2025	Quarter 1 and 2 reviews complete. There are currently a number of additional network scans on-going as part of PSN plan. The procurement for the next Penetration test due to commence with test to take place in the New Year.	<div style="width: 75%;"><div style="width: 75%; background-color: #4f81bd; color: white; text-align: center;">75%</div></div>	
AGS20	CT Strategy and Strategy Board.	Dave Johnson	31-Mar2025	Board met in September and November with next meeting due January.	<div style="width: 75%;"><div style="width: 75%; background-color: #4f81bd; color: white; text-align: center;">75%</div></div>	
AGS21	Review of compliance by Cyber	Dave Johnson	31-Mar-2025	The managers guide for action in the event	<div style="width: 65%;"><div style="width: 65%; background-color: #4f81bd; color: white; text-align: center;">65%</div></div>	

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
	Security and Information Governance Sub-Group.			of an attack has been produced and final testing on-going. Test exercises to be planned before Christmas.		
AGS22	Risk assessments and review of security of hybrid working arrangements built into assurance programme.	Dave Johnson	31-Mar-2025	Action progressing well, on track for completion by the due date. Security changes have been made to VPN.	<div style="width: 80%;"><div style="width: 80%;"></div></div> 80%	
AGS23	Regular cyber and phishing training.	Dave Johnson	31-Mar-2025	Programme progressing as planned. Cyber training portal to be rolled out in the next few weeks as well a new user portal.	<div style="width: 80%;"><div style="width: 80%;"></div></div> 80%	
AGS24	On-going improvement to infrastructure and system updates including patching, firmware updates.	Dave Johnson	31-Mar-2025	Patching is on-going, Cario system has now also been upgraded to latest version of Window OS.	<div style="width: 70%;"><div style="width: 70%;"></div></div> 70%	
AGS25	Annual penetration tests.	Dave Johnson	31-Dec-2024	Delayed due to staff absence but on track for completion in Q4. The procurement due to commence in November. With Test planned in New Year.	<div style="width: 40%;"><div style="width: 40%;"></div></div> 40%	
AGS26	Additional 2 factor authentication and cloud back-up for o365.	Dave Johnson	31-Dec-2024	2FA required now if users login to O365 from non corporate device. Cloud back of main system now progressing following implementation of new back servers and new backup jobs	<div style="width: 60%;"><div style="width: 60%;"></div></div> 60%	
AGS27	Signed up to DLUHC Cyber Assessment Framework (CAF) pilot. CAF provides a systematic	Dave Johnson	31-Dec-2024	Action progressing well, on track for completion by the due date. Self assessment is fundamentally complete.	<div style="width: 70%;"><div style="width: 70%;"></div></div> 70%	


Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
	and comprehensive approach to assessing management of cyber risks to essential functions.			Workshops held with assessor. Next step to finalise and submit assessment.		
AGS28	Continued assessment and replace / upgrade systems where appropriate to enhance security.	Dave Johnson	31-Mar-2025	Implementation of Mimecast progressing well. Cybergraph element of system including alerts and warning due to go live in the next few weeks. SAN / Server contract awarded project kick off meeting W/C 21/10. SAN and Servers have been delivered with implementation due to start w/c/ 25th November.	<div style="width: 75%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 75%	
AGS29	Cyber security exercises to test service / users readiness.	Dave Johnson	31-Dec-2024	See AGS21 - Test exercises to be planned before Christmas.	<div style="width: 35%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 35%	
AGS30	Regular security policy updates.	Dave Johnson	31-Mar-2025	Progressing to plan. Live on eLearning, next stage is to go live on Intranet. New AI policy included.	<div style="width: 75%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 75%	

AGSAP06 Major Capital Projects




Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS31	On-going regular reporting on progress will be delivered through enhanced quarterly Capital Programme reporting.	Ostap Paparega	31-Mar-2025	The Future High Street Fund and the Levelling Up Fund projects are reported in quarterly bases to Government, and they require sign-off by the Senior Responsible Officer and the section 151 Officer. The s151 Officer	<div style="width: 100%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 100%	
AGS32	All reporting will be assessed to ensure that it meets governance	Ostap Paparega	31-Mar-2025	Ongoing - Governance arrangements are in place in for externally funded projects	<div style="width: 100%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 100%	






Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
	requirements.			(FHSF, LUF). Reporting frameworks in place as required by the FHSF and LUF requirements.		
AGS33	Project Boards meets regularly and in line with agreed timeline.	Ostap Paparega	31-Mar-2025	FHSF and LUF project boards meet every 6 weeks.	<div style="width: 100%;"><div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div></div>	
AGS34	Financial, performance and assurance returns completed.	Ostap Paparega	31-Mar-2025	FHSF and LUF returns are submitted to the Government on the quarterly basis. Returns are prepared by the programme manager and signed off by the Senior Responsible Officer and the s151 Officer.	<div style="width: 100%;"><div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div></div>	
AGS35	Clarity of delineation of the roles of those Members and Officers concerned with the delivery of projects.	Ostap Paparega	31-Mar-2025	Roles and responsibilities in terms of levels of responsibility, authority and accountability are clearly defined as follows: <ul style="list-style-type: none"> • Member – attend board meetings as appointed by Cabinet. • Cabinet Members – receive regular reports. • Officers - Senior Responsible Officer (SRO)/ Project Sponsor and Project Manager and Officer roles are assigned to the relevant officers. 	<div style="width: 100%;"><div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div></div>	

AGSAP07 Workforce planning

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS36	Implementation of the new	Emma	31-Mar-2025	Implementation of the OD Strategy has	<div style="width: 70%;"><div style="width: 70%; background-color: #4f81bd; color: white; text-align: center;">70%</div></div>	

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
	Organisational Development Strategy.	Ruffinato		<p>been successful. Year one has been completed. All the outcomes achieved from year 1, there are significant inroads in year 2.</p> <p>Some work and review have commenced on the succession planning embedded in the plans developed. Year 3 will be dedicated to the focus activity.</p> <p>We are seen significant work in terms of offer of deficits of working of benefits as the local employer of choice, demonstrated by the number and quality of applicants for roles and increased staff retention/lower staff turnover, implementation of new systems. The numbers and diversity of candidates have significantly increased.</p>		
AGS37	Succession planning embedded with plans developed.	Emma Ruffinato	31-Mar-2025	<p>Some foundation work has commenced but the main effort on the implementation will be in year 3.</p> <p>Initial CLT discussion on Succession plan and framework on 17th of September. Proposals to be developed and finalised by end December.</p> <p>From CPC08 from the Corporate Peer Challenge.</p>	<div style="border: 1px solid black; padding: 2px;"> <div style="background-color: #4F81BD; width: 35%; height: 15px; display: inline-block;"></div> 35% </div>	▶

Code	Title	Assigned To	Due Date	Latest Note	Progress Bar	Status Icon
AGS38	Embedding the new Risk Management strategy.	Helen Ogram	30-Sep-2024	2024-25 refresh of the Risk Management Strategy approved by Cabinet. For more information look at IA16 from the Auditors Annual Report (AAR).	<div style="width: 100%;"><div style="width: 100%; background-color: #4F81BD; height: 15px;"></div></div> 100%	
AGS39	Identify and deliver appropriate risk management training to members and responsible officers.	Helen Ogram	31-Mar-2025	Training added to training programmes. Procurement fraud awareness training delivered to Managers Forum July 2024. Procurement training scheduled for Audit Committee to be delivered in September 2024. For more information look at IA20 from the Auditors Annual Report (AAR).	<div style="width: 100%;"><div style="width: 100%; background-color: #4F81BD; height: 15px;"></div></div> 100%	
AGS40	Operational risks identified in Service plans and scored in-line with the strategy.	Helen Ogram	31-Mar-2025	The requirement has been reiterated to CLT members. Risk training management training will be available for teams to access from September onwards. Completion of the training will help develop the council's risk maturity and improve risk recording and monitoring and assist in the development of suitable treatment actions.	<div style="width: 60%;"><div style="width: 60%; background-color: #4F81BD; height: 15px;"></div></div> 60%	

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

AUDIT COMMITTEE
27th NOVEMBER 2024

**External Auditors Annual Report (AAR) 2021/22 and 2022/23 - Action Plan
November Progress Update**

OPEN	
CABINET MEMBER:	Cabinet Member for Finance and Capital Portfolio
RESPONSIBLE OFFICER:	Helen Ogram, Head of Resources
CONTACT OFFICERS:	Head of Resources Helen.ogram@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Auditors Annual Report Action Plan Quarter 1 Progress update

1. PURPOSE OF REPORT

- 1.1 The report presents the latest progress against the Auditors Annual Report action plan which has been developed to address the issues identified within the 2021-22 and 2022-23 Combined Auditors Annual Report.

2. RECOMMENDATION

- 2.1 The Audit Committee is asked to note the Auditors Annual Report Action Plan progress update attached at Appendix 1 and to further note that the approved Action Plan is now complete.

3. BACKGROUND

- 3.1 Our external auditors prepare two annual reports to those charged with governance each year. The first is the Annual Audit letter, the second is the Auditors Annual Report. The Auditors Annual Report (AAR) 2021/22 and 2022/23, prepared by Grant Thornton was consider by the Committee at the March 2024 meeting. Bishop Fleming, the council’s current external auditors, presented the draft Auditors Annual Report 2023-24 to Committee in September 2024, the final report was published on the Council’s website and circulated to Committee members on Friday 15th November.
- 3.2 Under the National Audit Office (NAO) Code of Audit practice, the Council’s External Auditors must consider whether the Council has put in place arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report their commentary on the Council’s arrangements under specified criteria. The report should be issued annually in the Auditors Annual Report, but due to the resource constraints experienced in the local audit sector the NAO allowed the report to cover both 2021-22 and 2022-23.

3.3 The auditors can make three types of recommendations:

Type of recommendation	Detail	Raised within this report
Statutory	Written recommendation to Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014	No
Key	The NAO code of Audit Practice requires that where auditors identify significant weaknesses, they should make recommendations setting out the actions that should be taken by the Council	Yes (1)
Improvement	These recommendations are advisory and, if implemented, should improve arrangements but do not indicate significant weakness.	Yes (8)

3.4 Due to resource constraints the external auditors for financial years 2021-22 and 2022-23 (Grant Thornton), were not able to reflect all of the corrections of fact and did not consider further evidence provided by officers to refute some of the findings in the final report. These errors were noted in the management comments printed in the published report and reflected in the management response and action plan considered by Audit Committee at the May 2024 meeting.

4. KEY ISSUES

4.1 All observations and recommendations from independent reviews on the way that the council operates are considered by management, and actions taken as appropriate, to improve the governance arrangements. An improvement action plan was developed and considered by Audit Committee in May 2024. Latest progress against the action plan is attached at Appendix 1.

4.2 The auditors identified one significant weakness concerning the performance management framework and have made one key recommendation.

Key recommendation – action should be taken by the Council		
<i>Improving economy, efficiency and effectiveness</i>		
KR01	Auditor judgement	The Council’s arrangements for performance and programme management are not adequate
	Auditor recommendation	The council needs to invest in its performance management arrangements as a means to focus on priorities and to drive improvements. Clearer Key Performance indicators that relate to priorities and service standards, integrating performance, risk and finance reporting and using performance information to contract its key contracts such as leisure and waste services are all key elements of an effective performance management system and should be improved at the council
All improvement actions complete and previously reported		

4.3 Eight improvement recommendations were made and 21 improvement actions were agreed by Audit Committee in response. The latest progress is summarised in the table below and detailed in Appendix 1. Of the 21 actions agreed, 18 were completed by the end of August and reported to September Committee, the final 3 outstanding actions are now complete.

Improvement recommendations – advisory to improve arrangements		
Financial sustainability		
IR01	Auditor judgement	Developing a costed workforce strategy will enable the Council to plan its future workforce requirements and build in medium to long-term assumptions for budget planning.
	Auditor recommendation	Improve the workforce Strategy to enable the implications to be fully costed and understood over the medium to long-term.
One improvement action (IA07) now complete - The HR&OD manager has reviewed the approach taken to workforce planning by our nearest neighbours to identify whether there are any good practice points that can be recommended for adoption.		
IR02	Auditor judgement	The Council needs to ensure it has adequate CFR to meet the prudential indicator relating to debt and that its planned borrowing is sustainable.
	Auditor recommendation	The Council should ensure it keeps its CFR under review to ensure it is able to meet the prudential indicator relating to debt and satisfy itself that its current planned level of borrowing is sustainable.
No actions proposed to this recommendation as the council already follow the best practice approach recommended by our treasury advisors.		
IR03	Auditor judgement	Capital reporting needs improving to include expected and actual programme benefits, track outcomes of capital spend and understand reasons for delays to programme delivery
	Auditor recommendation	Improve the governance arrangements for the Council's capital programme, ensure its benefits are captured and reported to enable members to make informed decisions and ensuring the Council learns lessons from its arrangements. The reporting also needs to include outcome performance and reasons for programme slippages.
One improvement action (IA09) now complete – A post completion review of properties acquired under the Capital Portfolio Fund strategy has been presented to and considered by Overview and Scrutiny Committee.		
IR04	Auditor judgement	Capital Programme governance requires improvement
	Auditor recommendation	The Council should improve capital programme governance especially in relation to the two most significant programmes (LUF and FHSF). Without this the Council is at risk of losing grant funding or alternatively exposing the Council to financial risks where the project costs exceeded budget. Programme management should be strengthened, and the Council must ensure that risk management arrangements are in place with risks, mitigations and assurances reported regularly to programme boards. Regular monthly updates on these significant capital projects should be provided to Cabinet.

Improvement recommendations – advisory to improve arrangements		
All improvement actions complete and previously reported		
IR05	Auditor judgement	The Council’s fraud arrangements are not sufficient and the lack of effective controls relating to member and officers risk corruption occurring in decision making
	Auditor recommendation	The Council needs to improve its identification and risk of fraud by <ul style="list-style-type: none"> • Extending its work to cover procurement and financial processes • Adopting the CIPFA 2014 code of practice on managing the risk of fraud and corruption • Introduce monitoring for officer and member declarations of interest and gifts and hospitality
One improvement action (IA18) now complete - The Anti-fraud plan has been updated to capture the controls in place that cover procurement and financial processes. All controls identified are embedded.		
IR06	Auditor judgement	Risk Management requires improvement
	Auditor recommendation	The Council needs to make more effective use of its risk register
All improvement actions complete and previously reported		
IR07	Auditor judgement	The council did not have a fully resourced Internal Audit team for 2021-22 or 2022-23
	Auditor recommendation	The Council must ensure that it has adequate internal audit capacity to effectively deliver a risk based annual audit plan.
All improvement actions complete and previously reported		

Improving economy, efficiency and effectiveness		
IR08	Auditor judgement	The Councils arrangements for procurement and contract management are not adequate
	Auditor recommendation	The council needs to improve its procurement and contract management arrangements by: <ul style="list-style-type: none"> • Updating its procurement strategy (<i>note last updated July 2023</i>) • Ensuring that the contract register is monitored, kept up to date and is used by all services. • Ensures that it fully meets LGvt Transparency regulations. Has a suitably trained client lead for procurement and contract management (<i>note procurement officer holds a level 5 qualification</i>)
All improvement actions complete and previously reported		

5. FINANCIAL IMPLICATIONS

- 5.1 There are no direct financial implications arising from this report. Should any additional costs be identified they will be assessed and considered at the appropriate time. Recommendations proposed are aimed to improve financial resilience and improve economy efficiency and effectiveness.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Following external review the action plan has been prepared. There are no legal or policy implications arising from this report.

7. IMPACT ASSESSMENTS

- 7.1 The Council ensure that its processes are kept up-date and relevant. Good governance ensures that resources are properly used for the community it serves. There are no equality, climate change or environmental impacts arising directly from this report.

8. RISK MANAGEMENT

- 8.1 The actions identified in the action plan provide treatment actions to reduce the risks identified in the auditors annual report around financial sustainability, governance and improving economy efficiency and effectiveness. Failure to respond to the recommendations would result in the opportunity presented to reduce such risks being forfeited.

9. CONCLUSION

- 9.1 The improvement action plan progress report is attached at Appendix 1 is presented for review by Audit Committee to give assurance that measures proposed are being implemented. Good progress has been made and many actions have been completed ahead of the target date.

10. CONSULTEES

- 10.1 Corporate Leadership Team.

11. BACKGROUND PAPERS

- 11.1 Auditors Annual Report 2021-22 and 2022-23

Auditors Annual Report – Combined reporting for 2021-22 and 2022-23 – Action plan for implementation 2024-25

- November update

Key Recommendation – significant weakness

	Auditor judgement	Key Recommendation	Issues/Findings
Improving economy, efficiency and effectiveness			
KR01	The Council's arrangements for performance and programme management are not adequate	The council needs to invest in its performance management arrangements as a means to focus on priorities and to drive improvements. Clearer Key Performance indicators that relate to priorities and service standards, integrating performance, risk and finance reporting and using performance information to contract its key contracts such as leisure and waste services are all key elements of an effective performance management system and should be improved at the council	<ul style="list-style-type: none"> • The Council's performance data is not clearly aligned with Council priorities. • The Council has a 1-page corporate plan which makes it difficult to manage performance or embed a golden thread. • The Council has no performance outcomes and a lack of effective strategy and leadership for performance. • The council does not produce an annual performance report for the public which makes it hard for residents to hold members to account. • We found no monitoring of key service providers for Leisure and Waste. <i>(Note this is a factual inaccuracy, we do not have an external waste contract – note this was drawn to the auditors attention but was not corrected. The auditor was unable to substantiate the finding)</i> • The Council do not analyse data around service complaints for use as a source of performance information to improve service quality
Management Comments			
Management welcomes the constructive appraisal of our arrangements that were scaled back as we responded to austerity some years ago. Significant progress has been made in 2023-24 in developing a performance and programme management culture within the Council with recruitment under way for a new Policy and Performance Management role in 2024-25. Following adoption of the 2023-2027 Council Plan, the performance management reporting framework has been redesigned with the introduction of clearer financial and service performance information and LG Inform data for WFDC compared against similar councils now being			

presented in quarterly performance management reporting. Further work is underway to clearly establish a golden thread to help officers understand how they contribute to corporate delivery of council priorities.				
Improvement actions		Owner	Due date	Progress and Assurance
IA01	Recruit Policy and Performance Officer to increase capacity	LW/IM	April 2024	Achieved – new officer in post
IA02	Redesign performance reporting following adoption of the 2023-2027 Council Plan to clearly align with Council priorities.	LW	March 2024	Achieved - The performance management reporting framework has been redesigned with the introduction of clearer financial and service performance information and LG Inform data for WFDC compared against similar councils. The reporting will continue to evolve to reflect the performance measures in the 2024-25 Service Plans. Reporting reviewed and commended during the March 2023 Corporate Peer Review.
IA03	Corporate Approach to Service planning refreshed to provide a consistent presentation that aligns council priorities with service actions and clearly presents performance outcomes	IM	Autumn 2024	Achieved - Service planning reviewed April 2024 Outstanding – inclusion of resources and alignment of all actions with priorities in the corporate plan.
IA04	For a number of years, the Narrative report that accompanies the Annual Statement of Accounts has been used to present details of the Council’s annual performance to the public. In 2022-23 following feedback from the external auditors the report was made less verbose, and the information was presented as a pictogram. The presentation of the summary will be reviewed and refreshed again for the 2023-24-year end. The media/comms team will publish the performance summary as a news/information item.	HO/LW	May 2024	Actioned - A revised presentation was introduced for the performance summary in the 2023-24 Narrative report. An Annual Report detailing key achievements has been prepared and published (July 2024).
IA05	Performance management metrics and indices are routinely included in Council contracts. The requirement is embedded in the council’s tender	HO/CN	May 2024	Actioned – Standard terms and tender documentation has been reviewed and refreshed.

	documentation. The standard phrasing will be reviewed and refreshed as required to ensure it is consistent with best practice.			
IA06	Complaints Handling, recording and reporting process reviewed and updated	LW	April 2024	Actioned - The process for recording, monitoring and reporting complaints has been refreshed for 2024-25 and rolled out to all managers. Information relating to complaints will form part of the quarterly budget and performance monitoring report in 2024-25. A summary of the complaints received in 2023-24 was incorporated into the Q4 budget and performance report. A bi-annual progress report is considered by Audit Committee

Improvement (Advisory) Recommendations 1.

	Auditor judgement	Improvement Recommendation	Issues/Findings	
Financial sustainability				
IR01	Developing a costed workforce strategy will enable the Council to plan its future workforce requirements and build in medium to long-term assumptions for budget planning.	Improve the workforce Strategy to enable the implications to be fully costed and understood over the medium to long-term	<ul style="list-style-type: none"> The Council's Organisational Development strategy does not include SMART actions or details of cost to enable the budget to align to the future workforce requirements 	
Management Comments				
<p>Workforce requirements are fully costed in the medium-term financial strategy, including where there are known changes arising as a result of changes to regulations that impacts on council strategies or services. The full financial implications of implementing the workforce strategy are not known until the actions linked to the plan have been completed. The work undertaken by the s151 in preparing the annual statement on the robustness of the estimates and the adequacy of reserves takes a risk-based approach and encompasses Corporate Risk 06: Organisational capacity to deliver - unable to maintain skilled, balanced and motivated workforce to ensure that the budget is aligned to future workforce requirements. Unfortunately, the Auditors were not able to expand on this recommendation or provide examples of best practice. We agree to examine the approach taken to organisational development elsewhere in the sector to see where we can develop our approach further.</p>				
Improvement actions		Owner	Due date	Progress
IA07	The HR&OD manager will review the approach taken to workforce planning by our nearest neighbours to identify whether there are any good practice points that can be recommended for adoption.	CN/ER	September 2024	<p>November Update Actioned - The feedback from the other local District Councils as to anything they have adopted was requested as agreed.</p> <p>Unfortunately, none had any good practice to share as they have also identified they need to do some work on this. A joint approach will be explored.</p> <p>The action is marked as complete and the recommendation will now inform the refresh of the OD Strategy.</p>

Improvement (Advisory) Recommendations 2.

	Auditor judgement	Improvement Recommendation	Issues/Findings
Financial sustainability			
IR02	The Council needs to ensure it has adequate CFR to meet the prudential indicator relating to debt and that its planned borrowing is sustainable. <i>(Note that this recommendation doesn't make sense, the CFR is a calculated figure - this was raised with the auditor but was not corrected)</i>	The Council should ensure it keeps its CFR under review to ensure it is able to meet the prudential indicator relating to debt and satisfy itself that its current planned level of borrowing is sustainable	<ul style="list-style-type: none"> The council holds fixed term maturity loans. There is a hypothetical risk that the CFR could be breached in the future if patterns of spend significantly change in future years, this could lead to one of the prudential indicators relating to debt being breached
Management Comments			
The Council's officers regularly review the CFR, it is updated bi-monthly and shared with the Cabinet Member for Finance and Capital Portfolio and formally refreshed and approved by the Treasury Management Review panel bi-annually, as required by regulations. The treasury management team follow best practice and adopt a laddered approach to borrowing that aligns annual maturities of debt to annual minimum revenue provision. This ensures that debt does not, except in the short term exceed CFR and ensures that the Council can pay back its borrowing. We consider that the improvement recommendation describes current practice and reflects both historic and current arrangements in managing this key indicator.			
Improvement actions		Owner	Due date
	None proposed. The council will continue to follow best practice by adopting a laddered approach to borrowing and regularly update and review the CFR.		
			<p>No action proposed – the council will continue to follow the best practice approach recommended by our treasury advisors.</p> <p>The Council's approved Minimum Revenue Provision policy allows for additional voluntary contributions where appropriate and prudent.</p>

Improvement (Advisory) Recommendations 3.

	Auditor judgement	Improvement Recommendation	Issues/Findings	
Financial sustainability				
IR03	Capital reporting needs improving to include expected and actual programme benefits, track outcomes of capital spend and understand reasons for delays to programme delivery	Improve the governance arrangements for the Council's capital programme, ensure its benefits are captured and reported to enable members to make informed decisions and ensuring the Council learns lessons from its arrangements. The reporting also needs to include outcome performance and reasons for programme slippages.	<ul style="list-style-type: none"> Capital reporting needs to be more detailed and integrated with performance to enable members to see the total impact of the programme. It is unclear how the capital portfolio is delivering against wider economic regeneration objectives 	
Management Comments				
Current Capital programme reporting has been enhanced to include expected programme benefits and key risks, in addition to tracking programme spend and providing a narrative update on programme delivery. Detail on progress for the major capital schemes has been included in the main body of the quarterly budget and performance monitoring report in addition to being presented in an Appendix. Reasons for slippage has been made more visible.				
Improvement actions		Owner	Due date	Progress
IA08	Improve integration of capital reporting into the quarterly performance reports	HO	January 2024	Actioned in quarter 3 2023-24 Budget and Performance monitoring report considered by O&S in March 2024 and Cabinet in April 2024
IA09	Prepare a post completion review of properties acquired under the Capital Portfolio Fund strategy	OP/HO	July 2024	November update - The quarter 2 budget and performance report included analysis of financial performance. In addition, Overview and Scrutiny Committee considered a separate report in November 2024 from the Council's retained asset managers (JonesValerio) that included a review of assets post completion. The Transformation and Commercial Board regularly consider performance reports on the Council's property estate.
Business cases will continue to present the benefits of capital spending proposals and expected outcomes to enable members to make informed decisions.				

Improvement (Advisory) Recommendations 4.

	Auditor judgement	Improvement Recommendation	Issues/Findings
Governance			
IR04	Capital Programme governance requires improvement	<p>The Council should improve capital programme governance especially in relation to the two most significant programmes (LUF and FHSF). Without this the Council is at risk of losing grant funding or alternatively exposing the Council to financial risks where the project costs exceeded budget.</p> <p>Programme management should be strengthened, and the Council must ensure that risk management arrangements are in place with risks, mitigations and assurances reported regularly to programme boards.</p> <p>Regular monthly updates on these significant capital projects should be provided to Cabinet.</p>	<ul style="list-style-type: none"> • Current reporting and member involvement is insufficient to meet governance responsibilities as there is no formal reporting from either the LUF or FHSF Board to Cabinet or O&S • There is a lack of effective programme reporting to either the LUF or FHSF Boards. All reporting is project based (<i>note that this is in-line with DLUHC reporting requirements</i>) • Risk reporting is not sufficiently developed in relation to these schemes. • Programme reporting does not include the objectives and planned benefits, success metrics, programme level risk management, budget, milestones, stakeholder mapping, programme deliverables and the communication plan. • Projects should include budget, milestones and timeline, status update, project deliverables. • Capital programme reporting reflects approvals for each year rather than realistically profiling capital spend
Management Comments			
Management welcomes the review and appraisal of arrangements and appreciate that the additional evidence of member involvement and political oversight and the changes that have taken effect in 2023-24 have been acknowledged in the report. Further steps to improve capital programme governance and risk management of our significant schemes are being examined.			
Improvement actions		Owner	Due date
IA10	Review the reporting templates for the FHSF and LUF Boards to capture the standing data (outputs and outcomes) from the funding applications	OP/CN	July 2024
			Progress
			Actioned - Initial review completed with recommendations to amend methodology and some of the templates

Agenda Item No. 10 Appendix 1

IA11	The standing item on the LUF and FHSF board agendas covering the Communication Plan will be changed from a verbal update to a highlight report	OP	May 2024	Actioned - Agreed and communicated to the programme Manager
IA12	The risk reporting to the LUF and FHSF board is currently on an exception basis. This will be reviewed to ensure that board members have full sight of all the risks affecting the projects and the overall programme.	OP/HO	June 2024	Actioned - Revised approach adopted. Programme Boards to receive full risk register ahead of each meeting
IA13	Reporting will be assessed against the criteria set out in the auditor's report and improvements made where omissions are identified.	OP/CN	June 2024	Actioned - Initial review completed with recommendations to amend methodology and some of the templates
IA14	Reporting from the Programme Boards to O&S and Cabinet via the quarterly budget and Performance reporting	HO	May 2024	Actioned - Presentation of Budget and Performance monitoring refreshed to include update from Programme Boards.
IA15	Capital programme reporting will be reviewed to ensure that it presents both the approvals and the latest spend profile	HO	June 2024	Actioned - Quarter 4 budget and performance report
Officers will continue to provide regular monthly updates on significant capital projects to Cabinet members at regular CabCLT meetings.				

Improvement (Advisory) Recommendations 5.

	Auditor judgement	Improvement Recommendation	Issues/Findings	
Governance				
IR05	The Council's fraud arrangements are not sufficient and the lack of effective controls relating to member and officers risk corruption occurring in decision making	The Council needs to improve its identification and risk of fraud by <ul style="list-style-type: none"> Extending its work to cover procurement and financial processes. Adopting the CIPFA 2014 code of practice on managing the risk of fraud and corruption Introduce monitoring for officer and member declarations of interest and gifts and hospitality 	<ul style="list-style-type: none"> The anti-fraud plan needs to be extended to include finance and procurement fraud and be extended to include SMART targets, dates and risks. The CIPFA 2014 code of practice has not been formally adopted. Officer and member declarations of interests and gifts and hospitality are not actively monitored 	
Management Comments				
Fraud risk and anticorruption risk is covered in all reviews of financial systems undertaken. Procurement risk is recognised, and controls are in place to address the risk when evaluating tenders for contracts prior to selection/award. Both officers and members have clear codes of conduct that explicitly cover the risk of fraud. Officer and member declarations are monitored, and Members are asked to declare interests as standard at the start of each decision-making meeting. Unfortunately, the Auditors were not able to expand on this recommendation or explain where additional controls could improve arrangements. The Internal Audit plan 2023-24 on Governance and ethics has made some improvement recommendations and these will be implemented in full. The CIPFA 2014 Code of Practice on managing the risk of fraud will be recommended to Audit Committee for adoption.				
Improvement actions		Owner	Due date	Progress
IA16	The improvement recommendations made in the Governance and Ethics review conducted by internal audit in relation to officer and member declarations will be implemented	CN	November 2024	Complete- All recommendations in the Internal Audit Report were accepted, implementation of agreed actions being followed up by BDO in the internal audit progress reports
IA17	The CIPFA 2014 Code of Practice on managing the risk of fraud will be recommended to Audit Committee for adoption	HO	November 2024	Actioned – Presented to Audit Committee in July 2024
IA18	Anti-fraud plan will be reviewed and updated to capture the controls in place that cover procurement and financial processes	HO	November 2024	November Update - The Anti-fraud plan has been updated to capture the controls in place that cover procurement and financial processes. All controls identified are embedded.

Improvement (Advisory) Recommendations 6.

	Auditor judgement	Improvement Recommendation	Issues/Findings
Governance			
IR06	Risk Management requires improvement	The Council needs to make more effective use of its risk register	The risk management strategy needs improving to include: <ul style="list-style-type: none"> • an escalation processes. • the requirement for service risk registers, risk types and tolerances • the council needs a dedicated lead for risk management. • Risks should be mapped to corporate objectives (<i>note that evidence presented to demonstrate that they were already mapped was not reflected in report</i>) • Programme risk registers need to contain sufficient detail.
Management Comments			
<p>Following the previous improvement recommendation, we updated the Risk Management Strategy in March 2023 before the Corporate Risk Register was reviewed for 2023-24, put in place member training and ensured that risks were mapped to corporate objectives.</p> <p>We accept that our arrangements could be improved by including a target risk score, by improving the narrative on what additional steps are being implemented to bring the risk in-line with the target risk score, outlining our assurance measures and introducing KPIs.</p> <p>We have a clear escalation process but accept that the Strategy could be improved by better describing the process and more clearly identifying the responsibility for service risk registers and for all risks to be scored in line with the same criteria.</p> <p>The 2024 update to the strategy also introduces the requirement for a Corporate Risk Appetite Statement. The updated Risk Management Strategy considered by Audit Committee in March 2024.</p>			
Improvement actions		Owner	Due date
	Progress		
IA19	Reflect the findings from the VFM review into the drafting of the 2024-25 Risk Management Strategy	HO	April 2024
	Actioned - 2024-25 refresh of the Risk Management Strategy approved by Cabinet		

Improvement (Advisory) Recommendations 7.

	Auditor judgement	Improvement Recommendation	Issues/Findings	
Governance				
IR07	The council did not have a fully resourced Internal Audit team for 2021-22 or 2022-23	The Council must ensure that it has adequate internal audit capacity to effectively deliver a risk based annual audit plan	<ul style="list-style-type: none"> • The Council struggled to retain and recruit internal audit capacity during both 2021-22 and 2022-23 • Interim arrangements put in place meant that the Chief Internal Auditor was able to issue her opinion for both financial years. • Less than half of the planned audit days were delivered 	
Management Comments				
The Council ensured that it had adequate internal audit capacity during both 2021-22 and 2022-23 through interim arrangements. This was achieved by engaging a retired ex-employee and by seconding the CIPFA trainees to the Internal Audit team. In both years the Chief Internal Auditor was able to issue her opinion. The Council had commissioned Internal Audit Services from BDO via the CCS framework to ensure that it had adequate internal audit capacity to effectively deliver a risk based annual audit plan prior to conclusion of the VFM review.				
Improvement actions		Owner	Due date	Progress
	None proposed, as noted the council put interim arrangements in place and now has commissioned the service with an external provider to ensure adequate Internal Audit capacity			The council has commissioned Internal Audit Services from BDO via the CCS framework.

Improvement (Advisory) Recommendations 8.

	Auditor judgement	Key Recommendation	Issues/Findings		
Improving economy, efficiency and effectiveness					
IR08	The Councils arrangements for procurement and contract management are not adequate. <i>(Note that evidence was provided to refute the findings, but the auditors were not able to allocate resources to revisiting their conclusion in respect of this recommendation)</i>	The council needs to improve its procurement and contract management arrangements by: <ul style="list-style-type: none"> Updating its procurement strategy Ensuring that the contract register is monitored, kept up to date and is used by all services. Ensures that it fully meets L.Gvt Transparency regulations Has a suitably trained client lead for procurement and contract management 	<ul style="list-style-type: none"> The Council's procurement strategy is dated 2017 <i>(this is inaccurate, the procurement strategy was last updated in July 2023)</i> The contract register is not used by all services <i>(this is inaccurate, the contract register covers all services, evidence was presented to refute this finding)</i> The councils over £500 monthly expenditure reporting shows multiple items of spend to the same supplier that is not part of a contract. The council does not have a suitably qualified lead for procurement and contract management <i>(this is inaccurate since our procurement officer holds a level 5 qualification).</i> 		
Management Comments					
<p>The procurement strategy was last updated in July 2023, the contracts register is monitored, kept up to date and includes all services. Our in-house procurement officer holds a level 5 procurement qualification and we have commissioned additional support provided by West Mercia Police for a practitioner holding a level 7 qualification since 2021 when our previous longstanding (experienced) procurement officer left the council.</p> <p>We accept that further training for both members and officers would develop a greater understanding of individual responsibilities and that some further work is required to make sure the multiple orders for goods or services from the same supplier are brought under a single contract to ensure best value is being achieved.</p>					
Improvement actions			Owner	Due date	Progress
IA20	Training for both officers and members on procurement and contract management will be added to the training programmes for staff and members	HO	July 2024	Achieved - Training for both officers and members on procurement and contract management has been added to the training programme. Procurement fraud awareness training was delivered to Managers Forum in July 2024 and procurement training for Audit Committee was delivered in September 2024. Procurement officer continues to deliver training to service team meetings.	

IA21	We will continue to monitor instances of multiple orders for goods or services from the same supplier to identify any areas where best value could be achieved by bringing all under a single contract.	HO	On-going	On-going control Monitoring of instances of multiple orders for goods and services from the same supplier to identify areas where best value could be achieved continues to be embedded with new performance measures for performance monitoring.
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WYRE FOREST DISTRICT COUNCIL**AUDIT COMMITTEE**
27th NOVEMBER 2024**The CIPFA Financial Management Code**

OPEN	
CABINET MEMBER:	Councillor D Ross, Cabinet Member for Finance and Capital Portfolio
RESPONSIBLE OFFICER:	Head of Resources and s151 Officer
CONTACT OFFICERS:	Head of Resources and s151 Officer helen.ogram@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – The CIPFA Financial Management Code – Self Assessment

1. PURPOSE OF REPORT

- 1.1 Finance in Local government in the UK is governed by a complex mix of rules including primary legislation, regulation and professional standards as supported by regulation. General financial management of a local authority is supported by the standards in CIPFAs Financial Management Code (FM Code) first published in 2019 with an implementation date of 1st April 2021.
- 1.2 The FM Code provides guidance for good and sustainable financial management in local authorities. It sets out seventeen standards of financial management, each having different practical applications according to the size and different circumstances of individual authorities and their use locally should reflect this. The principle of proportionality applies to the FM Code and reflects a non-prescriptive approach to how each standard is met.
- 1.3 This report is a self-assessment and review of the Council's compliance with the standards as set out in the FM Code. It documents detail of what is expected within the standard. It also records evidence of areas of compliance, non-compliance and documents any further actions required to meet and/or improve current processes in place.

2. RECOMMENDATION

- 2.1 **The Audit Committee is asked to note:**

The assessment carried out at APPENDIX 1 of the Council's level of compliance compared to the Standards contained in CIPFA's Financial Management Code.

3. BACKGROUND AND KEY ISSUES

- 3.1 In response to recent concerns around financial resilience of Councils, CIPFA introduced the FM Code driven by the exceptional financial circumstances faced by some local authorities, having revealed concerns about fundamental weaknesses in financial management. In particular there have been a small number of high-profile failures across local government which threaten stakeholders' confidence in the sector as a whole. The FM Code acknowledges that there is much good practice across the sector, but the financial failure of just one local authority is one too many because it brings with it a risk to the services on which local people rely.
- 3.2 The first full year of compliance with the FM Code was 2021/22 and the Council is required to evidence its assessment of compliance with the code and identify any areas for further improvement annually. The initial assessment was reported to Audit Committee on 26th May 2021. Subsequent assessments of compliance have been undertaken by the s151 Officer and used to inform the annual section 25-28 report to Council at the annual budget setting meeting. The review of the Terms of Reference of Audit Committee earlier this year and the update approved by Council in May 2024 clarified that performance against the standards in the FM Code should be part of Audit Committee's work programme.
- 3.3 The purpose of the FM Code itself is to establish the principles in a format that matches the financial management cycle and supports governance in local authorities. A series of financial management standards set out the professional standards needed if a local authority is to meet the minimal standards of financial management acceptable to meet fiduciary duties to taxpayers, customers and lenders. Since these are minimum standards, CIPFA's judgement is that compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration. Beyond that, CIPFA members must comply with it as one of their professional obligations.
- 3.4 While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability. Short-termism runs counter to both sound financial management and sound governance.
- 3.5 Reflecting on the importance of longer term financial planning, one of the objectives of the FM Code is to support authorities to demonstrate that they have the leadership, capacity and knowledge to be able to plan effectively. This must be balanced against retaining the integrity of the annual budget preparation process when the need to make difficult decisions may threaten its integrity.
- 3.6 Significantly, the FM Code builds on the success of the CIPFA Prudential Code, which requires local authorities to demonstrate the long-term financial sustainability of their capital expenditure and associated borrowing. With this success came new financial freedoms to make local decisions on matters that had hitherto been subject to central government control.
- 3.7 The FM Code is consistent with other established CIPFA codes and statements, it is based on principles rather than prescription. The FM Code incorporates existing requirements on local government to provide a comprehensive picture of financial management in the authority.
- 3.8 The application of the FM Code aims to provide strong foundations within local authorities to enable them to:
- Financially manage their short-, medium- and long-term finances

- Manage financial resilience to meet foreseen demands on services
- Financially manage unexpected shocks in their financial circumstances.

3.9 The underlying principles that inform the FM Code have been developed in consultation with senior practitioners from local authorities and associated stakeholders. The principles have been designed to focus on an approach which will assist in determining whether, in applying standards of financial management, a local authority is financially sustainable.

- a. **Organisational leadership** - demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- b. **Accountability** - based on medium term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- c. **Financial management is undertaken with transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- d. **Adherence to professional Standards** is promoted by the leadership team and is evidenced.
- e. **Sources of assurance are recognised** as an effective tool mainstreamed into financial management and includes political scrutiny and the results of external audit, internal audit and inspection.
- f. **The long-term sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

3.10 Each local authority must demonstrate that the requirements of the FM Code are being satisfied. However, the FM Code is not expected to be considered in isolation, and accompanying tools will form part of the collective suite of evidence to demonstrate sound decision making and a holistic view is taken.

3.11 Demonstrating this compliance with the FM Code is a collective responsibility of elected members, the chief finance officer (CFO) and their professional colleagues in the leadership team.

3.12 It is for all the Corporate Leadership team to work with elected members in ensuring compliance with the FM Code and so demonstrate the standard of financial management to be expected of a local authority. In doing this the statutory role of the section 151 officer will not just be recognised but also supported to achieve the combination of leadership roles essential for good financial management.

3.13 An assessment has been carried out at **APPENDIX 1** of the Council's assessed level of compliance compared to the Standards contained in the FM Code.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from this report.

5. LEGAL AND POLICY IMPLICATIONS

- 5.1 The Head of Resources and s151 Officer (the Chief Finance Officer) has the Statutory Responsibility (supported by the Corporate Leadership Team and elected members) for ensuring compliance with the FM Code.

6. IMPACT ASSESSMENTS

- 6.1 There are no discernible impacts relating to this report.

7. RISK MANAGEMENT

- 7.1 If compliance with the CIPFA Financial Management Code is not demonstrated, the Council's financial sustainability could be brought into question which in turn could result in a negative impact on its reputation with stakeholders.
- 7.2 The Finance Team contains experienced qualified Accountants and Accounting Technicians who are required to undertake regular Continuing Professional Development in line with the requirements of their qualifications.

The Council has a strong, effective Corporate Leadership Team supported by experienced officers.

There is also the role played by both Internal and External Audit both of which offer challenge and ensure compliance with laws and regulations.

8. CONCLUSION

- 8.1 The CIPFA FM Code is intended to be a live document to support continuous improvement of financial management. Council is required to demonstrate compliance with the Financial Management Code each year.
- 8.2 The appendix to this report identifies the CFO assessment against each Financial Management Code Standard and also highlights action required. This shows that overall, there is a high level of compliance but that there is room for continuous improvement in some areas. This assessment will be used as a data line for future reporting to this Committee that will be done on an annual basis.
- 8.3 Having considered the six principles of the Financial Management Code and the Financial Management Standards that underpin these principles the CFO Officer considers that although there are areas for improvement the Council complies with the Financial Management code with significant prospects for improvement.

9. CONSULTEES

- 9.1 Corporate Leadership Team
- 9.2 Cabinet Member for Finance and Capital Portfolio

10. BACKGROUND PAPERS

- 10.1 CIPFA Financial Management Code

The CIPFA Financial Management Code – Self Assessment November 2024 by Head of Resources and s151 Officer (CFO)

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
Responsibilities of the Leadership Team and Chief Financial officer (CFO)				
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	17-18	Legislative requirement for Authorities to deliver VFM. Delivery of VFM depends on decisions by Elected Members. Shared responsibility across the Leadership Team to communicate and understand the risks involved.	<p>The Council operates under a Leader/Cabinet system. Councillors are supported by the Corporate Leadership Team (CLT), which is headed by the Chief Executive. CLT is responsible for the overall leadership and management of the Council, for setting and monitoring overall strategic direction and for ensuring high performance and VFM in the delivery of Council Services.</p> <p>The Annual Governance Statement focuses on all aspects of governance including processes around VFM in service provision.</p> <p>Service and financial performance is reviewed formally on a quarterly basis by Overview and Scrutiny Committee and by Managers and CLT on a monthly basis. Monthly monitoring is shared at meetings of Cabinet and CLT. The Transformation and Commercial Board uses its remit to cyclically review key services and the Terms of Reference for Overview and Scrutiny Committee includes VFM reviews in its work programme.</p> <p>The Council regularly uses benchmarking data sourced from LG Inform, LG Futures financial information service, Link Treasury Management, Oflog and elsewhere. This service includes annual benchmarking information on: Unit Costs.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Sales, Fees and Charges. Council Tax and Business Rates Treasury investments</p> <p>These are provided to the Corporate Leadership Team and Senior Service Officers to understand how the Council's indicators compare to nearest neighbours and all District Councils.</p> <p>The Council has signed up to CFO Insights for three years to support the transformation agenda.</p> <p>The Council takes advantage of the LGA's peer review framework to help improve performance by critical friend's identifying areas for development. The latest peer Challenge took place in March 2024.</p> <p>Reports and business cases to decision makers include a financial viability assessment. Financial Implications are set out in all Cabinet reports.</p> <p>External Auditor provides a specific Value for Money Assessment each financial year. This opinion is captured in the Auditors Annual Report (AAR). Recommendations from the AAR are captured in either a specific AAR Action plan or the AGS action plan (depending on timing) monitored by Audit Committee.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Actions: Implement the improvement recommendations from the AAR within 12 months of the report being presented.</p> <p>Increase use of benchmarking data to support the transformation agenda by fully embedding the CFO Insights tool.</p> <p>Develop and embed the Council’s approach to Project Management to improve monitoring and performance reporting on capital projects.</p> <p>Assessment: Amber Ownership: Corporate Leadership Team (CLT) Deadline: April 2025</p> <p><i>Nov 2024 Review Notes.</i> <i>The 2020-21 AAR was received April 2022 and steps taken to address improvement recommendations.</i> <i>The capacity issue within the Local Audit sector meant that the Council’s External Auditors were unable to prepare their AAR for 2021-22 before commencement of the 2022-23 audit. The AAR encompassing 2021-22 and 2022-23 was received by Audit Committee in March 2024. The action plan was considered by Audit Committee in May 2024 and progress monitored by the Committee at meetings in July and September. A further update will be considered by Audit Committee In November 2024.</i> <i>New action added Benchmarking data/ CFO Insights</i></p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	18-19	<p>In summary this Statement requires that the CFO:</p> <p>Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.</p> <p>Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.</p> <p>Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately,</p>	<p>The Head of Resources is the Council's section 151 and Chief Financial Officer (CFO).</p> <p>The Head of Resources is a key member of the Corporate Leadership Team (CLT) and meets regularly with the Cabinet/CLT.</p> <p>All Cabinet Reports are discussed in advance and cleared at both CLT and Cabinet/CLT meetings.</p> <p>The CFO reports to the Chief Executive, holds regular finance meetings with the Cabinet member with responsibility for Finance and works closely with other Local Authority S151 Officers.</p> <p>The CFO is CIPFA qualified with significant experience of local government finance. Continuing professional development is undertaken as required by their accounting body.</p> <p>The CFO through the Finance team provides the quarterly financial reporting and monitoring to CLT and Cabinet, and to Overview and Scrutiny (O&S) Committee. Treasury Management reporting is presented to the Treasury Review Panel for scrutiny and Council as prescribed in the CIPFA Prudential Code and the CIPFA Treasury Management Code.</p> <p>Financial implications and s151 Officer commentary is considered within all key decision making.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
			<p>economically, efficiently and effectively.</p> <p>Must lead and direct a finance function that is resourced to be fit for purpose.</p> <p>Must be professionally qualified and suitably experienced.</p>	<p>The Accountancy and Financial Services Team consists of 14 officers (12.29 FTEs).</p> <p>Internal Audit and Assurance Services are provided by BDO following a successful procurement exercise in July 2023.</p> <p>The Finance Team includes 3 qualified accountants, 1-part qualified accountant and a number of qualified or part qualified accounting technicians and a CIPS qualified procurement officer. There is significant experience within the Finance Team. All officers undertake continuing professional development. There has been a significant reduction in capacity within the finance team over recent years which has impacted on the level of support that can be provided. However, the Council also subscribes to additional professional expertise and advice in relation to technical accounting, treasury management, financial management & planning and taxation. The age profile of the team is an operational risk as a significant proportion of the team will be approaching retirement age within 5-10 years.</p> <p>The Head of Internal Audit (BDO) delivers the Annual Audit Plan and delivers an annual opinion on the Internal Control Environment.</p> <p>Assessment: Amber</p> <p>Actions: To continue to support continuing professional development. To continue to support training and actively consider succession planning.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Ownership: Chief Finance Officer</p> <p><i>Nov 2024 Review – no new actions required. Narrative refreshed</i></p>
Governance and Financial Management Style				
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	21	<p>The leadership team espouses the Nolan principles.</p> <p>The authority has a clear framework for governance and internal control.</p> <p>The leadership team has established effective arrangements for assurance, internal audit and internal accountability.</p> <p>The leadership team espouses high standards of governance and internal control.</p> <p>The leadership team nurtures a culture of effective governance and robust internal control across the authority.</p>	<p>The Council continues to keep under review Governance arrangements and related procedures to ensure best practice so that the highest standards are maintained. There is a Code of Conduct for Members which is overseen by the Ethics and Standards Committee. Training in the requirements of the Code of Conduct is mandatory for all Members. In addition, there is a Code of Conduct for Officers.</p> <p>The Council's constitution is openly available on the Council's website and sets out; what powers are delegated to the Cabinet, Committees, individual members and what matters are reserved for collective decision of the Council, and the procedures to be followed to ensure that decisions are taken efficiently and transparently.</p> <p>The Financial Regulations, Contract Procedure Rules and Scheme of Delegation clearly set out key governance for financial management. Job roles/profiles and the job evaluation system recognise management of resources as a key responsibility. This is assigned at an appropriate level so that service delivery and budget can be aligned. This constitutes a proper scheme of delegation that ensures that frontline</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>responsibility for internal and financial control starts with those who have management roles.</p> <p>The roles of the Head of Paid Service and Monitoring Officer are defined in the Council's constitution.</p> <p>The terms of reference for the Council's Audit Committee were reviewed early in 2024 and the revisions approved by Council in May 2024. The refreshed ToR conform to CIPFA's recommended approach and cover the areas referenced in full. The Council's Audit Committee has no independent membership and is limited to Councillor representation. The Committee considers all aspects of audit activity and the regulatory framework including corporate governance, as part of its Terms of Reference. Within the Council's Constitution all Committees have separate Terms of Reference.</p> <p>The Council contracted with BDO in November 2023 and so have been in operation for a full year and are compliant with Public Sector Internal Audit Standards (PSIAS). The CFO and Head of Internal Audit (HoIA) have developed an audit plan to provide assurance over the effectiveness of the Governance of the Council, and the system of Internal Control. This will enable the HoIA to provide their annual assessment and so assist in the production of the Annual Governance Statement each year.</p> <p>The Annual Governance Statement is reported to the Audit Committee and progress reports against the Action Plan also reported to Cabinet Members for review and challenge.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>The Overview and Scrutiny Committee meet regularly throughout the year to provide challenge to proposals before decisions are taken. The Committee reviews a combined financial and performance monitoring report on a quarterly basis.</p> <p>Regular meetings between Corporate Leadership Team and Cabinet Members and separate Group Leader briefings.</p> <p>Actions: Continue to develop and enhance the quarterly performance reporting to ensure that performance reporting arrangements are effective and demonstrate that the council is on track to deliver council priorities, drive improvement and demonstrate high standards of services.</p> <p><i>Nov 2024 Review: Narrative and actions updated</i></p>
D	The authority applies the CIPFA/SOLA CE Delivering Good Governance in Local Government: Framework (2016)	22	This framework recommends that the review of the effectiveness of the system of internal control is reported in an annual governance statement	<p>The Council prepares an Annual Governance Statement in line with the framework.</p> <p>The draft is provided to Audit Committee for review and approval in advance of its inclusion in the Statement of Accounts. The Annual Governance Statement (AGS) is also available on the Council's website. The Statement is updated following the end of each financial year. The AGS includes an Annual Internal Audit Opinion on the effectiveness of the internal control environment and the systems of internal control, highlights issues identified annually along with planned action which is monitored by the Audit Committee.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Induction training for all new Members, includes a focus on governance, code of conduct and officer/member relations.</p> <p>The Council's Code of Conduct sets the standards for the conduct of Officers and Members. It is consistent with the principles of the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework.</p> <p>Assessment: Green</p> <p>Actions: Where reviews of the corporate governance arrangements have revealed improvement recommendations, action has been taken that will ensure effective governance in future.</p> <p>Ownership: CFO/Monitoring Officer Deadline: None</p> <p><i>Nov 2024 Review: Narrative and actions updated</i></p>
E	The financial management style of the authority supports financial sustainability	22-23	<p>Strong financial management is assessed against a hierarchy of (1) delivering accountability, (2) supporting performance and (3) enabling transformation.</p> <p>Need to perform well at each level before moving to the next. This is broadly linked to</p>	<p>The Council Plan together with the MTFs and annual budgets set the strategic framework for the work and financial plans of the Council and recognise the agreed corporate priorities and objectives.</p> <p>Stage 1. The Council has an effective framework of financial accountability through:</p> <ul style="list-style-type: none"> • Member delegations which include financial responsibilities. • Officer delegations which include financial responsibilities.

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
			economy, efficiency and effectiveness.	<ul style="list-style-type: none"> • Financial Procedure Rules which set out financial responsibilities for Chief Officers and Budget Holders <p>Stage 2. The Council has a performance management framework in place including, performance measures, customer satisfaction, monitoring of key strategic projects and quarterly performance reporting to Cabinet and Overview and Scrutiny Committee. The Finance Team are working towards a Finance Business Partnering approach, although this has been restricted by capacity.</p> <p>Stage 3. There are many examples of financial management supporting transformation specifically in relation to key strategic projects, but further work is required. Reporting to the Transformation and Commercial Board continues to be fine-tuned.</p> <p>Budget holders are responsible for spend against their budgets and members of the Finance Team meet regularly with budget holders as part of the in-year monitoring process to ensure financial implications of decisions are understood and that managers are responsible for those decisions.</p> <p>Detailed financial forecast and monitoring information is provided to Cabinet so that there is regular oversight of the Council's financial position and of the ongoing funding pressures it faces. A process is in place for the tracking and monitoring of agreed savings and reported within financial monitoring reports. All Committee reports have a financial implication section and require commentary from both the s151 and Monitoring Officer</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>The budget reporting process is closely allied to the Medium Term Financial Strategy (MTFS) and Capital Strategy process. This enables Cabinet and the Corporate Leadership Team to have a wider understanding of the MTFS and take a more holistic view in relation to the revenue budget, capital programme, fees and charges, earmarked reserves and the link between assets ownership and financial planning.</p> <p>Quarterly Budgetary monitoring is reported to Cabinet and Overview and Scrutiny Committee. The history of underspends compared to the budget is noted although this is often the result of accounting for changes in reserves and provisions that cannot be anticipated in advance.</p> <p>Assessment: Green</p> <p>Actions: Continue to develop combined financial and performance monitoring and refine and improve in-year reporting to the Transformation and Commercial Board. Continue to develop a business partnering approach to service delivery.</p> <p>Ownership: CFO/CLT Deadline: April 2025</p> <p><i>Nov 2024 Review – A combined financial and performance monitoring report was introduced in 2022-23, presentation and content continue to evolve. The performance reporting was refreshed during 2023-24. A business partnering ethos is being</i></p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<i>promoted where possible given considerable resource constraints.</i>
Long to Medium Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	25-26	Requirement to test sustainability against plausible scenarios of cost drivers, service demands, resources and key risks. Review of alternative options to match demand and resources.	<p>The Council reviews the CIPFA Financial Resilience Index annually and latest position is reported to Cabinet members and CLT in January each year (on publication of the index by CIPFA). Review of the index informs the CFOs s25-28 report to Council.</p> <p>The s151 Officer undertakes an annual consideration of appropriate level of general reserves and the robustness and adequacy of estimates.</p> <p>The service and financial planning process is based on information on cost and demand drivers to enable robust and informed financial planning in each service area. This is summarised in the MTFS report and the Quarterly Cabinet reports report against the approved MTFS. Risk analysis and management is embedded in all reports and separate risk registers are maintained for significant projects. Financial sustainability is recognised as the greatest risk and is covered in detail in the Corporate Risk Register that is updated monthly, managed by CLT and reported to the Audit Committee a minimum of twice a year. The Council's performance management system also reports on cost drivers, service demands and key risks and these are regularly reported to Overview and Scrutiny Committee.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>The Council has long recognised the underlying financial gap/structural deficit within its budget and has worked towards addressing it through its transformation programmes. However, there still remains significant forecast deficits for 2025-26 and beyond. Further work will be required as part of the 2025-26 budget setting process to address these and minimise the use of reserves.</p> <p>A framework has been put in place to address the medium term deficit and it is anticipated that it will take a further 18 to 24 months to fully achieve its aims. A governance structure is in place, incorporating member and senior officer involvement to oversee progress.</p> <p>The MTFS includes three scenarios on funding and income – a central set of assumptions, more optimistic assumptions and more pessimistic assumptions.</p> <p>The updated Resilience Index, published by CIPFA, is reported to Cabinet/CLT and is incorporated into the budget report considered by Council each year.</p> <p>Assessment: Amber</p> <p>Actions: There still remains significant forecast deficits (funding gap) in the approved MTFS. Further work is required to address these to deliver savings and minimise the use of reserves.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>To continue to monitor and report on the Council’s financial resilience, particularly in the light of the significant funding gap.</p> <p>Ownership: CFO, CLT and Cabinet</p> <p>Deadline: February 2025, as part of the 2025-26 budget process</p> <p><i>Nov 2024 Review – Narrative and actions updated for 2025-26.</i></p>
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	26	Based on the above, have a long-term financial strategy that links to vision, strategy and outcomes. This should include a vision of what services will look like in the future to achieve financial sustainability. The length of the long- term is undefined and should be linked to the risks faced. Potentially should be 10 years+.	<p>The Council produces a three-year MTFS using standard assumptions on housing growth and related service pressures and a 10 year Capital Strategy. The MTFS incorporates revenue and capital models using a range of assumptions for economic and service-related factors. The MTFS is refreshed annually and considered by the CLT and Cabinet before being recommended to Full Council in February each year. The latest funding gap projections are included in quarterly performance reporting.</p> <p>Finance training and briefing sessions to Members and internal teams is provided as part of the medium-term financial planning and budget setting process. These briefings provide an opportunity to explain the key assumptions and risk areas in financial planning including funding for local government, as well as local factors. The risk around financial planning is clearly set out in the Council’s MTFS and has been communicated to</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>the CLT and Members. The growing funding gap/structural deficit makes producing a meaningful long-term plan very challenging.</p> <p>The Council retains prudent levels of resources to manage risks over the short term as outlined in the budget and MTFS papers. Significant progress has been made to embed risk management throughout the Council.</p> <p>Quarterly budget and performance reports are presented to Overview and Scrutiny Committee which track progress against key performance indicators. The reports continue to be developed and enhanced to highlight remedial actions being taken where slippage does occur.</p> <p>Assessment: Green</p> <p>Actions: To further develop the MTFS revenue model to expand the range of assumptions for economic and service-related factors to facilitate additional sensitivity analysis</p> <p>Ownership: CFO, CLT and Cabinet Deadline: January 2025 – As part of the 2025/26 budget process</p> <p><i>Nov 2024 Review – Narrative and actions updated for 2025-26.</i></p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	26-27	<p>The Council has a long-term Capital Strategy that ensures that assets are managed and future plans are linked to capital resources available.</p> <p>The authority has a set of prudential indicators in line with the Prudential Code.</p> <p>The authority has suitable mechanisms for monitoring its performance against the prudential indicators that it has set.</p>	<p>The Council is aware of its obligations under the Prudential Code and has assessed itself as compliant with those obligations.</p> <p>The Council prepares a Capital Strategy in compliance with the Prudential Code that includes information on Assets/vehicle Management Plans and Condition Surveys.</p> <p>A 10-year revenue model is prepared to identify the longer-term implications of capital investment. CFR and MRP calculations cover the extended 10 year timeframe.</p> <p>Both the Capital Strategy and Treasury Management Strategy are approved annually by Full Council in February.</p> <p>The Council's 10 year Capital Programme sets out the high-level capital investment plans proposals and in addition contains a capital projects fund for projects the Council wish to explore but where the supporting business case is not fully developed. Decisions made about schemes within the fund follow consideration of robust business cases and separate reports to Overview and Scrutiny Committee and Cabinet (or sub-committees of each where appropriate).</p> <p>The Council is in the process of reviewing and refreshing its Asset Management Plans reflecting forward planning of the operational estate. There are some key areas</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>which will be further developed in line with Council objectives which will need to be reflected in the Capital Programme.</p> <p>The Council's Treasury management strategy assesses the financial risks from treasury activity, and details the council's net borrowing position, investments, borrowing strategy and debt management. The Council's prudential indicators are set in line with the Code and reflect current and forecast levels of investment and borrowing. There are effective mechanisms in place to monitor performance against the Code, with quarterly reporting to Overview and Scrutiny Committee and Cabinet, and bi-annual reporting to Council. Both the Capital and Treasury Management Strategies set out key affordability principals to ensure the Council's capital spending remains affordable in the long term. This includes the proportion of the revenue budget allocated to fund borrowing costs.</p> <p>The Council has no plans for debt for yield schemes. The Capital Portfolio Fund Strategy will be refreshed to ensure compliance with HM Treasury's strict rules for PWLB loan financing.</p> <p>Assessment: Green</p> <p>Actions: To continue to produce a 10 year strategy. Ownership: CFO Deadline: None</p> <p><i>Nov 2024 Review – Narrative updated</i></p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process.	29	<p>The authority is aware of its statutory obligations in respect of the budget-setting process. These are generally covered by part 2 of Local Government Act 2003. This includes robustness of estimates and reserves (covered below) and the requirement for financial monitoring.</p> <p>It also includes section 114 of the Local Government Finance Act 1988, which requires the CFO to issue a report if the Council is about to incur unlawful expenditure. This would include setting an unbalanced budget.</p>	<p>The Council follows an annual budget setting process that meets all its statutory (Local Government Acts 2000, 2003 and Local Government Finance Act 1992) and constitutional requirements.</p> <p>The Council set its level of Council Tax in February 2024 increasing it by 2.99%, the maximum allowable under current referendum thresholds.</p> <p>The Council approves an annual balanced budget that enables the s151 Officer to positively comment on the robustness of the estimates and the adequacy of the proposed financial reserves (s25 assurance statement) within the annual budget report.</p> <p>All estimates and reserves are reviewed by the Head of Resources in their role as Chief Finance Officer (s151) as part of the MTFs and taken to CLT for challenge.</p> <p>The Council's earmarked reserves (EMRs) are subject to regular CLT challenge and review and are returned to General Reserves where no credible case can be made for their retention. The council holds a General Risk Reserve.</p> <p>The MTFs is refreshed and reported to Cabinet and Council throughout the budget cycle. This starts in December as part of the base budget resetting, with further updates reflecting the impact of the local government finance settlement, current revenue and capital budget proposals etc</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Informal Cabinet meetings are also held during the budget setting process to discuss emerging issues.</p> <p>The development of service budgets is service led. Heads of Service hold overall responsibility for the budget of their service. Cost drivers and demand are considered within each budget heading and used to determine the level of budget required and savings put forward. The detail of the analysis of cost drivers is not contained specifically in the MTFS but forms part of the internal budget setting process, though reference is made to particularly large or significant changes in the narrative.</p> <p>Annual service plans are produced to align operational activity to the Council Plan, its ambitions and desired outcomes.</p> <p>Assessment: Green</p> <p>Actions: To continue to undertake robust review and challenge and reduce expenditure budgets as appropriate and grow commercial income where the constraint of regulations allow.</p> <p>Ownership: Chief Finance Officer and Corporate Leadership Team</p> <p>Deadline: On-going</p> <p><i>Nov 2024 Review – Narrative updated.</i></p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	29-30	<p>The authority's most recent budget report includes a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.</p> <p>Reserves to be considered as part of the budget process and should be 'adequate' and 'necessary'. Should enable the Council to manage unexpected events from within its own resources. The budget report details earmarked reserves held, the purpose of each reserve and estimated opening and closing balances. The report sets out the current level of the authority's reserves, whether these are sufficient to ensure the</p> <p>authority's ongoing financial sustainability and the action that the authority is taking to address any shortfall.</p>	<p>The MTFS includes a detailed statement (Appendix 4 to the February Cabinet and Council reports) from the Chief Finance Officer on the robustness of estimates and a statement on the adequacy of the proposed reserves.</p> <p>A risk assessed minimum level of reserves is included in the MTFS. The level of the Working Balance is reassessed annually.</p> <p>The information from the CIPFA Resilience Index and is referenced in the MTFS (appendix 4), including the reserve comparison to other Councils. Cabinet/CLT receive a detailed analysis annually after publication.</p> <p>Based on current information the Council has sufficient reserves to meet the expected short term deficits, which ensures its sustainability for the short-term pending the outcome of the Council's on-going transformation and financial resilience programme.</p> <p>Assessment: Green</p> <p>Actions: To continue to monitor the level of reserves and to include in regular reports to O&S Committee and Cabinet as well as in the annual Section 25-28 of the Local Government Finance Act 2003 MTFS reports.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>To continue to pursue the Transformation and Financial Sustainability agenda to reduce the use of reserves to deliver a balanced budget over the medium term.</p> <p>Increased use of benchmarking services to consider performance against other Local Authorities.</p> <p>Ownership: CFO, CLT and Cabinet</p> <p>Deadline: February 2025 – as part of the 2025-26 budget process</p> <p><i>Nov Review – Narrative and actions updated</i></p>
Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget.	31	<p>Enabling residents to understand that resources are limited, and spending has to be prioritised. Leadership Team redirects resources to areas of higher priority.</p> <p>Understanding of statutory service delivery requirements. Use stakeholder consultation to set priorities. Helps to encourage community involvement, which could help reduce costs.</p>	<p>The Council undertakes Budget and Corporate Plan Consultation in accordance with section 9 of the Constitution - Budget and Policy Framework Procedure Rules. Consultation results are used to inform and help develop the Corporate Plan and MTFs. Consultation results are reported to Cabinet, Council and Strategic Review Panel as part of the development of the MTFs reporting.</p> <p>The Council engages with stakeholders and partners through joint working arrangements, partnership boards and representation on external bodies' governing boards. The Council provides limited funding to support the Voluntary, Community and Faith Sector (VCFS) locally and</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>commissions these bodies to work with residents and other bodies.</p> <p>The Council utilises online communication channels such as e-bulletins, and social media.</p> <p>Assessment: Green</p> <p>Actions: To continue to hold relevant consultations and stakeholder engagement in accordance with the Media Engagement, and Service protocols</p> <p>Ownership: CLT and Cabinet Deadline: February 2024 – As part of the budget setting process.</p> <p><i>Nov 2024 Review – Narrative and actions updated</i></p>
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	31-32	Decisions are made from clear business cases that detail the up-front and ongoing costs and benefits. Where appropriate the time value of money should be considered. Alternative options should be considered. The complexity of the business case should be proportionate to the decision.	<p>For key policy decisions proposals set out costs, benefits and also options that can be considered other than the recommendation made. Financial implications and risks are set out in full as part of the business case for new proposals.</p> <p>All capital proposals generally have to produce the following business cases:</p> <ul style="list-style-type: none"> - Strategic Outline Case (SOC) - Full Business Case (FBC)

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
			<p>The authority's approach to option appraisal includes appropriate techniques for the qualitative and quantitative assessment of options. Appraisals includes suitable mechanisms to address risk and uncertainty.</p> <p>The authority reports the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)</p>	<p>The five-case model is applied and business cases must include the following five areas:</p> <ul style="list-style-type: none"> - The Strategic Case, - The Economic Case, - The Commercial Case, - The Financial Case and - The Management Case. <p>The accounting treatment and impact is determined at the time of the decision.</p> <p>For Capital Portfolio Fund proposals, a robust options appraisal process is followed as set out in the Strategy for the Capital Portfolio Fund.</p> <p>The Council's project management framework is currently being refreshed. The refreshed framework will make it clear that that there are no major investments, or service changes without developing a business case including an options appraisal and project initiation documents.</p> <p>Assessment: Amber</p> <p>Actions: Further work is required to fully embed project management and the accompanying disciplines throughout the Council and ensure that it is consistently applied.</p> <p>The Council's option appraisal methodology (consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation:</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Principles in Project and Investment Appraisal') to be developed.</p> <p>Ownership: Deputy CE: ED&R, CFO and CLT</p> <p>Deadline: March 2025/November 2025</p> <p><i>Nov 2024 Review – assessment still relevant – links between corporate priorities and decisions strengthened in 2024-25. Actions updated.</i></p>
Monitoring Financial Performance				
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	33	The Council should have timely information on its financial and operational performance. Performance indicators should be reviewed, alongside any overspends/ undelivered savings.	<p>The Quarterly budget and performance reports to Cabinet and Overview and Scrutiny and Monthly Budget Monitoring reports to Cabinet/CLT cover risk and highlight new and emerging risk as well as variances in spending to revenue and capital budgets.</p> <p>Overview and Scrutiny Committee receive regular Property Portfolio Reports that include updates on the performance of the properties held.</p> <p>The Corporate Risk Register is updated monthly and monitored by the s151 and the Corporate Leadership Team who takes half-yearly progress reports to Audit Committee.</p> <p>Assessment: Green</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Actions: The Council will continue to review the format and usefulness of its performance reporting.</p> <p>The Council is currently reviewing its key KPIs to make sure they clearly support the Council’s priorities.</p> <p>Owners: CFO and CLT</p> <p>Deadline: On-going</p> <p><i>Nov 2024 Review – assessment still relevant. Action updated.</i></p>
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	33	<p>The authority has identified the elements of its balance sheet that are most critical to its financial sustainability.</p> <p>There is reference to monitoring material elements of the balance sheet that might give indications of departures from financial plans.</p> <p>Cash flow is managed in accordance with guidance.</p>	<p>The Council has historically considered its reserves position, investments and borrowing, and debt levels as most critical and therefore reporting is currently made on these elements of the balance sheet. Additional reporting on areas including collection rates, arrears and write offs are also incorporated.</p> <p>Forecast use of reserves is reported on a quarterly basis to O&S Committee, Cabinet and CLT. This highlights any changes to planned use/ contribution to balances as well as movements in budgeted contributions to/from earmarked reserves. This then feeds into any MTFS refresh, or revised budget process, along with intelligence about key risks.</p> <p>Annual Balance Sheet projections are undertaken in liaison with the Link Group, the Council’s Treasury Management Consultants and included as part of the regular Treasury Management Strategic updates and twice-yearly Training for</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Members. The 10-year Capital Strategy includes projection of balance sheet key performance indicators including levels of debt, Minimum Revenue Provision and external income streams that service debt costs.</p> <p>Cash flow is included in the Treasury Management Reports.</p> <p>The key elements are monitored by Cabinet, the Treasury Management Panel, Overview and Scrutiny Committee and for the budget reports to the Strategic Review Panel.</p> <p>A Corporate Asset Management Strategy and associated plans are being prepared by Property Services containing condition surveys and information regarding the whole-life cost of assets produced over the medium term. This will be incorporated within the Council's budgets and decision-making process to inform its dispose to retain, preserve, enhance or dispose.</p> <p>Assessment: Green</p> <p>Action Required: Continued review and refinement of the presentation of financial information</p> <p>Ownership CFO Deadline: Ongoing</p> <p>Action: The Corporate Asset Management Strategy to be prepared in a timely manner</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Action Owner Deputy CEO: ED&R Deadline: September 2025</p> <p><i>Nov 2024 Review – Narrative and actions updated</i></p>
External Financial Reporting				
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom	35	The CFO has statutory responsibility for (1) producing the accounts and ensuring they are published on a timely basis (2) maintaining financial records (3) certification of the accounts and confirmation of a ‘true and fair view’.	<p>Both the Council’s leadership team and CFO are aware of the CFO’s responsibilities in terms of the preparation of the annual financial statements. These responsibilities form part of the CFO’s role and personal objectives.</p> <p>The Council’s Statement of Accounts are prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom. A declaration to this effect is made within the accounts and signed by the S151 Officer.</p> <p>Assurance is provided through External Audit and Internal Audit (SIAS).</p> <p>The Council has not been impacted by the much-publicised crisis within the Local Audit regime. The Council has no outstanding audits.</p> <p>Assessment: Green Actions: None Identified. Ownership: CFO</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<i>Nov 2024 Review – no action proposed. New auditors for the 2023-24 year end exacerbated the already challenging time lines. WFDC has a strong track record of meeting its reporting and auditing requirements, one of only 3 councils to do so in 2022-23.</i>
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	35	<p>The authority’s leadership team is provided with a suitable suite of reports on the authority’s financial outturn and on significant variations from budget.</p> <p>The information in these reports is presented effectively.</p> <p>The narrative report that accompanies the accounts provides a link to achievement of outcomes and performance. The Leadership Team understand variances from budget and how they have been managed. The future implications of variances should also be considered i.e. will it affect the financial strategy/ financial resilience.</p>	<p>The Revenue and Capital outturn position is reported to Cabinet and Overview and Scrutiny Committee in line with the Council’s constitution. The report includes comparison of outturn to budget and explains the reasons for any key variances from budget in line with the in-year quarterly budget monitoring process.</p> <p>The report sets out the impact of these variances on general balances and earmarked reserves and makes proposals for further contributions to/ or from these. These reports focus on material issues, which require action or awareness from the leadership team and therefore are appropriately focused.</p> <p>The information in the narrative report is closely linked and cross referenced to the MTFs Reports and the Council Tax leaflet.</p> <p>A reconciliation to the Comprehensive Income and expenditure Statement is also provided to link the statutory accounts to the information provided to the Cabinet, Corporate Leadership Team and Strategic Review Panel.</p>

Ref.	Description	Pages of the Code	Detail	CFO Assessment and Actions Required
				<p>Accounts are prepared within statutory deadlines and working papers produced to a good standard. The Council has consistently been amongst the first Districts to receive the auditor's opinion on the financial statements (have the accounts signed off).</p> <p>Assessment: Green Actions: None Identified Ownership: CFO <i>Nov 2024 Review – narrative updated</i></p>

**Audit Committee
Forward Plan 2024-2025**

May 2024

External Audit Certificates 2021-22 and 2022-23
Internal Audit Progress Report
Internal Audit Follow up of Recommendations Report
Internal Audit Annual Report and Annual Statement of Assurance – Draft
Annual Governance Statement 2022-23 – Action Plan Progress Report
Annual Governance Statement
External Auditors Annual Report (AAR) 2021/22 and 2022/23 – Council Management Response and Action Plan
Risk Management – Corporate Risk Register
DRAFT Audit Committee Annual report to Council 2023-24

Training:
How to be an Effective Audit Committee

July 2024

Internal Audit Progress Report
Internal Audit Follow up of Recommendations Report
Internal Audit Annual Report and Annual Statement of Assurance – Final
Draft Statement of Accounts
Counter Fraud arrangements
Auditors Annual Report 2021-22 and 2022-23 Combined – Improvement Recommendation Action Plan update
Complaints to the Local Government and Social Care Ombudsman 2023/24
Forward Plan

September 2024

Internal Audit Progress Report
Internal Audit Follow up of Recommendations Report
Risk Management action plan update
Auditors Annual Report 2021-22 and 2022-23 Combined – Improvement Recommendation Action Plan update
Audit Completion Report
Auditor's Annual Report
Statement of Accounts 2023-24

Training:
Governance Framework – 5 September 2024
Procurement and Contract Procedure Rules

November 2024

Let Us Know complaints and compliments half yearly report – H1 2024-25
Internal Audit Progress Report
Internal Audit Follow up of Recommendations Report
Annual Governance Statement 2023-24 – Action Plan Mid-year Progress report
External Auditors Annual Report (AAR) 2021/22 and 2022/23 - Action Plan
November Progress Update

The CIPFA Financial Management Code
2023-24 External Audit Certificate (latest position)

Training:
Finance and Budgetary Control

March 2025

Internal Audit Progress Report
Internal Audit Follow up of Recommendations Report
Internal Audit Plan 2025-26
Risk Management Strategy Review
Risk Management action plan update
Accounting policies, judgements and estimation uncertainty
Annual Report to Council – Review of Audit Committee activity
External Audit – informing the risk assessment and plan
Audit Committee self assessment

Training:
Fraud Awareness