

Finance & Audit Scrutiny Committee

Wednesday 9 February 2022

A meeting of the above Committee will be held in the Town Hall, Royal Leamington Spa on Wednesday 9 February 2022, at 6.00pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Councillor J Nicholls (Chair)

Councillor M Ashford

Councillor M Luckhurst

Councillor I Davison

Councillor N Murphy

Councillor R Dickson

Councillor S Syson

Councillor J Grey

Councillor J Tracey

Councillor G Illingworth

Emergency Procedure

At the commencement of the meeting, the emergency procedure for the Town Hall will be announced.

Agenda

Part A – General

1. Apologies & Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. Minutes

To confirm the minutes of the meeting held on 8 December 2021 **(Pages 1 to 5)**

Part B – Audit Items

4. Appointment of External Auditors

To consider a report from Finance

(Pages 1 to 4)

5. Revised Internal Audit Plan 2021/22

To consider a report from Finance

(Pages 1 to 14)

Part C – Scrutiny Items

6. Update on Joint Work of WDC and SDC

To consider a report from the Chief Executive

(Pages 1 to 14)

7. Review of the Work Programme and Forward Plan & Comments from the Cabinet

To consider a report from Civic & Committee Services

(Pages 1 to 9)

8. Cabinet Agenda (Non-Confidential Items and Reports) – Thursday 10 February 2022

To consider the non-confidential items on the Cabinet agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the morning after Group meetings.

(Circulated Separately)

9. Public & Press

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

10. Cabinet Agenda (Confidential Items and Reports) – Thursday 10 February 2022

To consider the confidential items on the Cabinet agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the morning after Group meetings.

(Circulated separately)

Published Tuesday 1 February 2022

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.
Telephone: 01926 456114
E-Mail: committee@warwickdc.gov.uk

You can e-mail the Members of the Committee at
FandAscrutinycommittee@warwickdc.gov.uk

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456114

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Wednesday 8 December 2021 in the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Nicholls (Chair); Councillors: Ashford, Davison, R Dickson, Grey, Illingworth, Luckhurst, Murphy, and Syson.

Also present: Councillor Bartlett (Portfolio Holder for Culture, Tourism & Leisure), Councillor Day (Leader of the Council), Councillor Hales (Portfolio Holder for Transformation/Resources) and Councillor Matecki (Portfolio Holder for Homes, Health and Wellbeing)

51. Apologies and Substitutes

- (a) apologies for absence were received from Councillors Tracey and Wright; and
- (b) there were no substitutes.

52. Declarations of Interest

There were no declarations of interest.

53. Minutes

The minutes of the meeting held on 3 November 2021 were taken as read and signed by the Chair as a correct record.

54. Cabinet Agenda (Non-Confidential items and reports) – Thursday 9 December 2021

The Committee considered the following items which would be discussed at the meeting of the Cabinet on Thursday 9 December 2021.

Item 4 – Proposal to create a South Warwickshire District Council

The Finance and Audit Scrutiny Committee requested that before the Council meeting on 13 December, Councillors should be provided with a new financial table that consolidated the most recent estimates of the financial case based on the savings to be achieved over the period to 2025/2026. The table should include the investments to secure those savings (the three tranches of £1.5m) and should distinguish the savings that would be achieved through service integration and those that could only be achieved from political merger.

The Committee believed that this information would supplement and provide a single point of reference for the financial case for merger from the original information in the Deloitte Report from January 2021 (Appendix 1 to the report), the more recent analyses from the LGA (Appendices 4 and 5) and the financial information provided by the Head of Finance (Appendix 12).

The Committee noted the importance, should a political merger be approved, of harmonising Council Tax between the two current Districts Councils, noting that differences in Parish and Town Council precepts added a further complicating factor in how this would be achieved and over what period. In the opinion of the Committee, the plan for harmonisation would be closely linked to the proposed discussions with the Warwickshire Association of Local Councils (WALC) and representatives of parishes and towns about the devolution of powers, responsibilities and assets.

The Committee considered the Programme Risk Register (Appendix 6). It noted that this superseded the risk assessment made by Deloitte in its report. The Committee expressed a view that the risk ratings for PR004 and PR007 ("democratic deficit" and "integration of culture") were underscored but accepted that the Register was dynamic and the Committee would have the opportunity to consider future iterations of it should the programme go ahead.

The Committee also thanked officers and Members for the significant work that had gone into the report and the appendices, and for the balanced way in which they were written.

Item 10 – Outdoor Sports Review Proposed Delivery Models for Council Owned Facilities

The Finance & Audit Committee recommended to Cabinet that recommendation 4 in the report should be amended to specifically include reference to basketball facilities, to read:

"4) That a procurement exercise is undertaken to appoint one or more tennis operators to run community-based tennis programmes at the Council's four tennis venues. The procurement will make explicit that the tennis programmes are to take account of the basketball facilities at Christchurch Gardens and Abbey Fields and will permit basketball to continue at these venues.)"

The Cabinet was required to vote on this because it formed a recommendation to them.

The Finance and Audit Scrutiny Committee raised a question whether using a different model for tendering could be looked at and discussed with the Portfolio Holder for Culture, Tourism & Leisure and Chair of Finance & Audit Scrutiny Committee.

The Committee also recognised that the Council was bound by its Standing Orders in how it conducted procurement exercises. Nonetheless, the Committee wished to encourage an approach to the proposed tender that required evidence of excellence and the achievements of the outcomes that the Council wished to see from the new strategy as well as commercial innovation in providing the wider access and participation it sought.

Public Speakers Claire Pomfret and Louise Goold addressed the Committee during this item

(At 8.03pm the meeting was adjourned for a comfort break. It reconvened at 8.18pm. Councillor Luckhurst did not return to the meeting.)

55. National Fraud Initiative Update

The Committee considered a report from Finance which provided Members with details of the progress made against the review of data matches from the 2020/21 National Fraud Initiative (NFI) programme, including details of any monies recovered or being pursued where fraud or errors had been identified.

The update provided evidence that the NFI exercise had some merit, with errors being identified that had (or would) lead to the recovery of monies paid out and it also provided assurance that the controls in place at the Council were generally working well to prevent fraud and error.

Therefore this summary report should have helped Members to take assurance in this area and it was requested that the report should be noted.

Resolved that the contents of the report be noted.

56. Annual Governance Statement 2020/21: Update on Implementation of Recommendations

The Committee received a report from Finance which reviewed the progress being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2020/21. The appendix accompanying the report detailed the progress in addressing the Significant Governance Issues.

The recommendation in the report would help fulfil Members' responsibility for effective corporate governance within the Council and provide assurance to Members that the governance issues identified as part of the compilation of the Annual Governance Statement were being addressed.

Resolved that the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2020/21, be noted.

57. Internal Audit Progress Report: Quarter 2 2021/22

The Committee considered a report from Finance which advised on the progress in achieving the Internal Audit Plan 2021/22, summarised the audit work completed in the second quarter and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit. This would aid effective governance within the Council.

Six audits were completed in the second quarter of 2021/22. The Internal Audit reports arising from them were attached as appendices to the report.

The action plans accompanying these reports were set out for separate scrutiny as Appendix 3 to the report. This detailed the recommendations arising together with the management responses, including target implementation dates. Responses had been received from managers to all recommendations that were made, detailed in Appendix 3 to the report

Resolved that the report and appendices be noted.

58. External Review of Internal Audit 2021: Update of Implementation of Recommendations

The Committee considered a report from Finance which advised on the progress in achieving the recommendations arising from the recent external review of Internal Audit.

All recommendations had been addressed or were in the process of being addressed in line with the timetable agreed with the assessor. The service was therefore on course for full compliance with the Internal Audit Standards. This was due to occur by 1 April 2023 (although compliance with the Quality Assurance and Improvement Programme – a continuous series of self-reviews against the Standards – was, as the term suggested, dependent on ongoing activity). These actions would aid effective governance within the Council.

The latest position in respect of implementing the recommendations contained within the action plan was set out as Appendix 1 to the report.

Resolved that the report and appendix be noted.

59. Statement of Accounts – Updated Audit Findings Report

The Committee considered a report from Finance. Further to the Audit Findings Report on the 2020/21 Accounts issued by the Council's external auditors, Grant Thornton, to the last meeting of the Committee, an updated report was presented in anticipation that they should be able to sign off the Accounts following the meeting of the Committee.

Progress on the audit of the 2020/21 Statement of Accounts was reported to the Finance & Audit Scrutiny Committee in November. Since then, work on the audit had progressed.

The Committee had already agreed that any changes required to the accounts were delegated to the Head of Finance in consultation with the Chair of the Committee. The Committee also approved the Letter of Representation which would be sent to the auditors when they were ready to sign off the accounts.

Grant Thornton had also issued a Sector Update Report for the consideration of Members of the Committee.

The Committee was asked to agree to the proposed recommendations.

Resolved that the report be noted.

60. Cabinet Agenda (Non-Confidential items and reports) – Thursday 9 December 2021

The Committee considered the following items which would be discussed at the meeting of the Cabinet on Thursday 9 December 2021.

Item 5 – Quarter 2 Budget Report

The Finance & Audit Scrutiny Committee supported the recommendations in the report. The Committee also welcomed the fact that the Everyone Active (EA) forecast income was showing a positive variance. The Committee requested an analysis of the income received from EA to-date for each year of the current contract including compensation from the Government during the Covid-19 pandemic for lost concession fees.

Item 7 – Housing Revenue Account Business Plan Review 2021

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

61. Review of the Work Programme and Forward Plan & Comments from the Cabinet

The Committee considered a report from Democratic Services that informed the Committee of its work programme for the 2021/2022 Municipal Year, as set out at Appendix 1 to the report, and of the current Forward Plan.

Resolved that the report be noted.

62. Public and Press

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

63. Cabinet Agenda (Confidential items and reports) – Thursday 9 December 2021

The Committee considered the following item which would be discussed at the meeting of the Cabinet on Thursday 9 December 2021.

Item 12 – Costs Associated with the Re-Development of Waverley Riding Stables, Cubbington

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

(The meeting ended at 9.22pm)

CHAIR
9 February 2021

Title: Appointment of External Auditors
Lead Officer: Mike Snow (01926 456800)
Portfolio Holder: Councillor Hales
Wards of the District directly affected: N/A

Summary

This report sets out proposals for appointing the external auditor to the Council for the accounts for the five-year period from 2023/24.

Recommendation

- (1)** That the Finance and Audit Scrutiny Committee recommends that Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.
-

1 Background/Information

- 1.1 The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
- 1.2 PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn/Winter 2021/2022 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.
- 1.3 The report concludes that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:
 - collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
 - if it does not use the national appointment arrangements, the Council will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
 - it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor

resources as PSAA's national procurement; and

- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.
- 1.4 If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.
 - 1.5 Under the current arrangements up to 2022/23, Stratford and Warwick councils have different auditors, Stratford having Ernst Young and Warwick, Grant Thornton. The new contracts from 2023/24 provide the ideal opportunity for both Councils to have the same auditors in the run-up to the proposed merger in April 2024. The requirement for the Councils to have the same auditor will be stressed to PSAA.
 - 1.6 Under PSAA's procurement timeline, contracts should be awarded in August 2022. The Council will then be notified of the proposed auditor and will need to accept the appointment or set reasons why the appointment should not be made. The appointment will be confirmed ahead of 1 April 2023.

2 Alternative Options available to the Council

- 2.1 If the Council does not use the national appointment arrangements, it will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract.

3 Consultation and Member's comments

- 3.1 Comments from the Portfolio Holder have been included within the report.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 N/A.

4.2 Financial

- 4.2.1 Under the PSAA framework, the Council should be able to get better value for money in terms of the audit fees. Under the 2018 arrangements, when PSAA first appointed local authority auditors, there were substantial savings in fees compared to the previous regime under the Audit Commission. As has been noted in recent year, the fees agreed at the start to contract period may change, due to local circumstances and changing accounting and auditing requirements under which the Council and the auditor must operate.
- 4.2.2 Assuming the merger of Stratford and Warwick councils progresses, discussions will be held with PSAA and the appointed auditors to agree the new level of fees for the new authority from 2024/25.

4.3 Council Plan

- 4.3.1 The proposals in this report should help to support all aspect of the Council's Plan, by ensuring that the authority's audit complies with the relevant requirements and is value for money.

4.4 Environmental/Climate Change Implications

4.4.1 N/A.

4.5 Analysis of the effects on Equality

4.5.1 N/A.

4.6 Data Protection

4.6.1 Under the contracts which the auditors will operate, they will need to operate under Data Protection requirements and appropriate confidentiality when dealing with the Council's data and information.

4.7 Health and Wellbeing

4.7.1 N/A.

5 Risk Assessment

5.1 Opting in to the PSAA invitation to the Council to participate in sector-led appointment of external auditors is believed to provide least risk to the Council. This option was followed by the vast majority of local authorities five years ago, including all Warwickshire local authorities.

5.2 If the Council was to not opt in with PSAA, the Council would need to follow all the procurement regulations in terms of going through the procurement process. In addition, as referred to earlier, it would need to appoint an auditor panel. This process will undoubtedly be costlier, and potentially present greater risks to the Council.

5.3 The PSAA framework is expected to engage with all eligible audit firm in the sector. If the Council was to seek to procure its auditors directly, there is risk that many of the firms may not be interested in engaging with an individual district council.

6 Conclusion/Reasons for the Recommendation

6.1 It is concluded that the Council accepting Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023 provides the best route for the appointment of external auditors.

Background papers:

N/A

Supporting documents:

Further details may be found on the PSAA website [here](#).

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Finance and Audit Standards Committee – 9 February 2022	
Title of report	Appointment of External Auditors	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		N/A
Portfolio Holder WDC & SDC *	15/12/20 21	Cllr Hales
Financial Services *	15/12/20 21	Andrew Rollins
Legal Services *	15/12/20 21	Phil Grafton
Other Services		
Chief Executive(s)	15/12/20 21	Chris Elliott
Head of Service(s)	15/12/20 21	Mike Snow
Section 151 Officer	15/12/20 21	Mike Snow
Monitoring Officer	15/21/20 21	Phil Grafton
CMT (WDC)	15/12/20 21	
Leadership Co-ordination Group (WDC)		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to Council
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility

Title: Revised Internal Audit Plan 2021/22

Lead Officer: Richard Barr

Portfolio Holder: Councillor Hales

Wards of the District directly affected: None directly impacted

Summary

The report presents an updated Internal Audit Plan for 2021/22, necessary because of reduced Internal Audit resources arising from the resignation of a member of the team, effective from 31 December.

Recommendations

- 1 That the updated Internal Audit Plan for 2021-22 be approved.
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1 Background

- 1.1 The original Internal Audit Plan for 2021/22 was approved by SMT on 22 February 2021 and by Finance and Audit Scrutiny Committee on 17 March 2021.
- 1.2 The Plan has had to be amended due to a reduction in Internal Audit resources for the year arising from the resignation of a member of the team, effective from 31 December. (The post is in the process of being filled but this will not affect the current year's Audit Plan.)
- 1.3 In consultation with the Joint Management Team, all audits remaining at the time the member of staff resigned were re-prioritised. This has meant that several audits, deemed slightly lower priority, have been deferred. All such audits have been deferred for one year only – 2022/23, subject to consultation on next year's Plan. Three main factors were considered in deciding which assignments should remain in this year's Audit Plan and which can be deferred - the length of time since the activity was last audited, the assessment from the previous audit, and current risk profiles.
- 1.4 The accompanying appendix 1 to this report sets out the updated Audit Plan for 2021/22 highlighting those audits which are to be deferred.
- 1.5 The revised Internal Audit Plan was approved by JMT on 26 November.

2 Alternative Options available to Committee

- 2.1 The report is not based on 'project appraisal' so this section is not applicable.

3 Consultation and Members' comments

- 3.1 Include any comments received in response to the consultation on the report.

No comments received.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

4.1.1 Include a summary of the legal or human rights implications of the proposal.

Not applicable.

4.2 Financial

4.2.1 Include a summary of the financial implications of the proposal.

Not applicable.

4.3 Council Plan

4.3.1 External Impacts

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.3.2 Internal Impacts

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.4 Environmental/Climate Change Implications

4.4.1 An effective internal audit function can assist the Council achieve its environmental and climate emergency objectives.

4.5 Analysis of the effects on Equality

4.5.1 An effective internal audit function can help the Council achieve its equality obligations.

4.6 Data Protection

4.6.1 An effective internal audit function can help the Council achieve its data protection objectives.

4.7 Health and Wellbeing

4.7.1 An effective internal audit function can help the Council achieve its health and wellbeing objectives.

5 Risk Assessment

5.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.

6 Conclusion/Reasons for the Recommendation

- 6.1 The report sets out an updated Internal Audit Plan for 2021/22. The Internal Audit Plan is an important element in providing the required independent and objective opinion to the organisation on its control environment, in fulfilment of statutory duties.

Background papers:

Please provide a list of any papers which you have referred to in compiling this report and are not published documents. This is a legal requirement.

You must also supply these when submitting the report.

All Papers referred to in this report are published documents.

Supporting documents:

Correspondence with JMT as a body and with individual members of JMT.

Report Information Sheet

Committee/Date	Finance & Audit Scrutiny Committee – 9 February 2022	
Title of report	Revised Internal Audit Plan 2021/22	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *		16/12/2021
Financial Services *		
Legal Services *		
Other Services		
Chief Executive(s)		26/11/2021
Head of Service(s)		26/11/2021
Section 151 Officer		26/11/2021
Monitoring Officer		26/11/2021
CMT (WDC)		26/11/2021
Leadership Co-ordination Group (WDC)		26/11/2021
Other organisations		
Final decision by this Committee or rec to another Cttee/Council?		The former.
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No.
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility

STRATEGIC AUDIT PLAN 1ST APRIL 2021 TO 31ST MARCH 2024

RISK-BASED COVERAGE

Assignment Name	Risk Description	Assignment Objective	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Corporate Governance	Risk of corporate governance arrangements not maintained effectively.	To ensure that the Council has appropriate structures, procedures and monitoring arrangements in place with reference to relevant standards.	2020-21	Substantial	5	✓	✓
Performance Management	Fit for the Future Change Programme not managed appropriately/effectively Risk of sustained service quality reduction.	Evaluate the effectiveness of corporate framework for managing performance in relation to the Council's priority objectives.	2018-19	N/A (Consultancy Exercise)	7		
Emergency Planning & Business Continuity Management	Risk of a major incident not responded to effectively.	Evaluate the adequacy of arrangements in place to secure effective Council response to civil emergency incidents in accordance with its statutory duties.	2017-18	Deferred	10		
Human Resources Management	Risk of staff not developed effectively.	To ascertain whether there are adequate controls in place to ensure that structures and processes in place at the council for the management of its workforce are working appropriately.	2019-20	Substantial		✓	
ICT Strategies and Policies	Risk of ineffective utilisation of information and communications technology.	An assurance review of the continued relevance of the key information systems and security policies and the understanding of them and adherence to them in the operational areas of the Council.	2019-20	Moderate	To be determined based on next update of IT Audit Needs Assessment.		
Housing Investment/Maintenance Programmes	Risk of failing to provide, protect and maintain Council-owned property.	To ensure that capital monies available for Housing Improvement are appropriately allocated and that programmed maintenance works are sufficient to ensure that Council dwellings are kept in a good state of repair.	2018-19	Substantial	14		
Housing Stock Asset Management	Risk of failing to provide, protect and maintain Council-owned property.	Appraisal of systems for effective management of the portfolio including maintenance of proper records, asset utilisation, and progressing relevant provisions of Asset Management Plan (excludes rent accounting - covered as separate assignment).	2019-20	Substantial		✓	
Corporate Property and Portfolio Management	Risk of failing to provide, protect and maintain Council-owned property.	To ensure that the arrangements in place to manage the non-operational property are appropriate, making effective, efficient and economic use of the resources available to achieve performance objectives.	2018-19	Substantial	12		

STRATEGIC AUDIT PLAN 1ST APRIL 2021 TO 31ST MARCH 2024

RISK-BASED COVERAGE

Assignment Name	Risk Description	Assignment Objective	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Corporate Procurement	Risk of major contractor going into administration or deciding to withdraw from the contract. Risk of improper procurement practices and legislative requirements not being complied with.	Report a level of assurance on the adequacy of controls in place to ensure that the Council's procurement activity accords with best practice and complies with legislation.	2020-21	Substantial			✓
Information Governance	Risk of not complying with key legislation or legal requirements, including failure to protect data.	Assurance review of the information governance arrangement in light of the legislation changes in 2018 and to include information asset policies, ownership, categorisation, and sharing.	2020-21	Moderate			✓
Financial Strategy, Planning and Budgetary Control	Risk of not investigating potential income sources. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs). Risk of additional financial liabilities.	To ensure that there are appropriate controls in place for financial planning and budgetary control to ensure that the Council's operations and key objectives continue to be sufficiently resourced.	2019-20	Substantial		✓	
Cyber Security	Risk of failure to protect information assets from a malicious cyber attack	Appraise the adequacy of the systems and controls in place to ensure that resources are efficiently, effectively and economically deployed, and performance objectives are met.	2020-21	Substantial	To be determined based on next update of IT Audit Needs Assessment.		
TOTAL DAYS					48		

STRATEGIC AUDIT PLAN 1ST APRIL 2021 TO 31ST MARCH 2024

CORE SYSTEMS

This section comprises core activities that traditionally require Internal Audit input for assurance on financial probity and regularity.

Assignment Name	Assignment Objective	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Council Tax	To ascertain whether there are adequate controls in place to ensure that the Council raises accurate and timely Council Tax bills and that appropriate steps are taken with regards to the recovery of monies owed and the enforcement of any debt agreements	2020-21	Substantial	Deferred	✓	✓
National Non-Domestic Rates	To ascertain whether there are adequate controls in place to ensure that the Council raises accurate and timely NNDR bills and that appropriate steps are taken with regards to the recovery of monies owed and the enforcement of any debt agreements	2020-21	Substantial		✓	✓
Housing Benefit & Council Tax Reduction	To ascertain whether there are adequate controls in place to ensure that benefits are accurately paid and overpayments are appropriately identified and reclaimed. Suggest that the scope for 2021/22 could be Discretionary Housing Benefits	2019-20	Substantial	10	✓	✓
Main Accounting System	To ascertain whether there are adequate controls in place to allow for the complete and accurate accounting of all financial transactions and timely production of final accounts in accordance with statutory and regulatory requirements.	2019-20	Substantial		✓	
Payroll and Staff Expenses	To ascertain whether there are adequate control in place to ensure that only bona fide employees and Members are paid according to entitlement, and that all payments, deductions, etc. are properly discharged and accounted for.	2018-19	Substantial		✓	
Sundry Debtors	To ensure that there are appropriate systems and controls in place for the raising of sundry debtor invoices, the accounting for invoices and income received in settlement, the recovery of arrears and the writing-off of bad debts.	2019-20	Substantial		✓	
Payment of Creditors	To ensure that appropriate arrangements are in place to pay valid creditors for goods and services provided and ensuring that transactions are properly accounted for.	2018-19	Substantial	Deferred		
Capital & Treasury Management	To ascertain whether there are appropriate controls and processes in place for the delivery of treasury management in accordance with relevant legislation, Statement of Professional Practice, Codes of Practice and associated guidance.	2019-20	Substantial		✓	
Housing Rent Collection	To ascertain whether there are appropriate controls and processes in place for rent setting, collection and accounting of rents due and control of arrears.	2020-21	Substantial			✓
Housing Repairs and Maintenance	To ascertain whether there are appropriate controls and processes in place for commissioning and paying for responsive repair work to domestic HRA properties.	2019-20	Substantial	13		
TOTAL DAYS				23		

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OTHER INTERNAL AUDIT COVERAGE

This section covers the auditable areas other than those linked with the Significant Business Risk Register or classified as core systems. The decision to audit these areas is primarily influenced by the Service Risk Registers, but further areas are identified through an internal audit needs assessments process, consultations with senior management and IS/IT audit needs assessments commissioned from approved external contractors.

Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
ICT Services	ICT Business Continuity/Disaster Recovery	Evaluation of the Council's business continuity plans in place and the supporting ITDR arrangements to ensure they are properly co-ordinated and fit for purpose. The review will include the arrangement with the business continuity provider.	IT Audit Needs Assessment	2016-17	Substantial	To be determined based on next update of IT Audit Needs Assessment.		
ICT Services	Infrastructure Security and Resilience	An assurance review of the continued security and resilience of the ICT network infrastructure during / after the relocation planned for 2019. Added to this review may be an element of ensuring the best use is being made of the available technologies.	IT Audit Needs Assessment	2019-20	Substantial			
ICT Services	ICT Change Management and Testing	To report a level of assurance on the key controls in place for managing changes to ICT systems owned by the Council.	IT Audit Needs Assessment	2016-17	Substantial			
ICT Services	Patching and Firmware Updates	Assess whether an adequate patch management policy is in place and is applied consistently.	IT Audit Needs Assessment	2016-17	Substantial			
ICT Services	Remote Access	Review and appraise the adequacy of the systems and controls in place to ensure that remote working arrangements are secure and that devices are appropriately managed.	IT Audit Needs Assessment	2017-18	Substantial			
ICT Services	System Ownership and Management	This audit is to ensure that adequate processes are in place around the management and ownership of key Council systems and that system owner's roles and responsibilities are appropriately defined and documented.	IT Audit Needs Assessment	2018-19	Moderate			
ICT Services	Cloud Applications	An assurance review to assess the risks known to exist as a result of the increased use of cloud technologies within the Council along with controls in place.	IT Audit Needs Assessment	2019-20	Moderate			
ICT Services	Database Security	An assurance review to ensure that database system administration processes are sound and that adequate logical security settings have been implemented on the live server database environment.	IT Audit Needs Assessment	2018-19	Substantial			
ICT Services	Digital Transformation	Ascertain whether the digital transformation project is appropriate and will be able to deliver the anticipated benefits.	IT Audit Needs Assessment	2020-21	N/A (Consultancy Exercise)			
ICT Services	Web Applications	Vulnerability assessments' will be performed to ensure that web applications in place are appropriately secure.	IT Audit Needs Assessment	2020-21	Moderate			
ICT Services	ICT Operations as a Joint Service	To ascertain whether ICT operations are effective in light of the new (and future) joint service with Stratford DC	IT Audit Needs Assessment	No previous audit of this topic	N/A	6		
ICT Services	Microsoft 365	To ascertain whether there are appropriate controls in place over the use of Microsoft 365	IT Audit Needs Assessment	No previous audit of this topic	N/A	7		
Assets	Corporate Properties Repair and Maintenance	Assess the adequacy of controls to maintain the Council's non-housing property assets in proper state of repair, including planning, procurement and work management processes.	Service Risk Register	2017-18	Substantial	Deferred		

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Assets	Utilities Management	To ascertain whether there are adequate controls in place to ensure that the energy requirements of the council are met via economic, efficient and effective procurement and consumption of all forms of energy resources and ensuring compliance with legislation.	Service Risk Register	2019-20	Moderate	12		
Assets	Highways Functions	To ascertain whether there are adequate controls in place to ensure that 'highways' works are undertaken appropriately.	Service Risk Register	2018-19	Substantial		✓	
Assets	Asbestos Management	To ascertain whether there are adequate controls in place to ensure that asbestos is appropriately managed within Council-owned buildings in accordance with statutory duties and relevant legislation.	Service Risk Register	2018-19	Substantial	10		
Assets	Gas and Electrical Safety Checks	Evaluate the controls in place for ensuring that all Council housing stock has had appropriate gas and electrical safety checks performed and that any actions identified as being required are performed as necessary.	Management consultation	2019-20	Substantial		✓	
Chief Executive	Loans to External Organisations	Verify that loans advanced to external organisations are lawful and subject to proper governance arrangements	Reports of emerging issues	2019-20	Moderate		✓	
Corporate Functions	Equality and Diversity	Ascertain the adequacy of the corporate framework for facilitating the fulfilment of the Council's duties under the Equality Act 2010.	Service Risk Register	2019-20	Substantial		✓	
Corporate Functions	Corporate Health and Safety	To ensure that appropriate processes are in place to meet the Council's statutory obligations on health and safety as an employer and provider of services and facilities to customers and the public.	Service Risk Register	2019-20	Substantial		✓	
Corporate Functions	Management of Contracts	To give assurance that the management of contracts is undertaken appropriately across the Council	Senior management consultation	2020-21	Substantial			✓
Corporate Functions	Sustainability and Delivery Outcomes	To ascertain whether there are adequate controls in place to manage the risks in relation to sustainability and the projects that are undertaken to achieve the Council's agreed sustainability actions.	Significant Business Risk Register	2017-18	Substantial		✓	
Corporate Functions	Safeguarding	To ascertain whether there are appropriate policies and procedures in place to identify and deal with those that need 'safeguarding (i.e. children and vulnerable adults).	Senior management consultation	2019-20	Substantial		✓	
Corporate Functions	Health and Wellbeing	To ascertain whether there are appropriate processes in place at the Council to identify the health and wellbeing needs of the district and to undertake appropriate actions to ensure that these needs are met in line with available funding.	Senior management consultation	2020-21	Substantial			✓
Corporate Functions	Health & Safety Compliance of Council Buildings	To ascertain whether the buildings owned and operated by the Council are compliant with relevant Health & Safety legislation	Senior management consultation	2019-20	Moderate		✓	
Corporate Functions	Responding to Complaints & FOI Requests	To ensure that complaints and FOI requests are responded to in an appropriate and timely manner	Senior management consultation	No previous audit of this topic	N/A	10		
Cultural Services	Royal Spa Centre	To ensure that the Council has appropriate controls in place over the operational and financial activities of the venue.	Service Risk Register	2017-18	Substantial		✓	
Cultural Services	Royal Pump Rooms (including Art Gallery)	To ensure that the operational, financial and management controls at the Royal Pump Rooms and Art Gallery are appropriate.	Service Risk Register	2018-19	Substantial		✓	
Cultural Services	Town Hall Lettings	To ensure that the Council has appropriate controls in place over the hiring of the facilities, both in terms of income receivable and safeguarding the facilities against loss and damage.	Internal Audit Needs Assessment	2017-18	Substantial		✓	

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Cultural Services	Leisure and Recreation Facilities	To ensure that appropriate controls are in place with regards to both the on-site operational and financial activities at each relevant facility as well as the management and monitoring of the agreements that are in place.	Service Risk Register	2018-19	Substantial		✓	
Cultural Services	Sports Development	Report a level of assurance on the effectiveness of deployment and management of resources in developing sporting and physical activity in the community.	Internal Audit Needs Assessment	2018-19	Substantial		✓	
Cultural Services	Catering Concessions	To ascertain whether there are adequate controls in place for managing the catering concessions that operate on Council premises to ensure compliance with the agreed conditions and the proper collection and accounting for income due.	Service Risk Register	2020-21	Moderate			✓
Cultural Services	Leisure Facilities Contracts	To ascertain whether the Council has appropriate controls in place to ensure that the Leisure Facilities contractor runs the facilities in line with the contract in place.	Service Risk Register	2018-19	Substantial	Deferred		
Democratic Services & Corporate Support	Committee Services	Report a level of assurance on the adequacy of systems of control operating to support the Council's democratic processes economically, efficiently and effectively.	Service Risk Register	2017-18	Substantial	9		
Democratic Services & Corporate Support	Electoral Registration	Report a level of assurance on the adequacy of structures and processes to maintain economically, efficiently and effectively a complete, accurate and up-to-date Electoral Register in accordance with relevant legislation and standards.	Service Risk Register	2018-19	Substantial		✓	
Democratic Services & Corporate Support	Local Elections	To ascertain whether there are appropriate processes in to place help the Council ensure that local elections are administered economically, efficiently and effectively in compliance with relevant legislation and regulatory provisions.	Service Risk Register	2020-21	Substantial			✓
Democratic Services & Corporate Support	Income Receipting and Document Management	Report a level of assurance on structures and processes to secure economic, efficient and effective collection of income and document management support.	Service Risk Register	2020-21	Substantial			✓
Deputy Chief Executive	Shared Legal Services	To ensure that the Council has appropriate controls in place to secure economic, efficient and effective delivery of legal services under the shared services agreement with Warwickshire County Council (WCC).	Service Risk Register	2020-21	Substantial			✓
Development Services	Economic Development	Report a level of assurance on the adequacy of structures and processes in place to deliver the Council's economic development and regeneration functions economically, efficiently and effectively to achieve priority objectives and targets.	Service Risk Register	2017-18	Substantial		✓	
Development Services	Events Management	Report a level of assurance on the adequacy of arrangements to regulate approved markets and deliver events (including the Warwick MOP) economically, efficiently and effectively in accordance with relevant strategy, policy and regulatory provisions.	Internal Audit Needs Assessment	2019-20	Moderate		✓	
Development Services	Business Applications - IDOX Planning, Bldg. Control & Land Charges	Assess the adequacy of key IT controls in place for the Plantech Acolaid application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	Internal Audit Needs Assessment	2016-17	Substantial	To be determined based on next update of IT Audit Needs Assessment.		

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Development Services	Development Management	Appraise adequacy of controls to ensure that the Development Management functions comply with governing legislation, policies, standards, etc. and are delivered economically, efficiently and effectively to met relevant priority objectives.	Service Risk Register	2020-21	Substantial			✓
Development Services	Building Control	To ascertain whether the Council has appropriate controls in place to ensure that the building control services are delivered economically, efficiently and effectively, across all areas of the partnership, in accordance with statutory requirements etc.	Service Risk Register	2018-19	Substantial	15		
Development Services	Planning Policy	To ascertain whether the processes in place help the Council monitor progress against the Local Plan and to ensure that appropriate policies are being developed to allow for the developments to be undertaken in line with best practice.	Significant Business Risk Register	2019-20	Substantial		✓	
Development Services	Local Land Charges	Report a level of assurance on the adequacy of systems in place to ensure compliance with statutory requirements, completeness and accuracy of records and economic/efficient/effective service delivery.	Service Risk Register	2020-21	Substantial			✓
Development Services	Community Infrastructure Levy and Section 106 Agreements	To ensure that there are appropriate arrangements in place for the new Community Infrastructure Levy (CIL) and that s106 agreements are being appropriately entered into; that other relevant public bodies and teams within the Council are being consulted to ensure that their issues are being considered; and contributions are being received and are used in accordance with the agreement.	Service Risk Register	2020-21	Substantial			✓
Development Services	Conservation and Design	To ascertain whether there are adequate controls in place to ensure that the historic built environment of the district is maintained to an appropriate standard and that consultative and promotional functions are delivered appropriately	Service Risk Register	2019-20	Substantial		✓	
Development Services	Enterprise Facilities	To ensure that there are appropriate controls in place in relation to the operation of the Council's enterprise facilities.	Service Risk Register	2017-18	Substantial	10		
Finance	Business Applications - TechOne Financial Management	Assess the adequacy of key IT controls in place for the TechOne Financials application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2016-17	Substantial	To be determined based on next update of IT Audit Needs Assessment.		
Finance	Business Applications - Civica OPENRevenues	Assess the adequacy of key IT controls in place for the Civica OPENRevenues applications to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2018-19	Substantial			
Finance	Banking Arrangements	To ensure that the Council has appropriate banking arrangements in place that meet the needs of the Authority and that these are effectively controlled.	Internal Audit Needs Assessment	2019-20	Substantial		✓	
Finance	Rural and Urban Capital Improvement Scheme	Report a level of assurance on the adequacy of controls in place to ensure that RUCIS grant funding is awarded and deployed in adherence to the approved scheme.	Internal Audit Needs Assessment	2020-21	Substantial			✓
Finance	Insurances	To ensure that the Council has appropriate, competitively priced insurance cover which is appropriately 'managed' on a day-to-day basis.	Service Risk Register	2018-19	Substantial	10		
Finance	VAT Accounting	Report a level of assurance on the adequacy of controls in place to ensure that VAT is accounted for completely and correctly and that claims arising are processed promptly.	Service Risk Register	2019-20	Substantial		✓	
Finance	Purchasing Cards	Verify that deployment and use of procurement cards is authorised, reasonable and in compliance with the Code of Procurement Practice and relevant specific instructions.	Internal Audit Needs Assessment	2020-21	Substantial			✓

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Finance	Financial Systems Interfaces	This audit is to ensure that the Council's Financial system interfaces are appropriately documented and controlled, and that data is appropriately secured as it is exchanged between systems.	IT Audit Needs Assessment	2018-19	Substantial	7		
Finance	COVID Grants	To ensure that grants made to businesses in relation to COVID lockdown periods have been administered appropriately and Government monies have been accounted for.	Senior management consultation	No previous audit of this topic	N/A	Deferred		
Finance	Test & Trace	To ensure that the Test & Trace process, including payments made, has been set up and run appropriately	Senior management consultation	No previous audit of this topic	N/A	8		
Finance	New FMS - Balance Transfers	To ensure that all relevant balances and details have transferred across from TOTAL & PARIS to TechOne	Senior management consultation	No previous audit of this topic	N/A	10		
Health & Community Protection	Licensing Services	To ensure that the Council's licensing operations comply with statutory and regulatory requirements and that resources are deployed economically, efficiently and effectively to achieve relevant corporate objectives and targets.	Service Risk Register	2017-18	Substantial	11		
Health & Community Protection	Business Applications - APP Civica	Assess the adequacy of key IT controls in place for the APP Civica application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2015-16	Substantial	To be determined based on next update of IT Audit Needs Assessment.		
Health & Community Protection	Funding of Voluntary Organisations	To ascertain whether there are adequate controls in place to ensure that funding provided to voluntary organisations is awarded in line with agreed policies and that the funding is spent in line with the individual agreements.	Internal Audit Needs Assessment	2018-19	Substantial		✓	
Health & Community Protection	Food Safety	Appraise the adequacy of the systems and controls in place to ensure that all applicable premises are identified and inspected, incidents are appropriately responded to, resources are efficiently, effectively and economically deployed and objectives met	Service Risk Register	2019-20	Substantial		✓	
Health & Community Protection	Health and Safety Enforcement in the District	To ensure that the arrangements for undertaking inspections at relevant premises and responding to incidents are appropriate, making effective, efficient and economic use of the resources available to achieve performance objectives.	Service Risk Register	2018-19	Substantial	11		
Health & Community Protection	Statutory Monitoring Functions	To ensure that the processes in place for undertaking the Council's statutory monitoring functions are appropriate.	Service Risk Register	2017-18 (As part of Environment Protection Functions)	Substantial	10		
Health & Community Protection	Community Services	To ascertain whether there are adequate controls in place to ensure that the Pest Control, Dog Warden and Public Space Protection Orders functions are undertaken appropriately.	Service Risk Register	2018-19	Substantial		✓	
Health & Community Protection	Crime and Disorder	To ensure that there are adequate structures and processes in place to ensure compliance with legislation and it can be demonstrated that Crime and Disorder activity is properly managed.	Service Risk Register	2020-21	Substantial			✓
Health & Community Protection	CCTV Services	Evaluation of operational controls within the CCTV service to ensure effective continual serviceability and contribution to street scene objectives.	Service Risk Register	2019-20	N/A - Consultancy		✓	

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Health & Community Protection	Nuisance and Other Protection Duties	To ascertain whether there are adequate controls in place to ensure that nuisances and other 'protection' services (e.g. Public Health Funerals, Accumulations etc.) are dealt with appropriately.	Service Risk Register	2020-21	Substantial		✓	
Housing Services	Business Applications - MIS Housing and Corporate Property	Report a level of assurance on the adequacy of key IT controls in place for the MIS ActiveH housing management application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	IT Audit Needs Assessment	2020-21	Substantial	To be determined based on next update of IT Audit Needs Assessment.		
Housing Services	Homelessness and Housing Advice	Appraisal of systems to ensure compliance with statutory/regulatory/policy requirements, achievement of relevant performance objectives and integrity of financial transactions.	Service Risk Register	2019-20	Substantial		✓	
Housing Services	Affordable Housing Development Programme	Appraisal of systems in place for implementation of Programme, monitoring adherence to relevant policies, management of funding, partnership working and performance review/reporting.	Service Risk Register	2019-20	Substantial		✓	
Housing Services	Private Sector Housing Regulation	To ensure that the Council has appropriate controls in place to deliver the functions of the team in an economic, efficient, and effective manner.	Service Risk Register	2017-18	Substantial	13		
Housing Services	Lettings and Void Control	To ascertain whether there are adequate controls in place for the effective administration of residential property letting.	Service Risk Register	2019-20	Substantial		✓	
Housing Services	Estate Management	Review of the management of the function and an assessment of the efficiency and effectiveness of the service.	Service Risk Register	2018-19	Substantial	9		
Housing Services	Right to Buy	Appraise the adequacy of the arrangement in place to ensure compliance with legislation, efficient and effective processing of applications and adherence to the associated conditions.	Internal Audit Needs Assessment	2018-19	Substantial		✓	
Housing Services	Leaseholder Service Charges	Verify that arrangements for setting, levying and collection of leaseholder service charges are adequate to ensure compliance with legislation, inclusion of all chargeable persons and effective recovery of applicable service and management costs.	Service Risk Register	2018-19	Substantial	9		
Housing Services	Housing Related Support Services	To ascertain whether the Council has appropriate controls in place to ensure that housing related support services are provided economically to the right people at the right time in line with regulation, policies and procedures.	Service Risk Register	2017-18	Substantial	12		
Housing Services	Tenancy Management	To give assurance that the processes and controls within Housing Services for the management of tenancies are appropriate and are working effectively.	Senior management consultation	2020-21	Moderate			✓
Housing Services	William Wallsgrove House	Assess the adequacy of control over on-site operational and financial activities.	Senior management consultation	None as specific assignment	N/A		✓	
Neighbourhood Services	Open Spaces	Report a level of assurance on the adequacy of structures and processes in delivering relevant community, strategic and operational objectives in respect of open spaces.	Service Risk Register	2019-20	Substantial		✓	
Neighbourhood Services	Building Cleaning Services	To ascertain whether the Council has appropriate controls in place to ensure that the Building Cleaning contractor performs the duties expected of them, in line with the contract in place.	Internal Audit Needs Assessment	2020-21	Substantial			✓
Neighbourhood Services	Refuse Collection and Recycling	Appraisal of management systems to ensure compliance with statutory and regulatory requirements and economic/efficient/effective deployment of resources to achieve priority objectives, national targets, etc.	Service Risk Register	2017-18	Substantial	10		
Neighbourhood Services	Street Cleansing	Appraisal of planning and contract administration to ensure that street cleansing services are delivered to the requisite standards in an economic, efficient and effective manner.	Service Risk Register	2017-18	Substantial	10		

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Client Service	Assignment Name	Assignment Objective	Risk Source	Year Last Audited	Assurance Rating Last Audit	2021-22 (Days)	2022-23	2023-24
Neighbourhood Services	Car Parking	To ensure that the arrangements in place for managing the district's off-street car parks are appropriate, to ensure that all income can be appropriately accounted for and to ensure that resources are deployed appropriately.	Service Risk Register	2018-19	Substantial	13		
Neighbourhood Services	Bereavement Services	Assess adequacy of controls in place to ensure economic, efficient and effective management of burial and cremation services and integrity of operational systems and statutory records.	Service Risk Register	2019-20	Substantial		✓	
Neighbourhood Services	Grounds Maintenance	To ascertain whether the Council has appropriate controls in place to ensure that the Grounds Maintenance contractor performs the duties expected of them, in line with the contract in place.	Service Risk Register	2019-20	Moderate		✓	
People & Communications	Recruitment and Selection, Terms and Conditions	Appraisal of systems to ensure compliance with statutory requirements and performance issues in setting/reviewing conditions of service, effective recruitment processes operated and appropriate action on termination of service.	Service Risk Register	2019-20	Substantial		✓	
People & Communications	Corporate Training	Appraisal of Council-wide processes for assessing and funding training needs and measuring the effectiveness of training to meet performance objectives and IIP requirements.	Service Risk Register	2020-21	Substantial			✓
People & Communications	Employee Attendance Management	To ensure that there are appropriate processes in place for managing staff absence, including monitoring of absence and support for staff.	Service Risk Register	2018-19	Substantial		✓	
People & Communications	Communications	To ascertain whether there are adequate controls in place to manage the Council's internal and external communication channels.	Service Risk Register	2020-21	Substantial			✓
People & Communications	Media Services	Report a level of assurance on the adequacy of structures and processes of the Media Services Team in discharging its roles economically, efficiently and effectively in accordance with relevant legislation and corporate policies/strategies.	Service Risk Register	2017-18	Substantial	10		
People & Communications	Website Management	Appraise the adequacy of the arrangement in place to ensure that the website is fit for purpose, is accessible, and includes access management controls to ensure that only appropriate staff can update the site.	Service Risk Register	2019-20	Substantial		✓	
TOTAL DAYS						232		

Title: Update on Joint Work of WDC and SDC
Lead Officer: Chris Elliott (01926 456000)
Portfolio Holder: Councillor Hales
Wards of the District directly affected: All

Summary

It was agreed at a previous meeting of the Overview and Scrutiny Committee and of the Finance and Audit Committee that a report would be brought to each meeting to set out the progress of the work being done to enable effective Scrutiny of the proposals.

Recommendation

That the contents of the report and appendices are noted and any comments arising are presented to the Cabinets of both Councils and the Joint Advisory Steering Group (JASG).

1 Background/Information

1.1 This report re iterates the vision agreed by both Councils and the reasons for undertaking this approach; sets out work done to date; the next steps; the key benefits; and the key milestones and intended overall outcome. The changes from the last report are set out in italics.

1.2 Vision – both SDC and WDC at their respective Full Councils agreed the following vision:

To create a single statutory South Warwickshire District Council covering all of the activities currently carried out by Stratford-on-Avon District Council and Warwick District Council by 1st April 2024.

1.3 Reasons for undertaking this approach:

- Both Councils have significant financial pressures
- Both Councils wish to continue to provide valued services to residents/businesses/local communities
- The two Councils have a good track record of partnership
- There is a shared economic geography between the two Councils
- There is a shared sense of community between the two Councils' areas
- There is a very strong political relationship in place
- The two Councils are within the same County Council area

1.4 Work done to date (including ongoing work) includes:

- Deloitte Report commissioned and agreed by both setting out the high-level business case for the creation of a single South Warwickshire Council
- Vision stated above (paragraph 1.2) agreed by both Councils
- The Cabinet portfolios for both Councils are fully aligned
- Joint contract awarded for the Refuse and Recycling Service
- Agreed to develop jointly a South Warwickshire Local Plan
- Published the first stage of that Plan and issued a call for sites
- Agreed a joint Regulatory Services Enforcement Policy
- Agreed to develop a South Warwickshire Economic Strategy
- Agreed a shared set of ambitions regarding the Climate Emergency
- Joint Staff/HR policies agreed
- Agreed and have appointed a Transformation Programme Manager and Programme Support Officer
- Established a governance regime via the creation of an officer Programme Board (which meets weekly) and the Councillor led Joint Arrangements Steering Group (Reports and Notes of meeting available on the South Warwickshire Together Hub)
- Work on due diligence financially undertaken by LGA consultant and reported to JASG
- Regular meetings with Unison (both branches) on a fortnightly basis
- Communication Hub for all Staff and Councillors of both Councils established – South Warwickshire Together Hub
- Leaders and CEOs meet fortnightly
- Joint Management Team meets fortnightly (2 vacancies immediately saved)
- Discussions have started with the Government regarding the creation of a single South Warwickshire District Council
- Agreed paper for public consultation proposals
- Sharing experience and likewise gaining experience from joint work of other Councils including those who have merged and those who are also considering the same step
- Update presentations given to Councillors, members of staff and Service Managers
- Scrutiny Chairs of SDC/WDC have met
- Start of public consultation on proposal from 6th September to 24th October – 600 representatives of the community directly surveyed; open form available for all to make their comments; stakeholders notified and asked for comments; focus groups for residents; parish/town council; community/voluntary; business
- Consultation on proposal has taken place.
- CEOs have held a consultation session with over 50 Parish/Town Councils; and with business representatives of the Chamber of Commerce; almost 600 staff have attended CEO briefing sessions. All 3 MPs have been briefed.
- Programme of Service Integration and principle of sharing an HQ was subject to a separate report that has been agreed by both Cabinets.
- Business Case for Joint Legal Service integration was agreed by both Cabinets
- Report to Employment Committee re use of Section 113 Agreements for the Service Integration process

- Both Councils considered and agreed to make a formal application to merge the two organisations to create a single South Warwickshire Council – on Monday 13th December
- The application has been acknowledged by a Minister who will lead the work on the assessment.
- Officers have contacted the civil servants to seek follow up meetings and to ensure requests for information are responded to quickly
- Have brought together both Council's Homelessness/Housing Advice teams under the same line manager along with the Community Teams from both Councils. This post will also provide support for the health and well-being work at South Warwickshire Place Partnership Board
- Signed the Joint Waste contract which will start on 1st August
- Published the call for sites in response to the proposed new South Warwickshire Local Plan.

1.5 The work in train includes the following:

- 1.5.1 The recruitment of the staffing of the new Joint Legal Services team is progressing well. This team will take over WDC's legal work from 1st April 2022.
- 1.5.2 The plans for the service integration of the Environmental and Operational Service teams are coming together ready for staff consultation soon.
- 1.5.3 Officers are planning to bring together standardised approaches on risk management; health and safety reporting; debtor management information; and management of S106 and CIL.
- 1.5.4 Assessing an approach where there will be a single call centre for transactional issues by phone, to be reviewed and implemented as each service integration occurs.
- 1.5.5 Commissioning a report on options for a shared HQ.
- 1.5.6 Seeking to secure a collective agreement re the use of S113 agreements with the Trade Unions.
- 1.5.7 Seeking Member agreement to a partnership agreement.
- 1.5.8 Planning to meet the CEO of WALC to start to discuss delegation/devolution arrangements.
- 1.5.9 Incorporating the advised costs of support for integration into each Council's budget proposals.
- 1.5.10 Working up governance proposals for the Shadow Authority and interim ones for both Councils.
- 1.5.11 Preparing a South Warwickshire Economic Strategy.
- 1.5.12 Preparing a residents survey as a benchmark.

1.6 The expected benefits include:

- Delivery of significant net savings as envisaged in the Medium-Term Financial Strategy
- Enhanced partnership working

- Increased presence, influence, and strategic voice
- Increased service resilience
- Improved customer experience – residents and business
- Strengthened workforce opportunities arising from a larger workforce.

1.7 The key milestones are:

- Agreement to the business case to be submitted to Government on 13th December 2021 – **achieved**
- Approval granted by the Secretary of State within a year of the submission date
- Shadow Council in existence from April 2023 – elections inc. those of Parish deferred for a year
- All services merged by March 2024 having started the process in November 2021 - **underway**
- New Council comes into life on 1st April 2024
- Elections to new Council in May 2024.

1.8 The overall outcome would be that a new South Warwickshire Council which has a sustainable financial foundation and so is able to deliver transformed, and relevant services for the residents, businesses, and communities of the area.

2 **Alternative Options available**

2.1 Strategic options were evaluated as part of the work done for the public consultation and can be seen at the Hub. Both Councils have made the decision to seek a merger and previous decisions have agreed plans for service integration and HQ accommodation.

3 **Consultation and Member's comments**

3.1 The purpose of this report is to advise Members of current progress and to enable them to make comments.

4 **Implications of the proposal**

4.1 **Legal/Human Rights Implications**

4.1.1 As so decided by Members, and if so then by the Government, the proposal will have very significant legal implications in that both SDC and WDC will cease to exist and a new legal identify will come into being.

4.2 **Financial**

4.2.1 This report itself does not impact on the budgetary framework or budget, but the subject matter of the report will have an impact as was documented in the report considered in December and in the budget, proposals being considered in February.

4.3 **Council Plan**

4.3.1 **Fit for the Future (FFF)**

4.3.2 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

- 4.3.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found on the Council's website. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.4 **FFF Strands**

External impacts of proposal(s)

People - Health, Homes, Communities - The report will have no direct impact for the community at this stage, but the overall programme will assist with the ability to continue to provide services.

Services - Green, Clean, Safe – As above.

Money- Infrastructure, Enterprise, Employment – As above.

Internal impacts of the proposal(s)

People - Effective Staff – The joint work will offer better protection to staff than the alternatives and by being part of a larger workforce it will offer more opportunities for training and progress.

Services - Maintain or Improve Services – The joint work is intended to better enable the two Councils to maintain or improve their services.

Money - Firm Financial Footing over the Longer Term – It is intended that the work does provide for a firm financial footing over the longer term.

Supporting Strategies & Changes to Existing Policies – The joint work will impact on the two Council's policies. Part of the Programme of work will be to bring the policies of the two Councils into line over the period to 2024 and in some cases beyond that.

4.5 **Environmental/Climate Change Implications**

- 4.5.1 The Councils have agreed joint ambitions on Climate Change and a shared climate change action programme (CCAP). The CCAP provides the basis for joint working to reduce carbon emissions and to enable our communities, economy, and environment to adapt to climate changes. This approach recognises that responses to climate change should not be constrained by administrative boundaries. Furthermore, a single entity will enable a deeper review of the Councils' building assets to be undertaken with the potential to achieve additional carbon reduction measures. Joint working has the potential to reduce carbon emissions from our buildings by enabling shared use of assets and combined approaches to planning and procuring decarbonisation projects.
- 4.5.2 Work is currently being undertaken to complete a joint carbon baseline exercise to show comparable and joint carbon emissions data for WDC and SDC over the last three years. This data will enable prioritisation to be more effective and will ensure progress on decarbonisation can be reported accurately on a regular basis.

4.6 Analysis of the effects on Equality

- 4.6.1 A high-level impact statement prepared in conjunction with public consultation can be seen on the consultation website and will also be published on the South Warwickshire Together Hub.

4.7 Data Protection

- 4.7.1 Not applicable.

4.8 Health and Wellbeing

- 4.8.1 The development of the South Warwickshire Place Partnership (Health) within the overall new structure for the sub region will greatly assist both Councils ability to help improve health and well being for the area. As organisations the Councils are also seeking to integrate their approaches to health and safety reporting and response for staff. Both currently offer similar support packages to staff, and this will be integrated and standardised over time.

5 Risk Assessment

- 5.1 An updated risk register for the joint work is being developed and is attached as Appendix 1 for consideration and comment.
- 5.2 It is worth noting that some risks for Council partnerships elsewhere in the country have been realised. Just after the New Year a public announcement was made that in Hampshire two Councils – East Hampshire and Havant which had been in a partnership for 12 years were going separate ways. Currently they have a single management team and a single Chief Executive and had merged some but not all services and no political merger. A difference in strategic priorities is cited as the reason though behind this no doubt sits some other dynamics relating to style and approach. Some other partnerships have also broken up recently – Cherwell and Oxfordshire County Council; Gloucester City Council and Gloucester County Council; South Holland District Council, Breckland District Council, which has been replaced by a tripartite partnership of three South Lincolnshire District Councils.
- 5.3 Lack of political integration inevitably leaves a significant risk to the partnership of the two Councils.

6 Conclusion/Reasons for the Recommendation

- 6.1 This report sets out current position on the work being done jointly with SDC.

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Overview and Scrutiny/Finance and Audit Committee 8 th /9 th February 2022	
Title of report	Update on Joint Work with SDC	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)	-	
Portfolio Holder WDC & SDC *	31.01.22	Cllr Hales
Financial Services *	31.01.22	Mike Snow
Legal Services *	31.01.22	Phil Grafton
Other Services		
Chief Executive(s)	31.01.22	Chris Elliott
Head of Service(s)		
Section 151 Officer	31.01.22	Mike Snow
Monitoring Officer	31.01.22	Phil Grafton
CMT (WDC)	31.01.22	Chris Elliott, Andy Jones, Dave Barber, Tony Perks
Leadership Co-ordination Group (WDC)		
Other organisations	31.01.22	SDC
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to Overview and Scrutiny Committee/ Finance and Audit Committee
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility



Impact	5	Catastrophic	5	10	15	20	25
	4	Major	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Negligible	1	2	3	4	5
Score			Rare	Unlikely	Possible	Likely	Very Likely
			1	2	3	4	5
			Likelihood				

Programme Risk Register

Ref	Risk Owner	Risk Description	Potential Consequences	Risk Rating			Mitigation	
				Likelihood	Impact	Overall Risk Rating	Existing Controls	Proposed Actions/Comment
PR001	Programme Board	One or both Councils revisiting the decision made on 13 December 2022	<p>Would put a halt to the current considerations by the Secretary of State of the business case proposal.</p> <p>Reputational damage to both Councils regarding the established partnership.</p> <p>Negative impacts on the overall outcome of the proposed constitutional and or operational merger model.</p>	2	5	10	<p>Continue to progress the various workstreams and projects of the transformation programme.</p> <p>Continue to build a strong record of collaboration between the two Councils, strengthening the rationale for merging.</p> <p>Continue to have open and regular engagement with elected members about the outcomes of all options ahead of key decisions</p>	<p>Explore, implement and promote opportunities for cohesion / alignment on key decisions from either Council to mitigate against any detrimental effects to the formation of a South Warwickshire District Council, to include the potential for joint Forward Cabinet Work Plans and joint OSC work programmes.</p> <p>Further development of joint decision-making committees, joint scrutiny arrangements and joint advisory working groups, to include mechanisms to enable engagement with all members of both Councils.</p> <p>Development of a joint member development working group, to provide the opportunity to devise a joint training programme for all members.</p> <p>Considering the possibility of a joint review of the respective Member Allowances Scheme by the Independent Remuneration Panel, to include any necessary alignment of member role descriptions.</p>

PR002	Programme Board	Failure of constituent Councils to come together to implement the decision to form South Warwickshire District Council	Protracted decisions could lead to delays in programme and operational delivery.	3	4	12	<p>Continue to progress the various workstreams and projects of the transformation programme.</p> <p>Continue to build a strong record of collaboration between the two Councils, strengthening the rationale for merging.</p> <p>Continue to have open and regular engagement with elected members about the outcomes of all options ahead of key decisions</p>	<p>Explore, implement and promote opportunities for cohesion / alignment on key decisions from either Council to mitigate against any detrimental effects to the formation of a South Warwickshire District Council, to include the potential for joint Forward Cabinet Work Plans and joint OSC work programmes.</p> <p>Heads of Service to continuously explore, implement and promote alignment of approaches, processes and service delivery for example when developing Service Plans.</p>
PR003	Programme Board	The Government may not give assent to the merger proposal.	<p>Both councils would have to seek further options to achieve savings and efficiencies</p> <p>Both Councils not realising the full potential of financial and non financial benefits</p> <p>Operational merger that follows a shared service model only, would be subject to further risk of being abandoned in the future with for example, changes to administration or priorities from either Council.</p>	3	4	12	<p>Continue to build a strong record of collaboration between the two Councils, strengthening the rationale for merging.</p> <p>Consult the public and show the results of this consultation along with the responses to any themed concerns</p> <p>Regularly engage with government officials to update on progress and receive any steer on direction</p>	<p>Build a strong business case showing clear financial and non-financial benefits.</p> <p>Further engagement with influential stakeholders.</p>
PR004	Programme Board	A submission to merge the district councils could trigger a local government reorganisation review for the whole Warwickshire area	An invitation from Government would have to be responded to within a given timescale.	3	3	9	<p>Previous scoping work has been undertaken in consultation with other district and borough councils that began to explore local government reorganisation options.</p> <p>Maintain dialogue with the DLUHC on position.</p>	To note, this is not the primary intention of the proposed merger of the two district councils.

PR005	Programme Board	Establishment of a larger local authority could lead to a 'democratic deficit' as a result of the reduction in the overall number of elected members.	Residents feeling further removed from their representatives	2	3	6	Maintain established links with Town and Parish Councils.	<p>Establish arrangements to help elected members encourage community participation in decision making.</p> <p>Exploit the opportunities that modern technology offers to increase engagement between residents and elected members.</p>
PR006	Programme Board	A bigger council may result in diseconomies of scale	If unchecked, could risk long term sustainability of local government.	2	4	8	<p>Alignment of organisational policy, processes and contracts has begun.</p> <p>Any changes to services are carefully assessed and the right scale for all services should be found.</p>	Services do not have to be delivered at the super-district level if they are better delivered more locally. Economies of scale should only be made when suitable.
PR007	Programme Board	Lack of programme management and transformation capacity and capability to deliver the merger and transformation around the same time.	Failure to effectively manage interdependencies between transformation activities may lead to increased cost of delivery and / or implementation delays.	3	3	9	<p>Transformational funding will be required to fund additional Council Staff posts to manage the change. This has been initially agreed at £200k annually for a 3 year period and will be monitored by the programme board.</p> <p>Programme Management Office (PMO) established to track and monitor delivery of the programme, realisation of benefits (with measurable targets), risk management, member engagement, governance and reporting.</p>	<p>Take a phased approach where the merger is implemented first along with robust change management processes before wider large scale transformation takes place will help ensure there is sufficient change management capacity.</p> <p>Additional funding for ICT, redundancy and external advice will be required to enhance the full potential outcomes and benefits to be realised in time.</p> <p>Where appropriate buy in the skills and capacity needed.</p> <p>Ensure timescales are realistic based on the resources available.</p> <p>Assessment of support required by services for their alignment.</p>

PR008	Programme Board	Newly formed teams and organisational cultures are not fully integrated	Could lead to staff issues such as reduced morale and increased staff turnover.	3	4	12	<p>A clear rationale and set of principles for service integration are developed to integrate teams and enable further optimisation to take place afterwards.</p> <p>A communications strategy and plan should be produced explaining the transition process and the operating principles of the new authority.</p>	<p>Design and delivery of the 'One Team' Workstream will seek to implement culture change activities and initiatives.</p> <p>Identify opportunities to create capacity through new staffing models.</p> <p>Maximise the opportunities afforded by workforce agility, technology and partnership working with other public sector agencies.</p> <p>Senior leadership should model the new behaviours and actively manage culture change during the transition.</p> <p>Embed new ways of working into performance management and reward systems.</p> <p>Identify staff change champions.</p>
PR009	Programme Board	Anticipated savings are not achieved and/or transition costs exceed estimates.	This may impact on the financial resilience of the new council.	3	4	12	<p>Establishment of a programme management office.</p> <p>Undertake regular reviews of the savings profiles and calculations during implementation to ensure they remain realistic and achievable.</p>	<p>Develop thorough and realistic cost and savings plans. Use scenarios to stress test best and worst case outcomes.</p>
PR010	Programme Board	Failure to effectively manage interdependencies between transformation activities may lead to increased cost of delivery and / or implementation delays.	May lead to increased cost of delivery and / or implementation delays.	3	4	12	<p>Establishment of a programme management office</p> <p>Development of a detailed implementation plan.</p> <p>Implement a robust change management process.</p>	<p>Receive regular reports from workstream leads</p>

PR011	Programme Board	Integration of ICT systems across the two councils	The complexity of IT integration may undermine and put at risk the potential benefits of common working practices gained from IT integration.	4	4	16	<p>The future IT architecture will need to be defined and the current position baseline understood.</p> <p>A clear plan for migrating IT systems during the migration implemented within the ICT and Digital Workstream</p>	<p>Being realistic about the pace of ICT integration - it will take several years and a lot of investment.</p> <p>Needs to correlate with the digital strategy and customer access strategy, when developed.</p> <p>Plan and estimated cost (including support) of ICT intergation programme required.</p>
PR012	Programme Board	Preparing for the transition may draw resource away from delivering other council strategies and plans.	<p>Reduction in performance and service delivery levels.</p> <p>Increase the risk of service disruption and reduce resilience of the existing and new council.</p>	3	4	12	<p>Development of a robust implementation programme plan, including more detailed plans of contributory workstreams and change activities.</p> <p>Manage the resources required to contribute towards the development and implementation of the programme of change</p>	<p>Test resilience to ensure crisis systems, risk capacity and risk management systems are in place.</p> <p>Establish a clear split between those working on the merger and those running the operational business and bring in additional resources where there are capacity and skills gaps.</p>
PR013	Programme Board	The Grading Review as part of this process may result in potential extra costs due to some posts being uplifted and others being protected.	Could compromise the delivery of anticipated savings	3	3	9	<p>Review potential savings on a continual basis through the implementation phase, especially during service integrations.</p> <p>Implement agreed Joint HR Policies</p>	<p>Implement a single job evaluation scheme by the time of the proposed merger.</p> <p>Further alignment of Terms and Conditions</p> <p>Cost of job evaluation process, outcomes and salary protction to be estimated.</p>
PR014	Programme Board	Implementation of a major change may be seen as a capacity risk at a time when there will also be a major focus on COVID-19 recovery activities.	Reduction in performance and service delivery levels	3	4	12	<p>Joint management team to monitor matters arising within their service areas and to escalate to the Programme Board accordingly.</p>	<p>Set out clear timescales and resource implications for implementation, and ensure these can be met under the current ways of working and COVID-19 pressures (including any backlog of work due to the pandemic).</p> <p>Review capacity against the timescales and resource requirements, and identify gaps where recruitment / external support is required.</p>

PR015	Programme Board	The process of agreeing a new service design could lead to a service that is not ideal for either predecessor.	Reduced levels of service delivery for the existing councils now and threaten the effectiveness in a new Council.	3	4	12	<p>Ensure the implementation plan allows enough time for services to be co-designed and agreed upon.</p> <p>Establish a clear rationale and principles for service integration and optimisation.</p>	<p>Any changes to services should be carefully assessed and the right scale for all services should be found.</p> <p>Services do not have to be delivered at the super-district level if they are better delivered more locally.</p>
PR016	Programme Board	Significant changes in operational and political leadership	Could impact negatively on the appetite for shared services and joint working.	2	4	8	<p>Robust terms of reference for the governance structures established for the programme</p> <p>A communications strategy and plan developed to explain and relay the transition process and principles of the change programme.</p>	<p>Senior leadership should model the new behaviours and actively manage culture change during the transition.</p> <p>Identify staff and member change champions across both Councils through One Team Workstream.</p>
PR017	Programme Board	Lack of customer/stakeholder focus	<p>Increase in complaints from customers.</p> <p>Loss of faith and support in current and proposed organisation of local government</p>	2	4	8	<p>Communications and engagement plan to include activities for key stakeholders including residents</p>	Further engagement to take place at different stages in the run up to becoming a single Council
PR018	Programme Board	Underestimate of start-up and delivery costs	Increased budget spend could hamper any expected savings	3	3	9	Financials to be regularly reviewed through the programme lifecycle including spend and savings	<p>Additional funding for ICT, redundancy and external advice will be required to enhance the full potential outcomes and benefits to be realised in time.</p> <p>Estimated costs being re-assessed for consideration by Board.</p>
PR019	Programme Board	Loss of service performance and council reputation	<p>Increase in complaints from customers.</p> <p>Loss of faith and support in current and proposed organisation of local government</p>	3	4	12	Joint Management Team oversee KPIs for their service areas and to escalate	Programme schedule to be reviewed regularly to reduce impact on business as usual service delivery
PR020	Programme Board	Not standardising policies and procedures, especially at organisational level	Left unchecked, this could lead to issues of imbalance and increase potential for mismanagement and underperformance	2	4	8	<p>Organisational policy alignment and harmonisation to be led through the Organisational Development Workstream</p> <p>Acknowledgment that this will take a considerable amount of time and effort.</p>	<p>Once integrated, service areas to further explore these through service delivery / action plans</p> <p>The corporate strategy workstream would seek to address this wider in the transitional run up to becoming one Council</p>

PR021	Programme Board	Getting accurate comparable data on unit costs	Savings profile for both Councils could appear imbalanced	4	3	12	Acknowledgement of the current MTFPs of both councils and the associated savings.	Consolidating and creating a single MTFP
PR022	Programme Board	Political balance and constitution of each Council could present challenges for key decisions and milestones.	Protracted decisions could lead to delays in programme and operational delivery	3	4	12	The Joint Arrangements Steering Group, with agreed representation and the group leaders from both Councils is used as an initial discussion forum ahead of consideration at decision making committees.	The possibility of establishing further joint committees such as Cabinet and Overview and Scrutiny to be considered at an appropriate stage
PR023	Programme Board	Loss or absence of key officers during key activities of work in the programme such as Service Integrations	Implementation of service integrations could be hampered or delayed , impacting on the schedule.	3	4	12	Programme board to decide and implement interim measures to address these promptly. Key officers to be kept informed of programme's progress.	As a contingency, other service integrations may be brought forward.
PR024	Programme Board	Large proportion of officers leave during the transformation process and before efficiencies are realised.	The retained workforce could be insufficient to deliver services and implement further transformation	2	3	6	Joint organisational change policy, recruitment and redeployment procedures agreed and in place from April 2021. Ensure service integration is staggered so that there is sufficient staff to establish new processes and support the new organisation to manage the loss of any knowledge and experience. Implement a robust change management process with service areas as they integrate and then look to optimise over time..	Once new processes are established, consider further efficiencies and enhancement opportunities.

Finance & Audit Scrutiny Committee
9 February 2022

Title: Work Programme, Forward Plan & Comments from Cabinet

Lead Officer: Graham Leach

(T. 01926 456114 or E. committee@warwickdc.gov.uk)

Portfolio Holder: Not applicable

Public report

Wards of the District directly affected: Not applicable

Accessibility checked: Yes

Summary

This report informs Members of Finance & Audit Scrutiny Committee of its work programme for 2021/2022 Municipal Year (Appendix 1) and of the current [Forward Plan](#).

Recommendations

- (1) That the Committee considers the work programme attached as Appendix 1 to the report and make any changes as required;
- (2) That the Committee identifies any Cabinet items on the Forward Plan which it wishes to have an input before the Cabinet makes its decision; and
- (3) That the Committee considers its workload for the coming months, specifically how it can accommodate the work within their scheduled meetings.
- (4) The Committee agrees to defer the review of the Council's democratic structure until the later of (a) a decision by the Council on 13 December regarding the potential merger of the Council; or (b) the decision from the Secretary of State for Levelling Up, Housing Communities on the application for this Council to be merged.

1 Background/Information

- 1.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.
- 1.2 The pre-decision scrutiny of Cabinet decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Cabinet decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 1.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve-month period to give a clearer picture of how and when the Council will be making important decisions. A key decision is a decision which has a

significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.

- 1.4 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions. There may also be policies identified on the Forward Plan, either as key or non-key decisions, which the Committee could pre-scrutinise and have an impact upon how these are formulated.
- 1.5 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan.
- 1.6 At each meeting, the Committee will consider their work programme and make amendments where necessary, and also make comments on specific Cabinet items, where notice has been given by 9am on the day of the Finance & Audit Scrutiny Committee meeting. The Committee will also receive a report detailing the response from the Cabinet, on the comments the Committee made on the Cabinet agenda in the previous cycle.
- 1.7 The Forward Plan is considered at each meeting and allows the Committee to look at future items and become involved in those Cabinet decisions to be taken, if members so wish.
- 1.8 At each meeting, the Committee will consider their work programme and make amendments where necessary, and also make comments on specific Cabinet items, where notice has been given by 9am on morning after Group meetings. The Committee will also receive a report detailing the response from the Cabinet, on the comments the Committee made on the Cabinet agenda in the previous cycle.
- 1.9 If the Committee made a comment on a Cabinet report, a response will be provided to the Committee at its next meeting (Appendix 2). In reviewing these responses, the Committee can identify any issues for which it would like a progress report. A future report, for example, on how the decision has been implemented, would then be submitted to the Committee at an agreed date which would then be incorporated within the Work Programme.
- 1.10 In July 2020, a report went to Executive on "Governance Review of Warwick District Council" – Minute 22. In the list of resolutions made, one was:
(1) an independent assessment of these arrangements is undertaken in February 2022 and officers are asked to bring back an outline proposal for this, in consultation with the Chairs of Scrutiny, in December 2021 along with proposed funding arrangements, be approved.
- 1.11 Following the decision in July 2020 the Council has embarked on proposals for a potential merger with Stratford-on-Avon District Council. The decision of this Council to make a formal application (or not) to the Secretary of State will, one way or another, impact on the democratic structure of this Council. Therefore, after consultation with the Chairs of both Scrutiny Committees, they were in agreement the review should be deferred for now to enable proper consideration of the Council's needs.

2 Conclusion/Reasons for the Recommendation

- 2.1 The work programme as attached at Appendix 1 to the report should be updated at each meeting to accurately reflect the workload of the Committee.

Agenda Item 7

- 2.2 Two of the five main roles of overview and scrutiny in local government are to undertake pre-decision scrutiny of Cabinet decisions and to feed into policy development.
- 2.3 If the Committee has an interest in a future decision to be made by the Cabinet, or policy to be implemented, it is within the Committee's remit to feed into the process.
- 2.4 The Forward Plan is actually the future work programme for the Cabinet. If a non-cabinet Member highlighted a decision(s) which is to be taken by the Cabinet which they would like to be involved in, that Member(s) could then provide useful background to the Committee when the report is submitted to the Cabinet and they are passing comment on it.

Finance and Audit Scrutiny Committee WORK PROGRAMME

9 March 2022

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
IA Quarter 3 Progress Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
AGS Quarter 3 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
IA Strategic Plan (2022/22 3to 2024/25 plan)	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
External Review of Internal Audit Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Treasury Management Strategy 2022/23	Scrutiny	See Cabinet Agenda	Richard Wilson and Councillor Hales
RIPA	Scrutiny	See Cabinet Agenda	Richard Barr and Councillor Hales
Value for Money Conclusion	Audit	Written report followed by Q&A	Mike Snow / Grant Patterson and Councillor Hales

13 April 2022

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Significant Business Risk Register Review	Scrutiny	See Cabinet Agenda	Richard Barr and Councillor Hales

**Response from the meeting of the Cabinet on the
F&A Committee's Comments**

4 Proposal to create a South Warwickshire District Council

Reason considered:

In respect of Finance & Risk - this will focus on the assumptions within the report and evidenced by appendices 1,4,5,6,11 and 12. This will be lead through questioning of appropriate officers to ensure that the risks are duly recognised with appropriate measures in place.

Call in Questions

- Section 1.2 states there will be "a shortfall of around £9m..." Is this an annual (recurrent) shortfall? If not, over what period? LGA report Table 2 Appendix 4 p3 shows total WDC surplus £172k and SDC losses (gap) £5.968m from 20/21 to 25/26. So, is the financial argument stronger for SRC? Financially, could WDC cope without merging? How does this fit with the £9m in section 1.2?
- LGA report, appendix 5 page 3 states "The largest area of savings identified was Service Optimisation - £3.782m per annum ongoing", but later adds "There is no breakdown of this and no way of splitting it between the benefits from a merger and the further benefits from becoming one authority, and which therefore are "over and above operational elements such as staff / service integration."" Does this mean that this £3.782m figure includes savings from service integration i.e. not going ahead with the political merger? If so, what is the estimated savings from the political merger?
- What evidence is there that larger District councils are more efficient/ provide better value for money than smaller District councils?
- Risks are ranked differently by Deloittes and WDC e.g, Deloittes puts risk of IT integration at 2, 4, =8 (joint 10th risk out of 16) where as WDC programme risk shows 4, 4 =16 (1st risk out of 23). Who's right? Can we have confidence in these risk assessments?

The Finance and Audit Scrutiny Committee requested that before the Council meeting on 13 December, Councillors should be provided with a new financial table that consolidated the most recent estimates of the financial case based on the savings to be achieved over the period to 2025/2026. The table should include the investments to secure those savings (the three tranches of £1.5m) and should distinguish the savings that would be achieved through service integration and those that could only be achieved from political merger.

The Committee believed that this information would supplement and provide a single point of reference for the financial case for merger from the original information in the Deloitte Report from January 2021 (Appendix 1 to the report), the more recent analyses from the LGA (Appendices 4 and 5) and the financial information provided by the Head of Finance (Appendix 12).

The Committee noted the importance, should a political merger be approved, of harmonising Council Tax between the two current Districts Councils, noting that differences in Parish and Town Council precepts added a further complicating factor in how this would be achieved and over what period. In the opinion of the Committee, the plan for harmonisation would be closely linked to the proposed discussions with the Warwickshire Association of Local Councils (WALC) and representatives of parishes and towns about the devolution of powers, responsibilities and assets.

The Committee considered the Programme Risk Register (Appendix 6). It noted that this superseded the risk assessment made by Deloitte in its report. The Committee expressed a view that the risk ratings for PR004 and PR007 ("democratic deficit" and "integration of culture") were underscored but accepted that the Register was dynamic and the Committee would have the opportunity to consider future iterations of it should the programme go ahead.

The Committee also thanked officers and Members for the significant work that had gone into the report and the appendices, and for the balanced way in which they were written.

Response from Cabinet:

In response to comments from Scrutiny Chairs, the Leader clarified these in consultation with the Chairs of the Scrutiny Committees during the meeting. As a result, responses were proposed by the Leader for the Cabinet to consider. These were agreed as set out at resolutions four and five below.

(4) In response to the comments from the Finance and Audit Scrutiny Committee, the Cabinet asked the Chief Executive to circulate to all Councillors confirmation of the savings that other District Councils have achieved through political merger.

(5) All the officers involved for this exemplary report and all Members for their cross-party work on this be thanked.

Response from Council:

Council resolved that a formal submission be made to the Department for Levelling Up, Housing and Communities to create a South Warwickshire District Council. It also resolved that a joint member working group be established to review the issues raised in Section 4 of the report and in addition to agree that the working group works with WALC and other key parish and town councils to undertake a community governance and function review for South Warwickshire. A consultation with staff and Trades Unions on options for addressing harmonisation of staff terms and conditions including pay was agreed but if there was failure to agree or if Council did not agree the terms, an emergency Council meeting would be arranged in early January so that a revised strategic approach could be considered prior to the setting of the annual budget for 2022/23 and beyond.

5 Quarter 2 Budget Report

Reason considered:

On the F&A Work Programme and under the remit of the Committee due to the significant funds involved.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. The Committee also welcomed the fact that the Everyone Active (EA) forecast income was showing a positive variance. The Committee requested an analysis of the income received from EA to-date for each year of the current contract including compensation from the Government during the Covid-19 pandemic for lost concession fees.

Response from Cabinet:

The recommendations in the report were approved.

7 Housing Revenue Account Business Plan Review 2021

Reason considered:

Due to the ongoing significant financial element and risks associated with the business plan

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Response from Cabinet:

The recommendations in the report were approved.

10 Outdoor Sports Review Proposed Delivery Models for Council Owned Facilities

Reason considered:

Due the change in business model for the provision of the facilities.

The Finance & Audit Committee recommended to Cabinet that recommendation 4 in the report should be amended to specifically include reference to basketball facilities, to read:

"4) That a procurement exercise is undertaken to appoint one or more tennis operators to run community-based tennis programmes at the Council's four tennis venues. The procurement will make explicit that the tennis programmes are to take account of the basketball facilities at Christchurch Gardens and Abbey Fields and will permit basketball to continue at these venues.)"

The Cabinet was required to vote on this because it formed a recommendation to them.

The Finance and Audit Scrutiny Committee raised a question whether using a different model for tendering could be looked at and discussed with the Portfolio

Holder for Culture, Tourism & Leisure and Chair of Finance & Audit Scrutiny Committee.

The Committee also recognised that the Council was bound by its Standing Orders in how it conducted procurement exercises. Nonetheless, the Committee wished to encourage an approach to the proposed tender that required evidence of excellence and the achievements of the outcomes that the Council wished to see from the new strategy as well as commercial innovation in providing the wider access and participation it sought.

Response from Cabinet:

The recommendations in the report, along with the recommendations from the Overview and Scrutiny Committee & the Finance and Audit Scrutiny Committee.

12 Costs Associated with the Re-Development of Waverley Riding Stables, Cubbington

Reason considered:

Because of the scale of the funds involved.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Response from Cabinet:

The recommendations in the report were approved.