

Audit & Standards Committee

Tuesday 7 January 2025

An additional meeting of the above Committee will be held at Shire Hall, Market Place, Warwick on Tuesday 7 January 2025, at 6.00pm.

Councillor R Hales (Chair)
Councillor S Syson (Vice-Chair)

Councillor K Aizlewood
Councillor D Browne
Councillor L Cron
Councillor K Dickson
Councillor R Dickson

Councillor K Dray
Councillor J Falp
Councillor K Gorman
Councillor G Rosu

Although not members of the Committee, Mr Tomkinson and Ms Pyke, the Council's Independent Persons, and Councillors Marsh and Franklin, the Town and Parish Council Representatives, normally attend.

Agenda

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 meetings held on:

- (a) 27 August 2024; and
- (b) 12 December 2024.

(To Follow)
(To Follow)

Part A – Audit Items

4. Internal Audit Progress Report: Quarter 2 2024/25

To consider a report from Finance. **(Pages 1 to 82)**

5. Treasury Management Activity Report for period 1 April 2024 to 30 September 2024

To consider a report from Finance. **(Pages 1 to 24)**

6. Significant Business Risk Register

To consider a report from Finance. **(Pages 1 to 7)**

7. Internal Audit Annual Report 2023/24

To consider a report from Finance. **(Pages 1 to 34)**

8. Corporate Fraud Investigations Performance Report 2023/24

To consider a report from Finance. **(Pages 1 to 10)**

9. Revised Internal Audit Plan 2024/25

To consider a report from Finance. **(Pages 1 to 21)**

Part B – Other Items

10. Annual Governance Statement 2023/24

To consider a report from Governance. **(Pages 1 to 13)**

11. Review of 2024 Police and Crime Commissioner (PCC) & UK Parliamentary Election (UKPGE) Elections

To consider a report from Governance. **(Pages 1 to 15)**

12. Warwick District Council and Parish Election Scale of Fees

To consider a report from Governance. **(Pages 1 to 6)**

13. Public Consultation response - Strengthening the standards and conduct framework for local authorities in England

To consider a report from Governance. **(To Follow)**

14. Audit & Standards Committee Work Programme

To consider a report from Governance. **(Pages 1 to 3)**

15. Public and 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 items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of

the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Item Number	Paragraph Number	Reason
16 & 17	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

16. Confidential Appendix to Item 4 - Internal Audit Progress Report: Quarter 2 2024/25

To note the confidential Appendices. **(Pages 1 to 18)**

17. Confidential Appendix to Item 6 – Significant Business Risk Register

To note the confidential Appendix. **(Pages 1 to 2)**

Published Wednesday 18 November 2024

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For enquiries about specific reports, please contact the officers named in the reports. You can e-mail the members of the Committee at auditstandards@warwickdc.gov.uk

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Agenda Item No 4
Audit and Standards Committee
7 January 2025

Title: Internal Audit Progress Report: Qtr. 2 2024/25

Lead Officer: Ian Davy (Audit and Risk Manager)

Portfolio Holder: Councillor Chilvers

Wards of the District directly affected: None directly impacted

Approvals required	Date	Name
Portfolio Holder	13 December 2024	Councillor Chilvers
Finance	5 December 2024	Andrew Rollins
Legal Services	Not applicable	
Chief Executive	5 December 2024	Chris Elliott
Strategic Director	5 December 2024	Dave Barber
Head of Service(s)	5 December 2024	Andrew Rollins
Section 151 Officer	5 December 2024	Andrew Rollins
Monitoring Officer	5 December 2024	Graham Leach
Equalities, Diversity and Inclusion Business Partner	13 December 2024	Daniel Keating
Leadership Co-ordination Group	13 December 2024	Various
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	Yes – Appendices 2(b) and 3(b) and Internal Audit Report on Cyber Security	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The Report advises on progress in achieving the Internal Audit Plan 2024/25, summarises the audit work completed in the second quarter and provides assurance that action has been taken by managers in respect of the issues raised by Internal Audit.

Recommendations

- 1 That the report, including its appendices, be noted and, where appropriate, approved. Specifically:
 - 1.1 That Appendix 1, detailing the performance of Internal Audit in completing the Audit Plan, be considered. (Section 1.6 of this report)
 - 1.2 That Appendices 2(a) (open) and 2(b) (confidential), setting out the action plans accompanying the Internal Audit reports issued in the quarter, be reviewed. (Para. 1.7.3)
 - 1.3 That Appendices 3(a) (open) and 3(b) (confidential), recording the state of implementation of recommendations issued in previous quarters, be reviewed. (Para. 1.8.2)
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1 Reason for the Recommendations

- 1.1 Members have responsibility for corporate governance, of which internal audit forms a key part.
- 1.2 The Audit and Standards Committee is operating, in effect, as an audit committee in regard to receiving and acting upon this report. Guidance on the role and responsibilities of audit committees is available from a number of sources including that of CIPFA and the Chartered Institute of Internal Auditors.
- 1.3 Essentially, the purpose of an audit committee is:
 - To provide independent assurance of the associated control environment.
 - To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
- 1.4 To help fulfil these responsibilities, audit committees should review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.

1.5 Assurance

- 1.5.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness, and economy of financial and other management controls.

1.5.2 Each audit report gives an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands are shown below:

Assurance Levels

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with the controls that do exist.

1.6 Progress Against Plan

1.6.1 At the start of each year, an Audit Plan is approved that sets out the audit assignments to be undertaken. A detailed analysis of progress to date in completing the Audit Plan for 2024/25 is set out as Appendix 1.

1.6.2 There has been a need to review the audits to be completed as part of the current year's plan following the review undertaken on the staffing needs of the Internal Audit team and the resulting delays in bringing the team back up to full strength. The proposed amendments to the plan are covered in a separate report on this agenda.

1.6.3 The Cyber Security audit, carried forward from 2022/23 is now completed and this was reported to the Audit and Standard Committee in a separate report alongside the Quarter 1 progress report. However, it is included within the Q2 reports for completeness.

1.7 Internal Audit Reviews Completed in the Quarter and Management Responses to Recommendations

1.7.1 Three audits (including the abovementioned Cyber Security audit) were completed in the second quarter of 2024/25.

1.7.2 The Internal Audit reports arising from the completed reviews are available for viewing on the online agenda for the meeting.

1.7.3 The action plans accompanying these reports are set out for separate review as Appendices 2(a) and 2(b). These appendices details the recommendations arising together with the management responses, including target implementation dates.

1.8 Implementation of Recommendations Issued Previously

1.8.1 All recommendations are followed up once the agreed implementation date has passed. Officers are able to provide an update as soon as they have completed the agreed action, as opposed to waiting to be chased for a response, although the vast majority still have to be chased.

- 1.8.2 The state of implementation for all relevant recommendations is set out in Appendices 3(a) and 3(b). Responses have been received in respect of all recommendations.
- 1.8.3 It should also be noted that where officers have not completed the recommendation in line with the original target date, they are now being asked for a new date by which the agreed action will be completed. If this is not met, this will be flagged separately in future reports to Audit and Standards Committee (with, as per usual protocol, the option of Members asking the officers to attend to explain the lack of progress).
- 1.8.4 Revised target dates have been provided for **six** recommendations relating to the audits of **Banking Arrangements, Financial Strategy, Planning and Budgetary Control, Treasury Management, VAT Accounting (two recommendations)** and **Void Management**. The target dates in relation to five of these recommendations had been extended previously (all except Void Management).
- 1.8.5 The completion of the **Banking Arrangements** action has been delayed as previous responses had gone in a 'different direction' to the original agreed action. This is now back on track.
- 1.8.6 The recommendation in respect of **Financial Strategy, Planning and Budgetary Control** is almost completed but consultation with another member of staff has highlighted that some changes are required, so the running of the course has been delayed.
- 1.8.7 The completion of the actions in relation to the **VAT Accounting** and **Treasury Management** audits have been affected by the prioritisation of the final accounts work.

1.9 Review

- 1.9.1 Members are reminded that they can see any files produced by Internal Audit that may help to confirm the level of internal control of a service, function or activity that has been audited or that help to verify the performance of Internal Audit.

2 Alternative Options

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

3 Legal Implications

- 3.1 There are no legal implications identified as a result of this report.

4 Financial Implications

- 4.1 There are no financial implications identified as a result of this report.

5 Corporate Strategy

- 5.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation – see below.
- Delivering valued, sustainable services.

- Low cost, low carbon energy across the district.
- Creating vibrant, safe and healthy communities of the future.

5.2 Internal Audit contributes to the delivery of these strategic aims as part of an assurance framework. This ensures that the activities necessary to deliver these aims are reviewed and, where appropriate, improved.

6 Environmental/Climate Change Implications

6.1 There are no environmental or climate change implications identified as a result of this report.

7 Analysis of the Effects on Equality

7.1 An EIA is not required as part of this report.

8 Data Protection

8.1 There are no Data Protection implications identified as a result of this report.

9 Health and Wellbeing

9.1 There are no health and wellbeing implications identified as a result of this report.

10 Risk Assessment

10.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with weak internal control, risk management and governance processes.

11 Consultation

11.1 Please refer to 'header page' of this report.

Background papers:

Not applicable.

Supporting documents:

Internal Audit Plan (see revised version as another agenda item on this report)

Internal Audit Reports (linked as appendices to this item).



INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Digital & Customer Services
C.C. Chief Executive
Deputy Chief Executive
Head of Finance
Benefits and Customer Services Manager
Portfolio Holder (Cllr Harrison)

SUBJECT: Customer Access Facilities
DATE: 3 September 2024

1 Introduction

- 1.1 In accordance with the Audit Plan for 2024/25, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 The Customer Service Centre (CSC) deal with approximately 50,000 enquiries from members of the public per annum. As the front face of the Council, the CSC have a direct influence on the public's perception of the effectiveness and efficiency of Warwick District Council (WDC). Following the relocation of the Council offices, the CSC has been re-established in the reception of the Royal Pump Rooms, Leamington Spa.
- 2.2 At least 210,000 customers contacted the Council by telephone in 2023 and online forms accounted for 27,665 requests for the year.
- 2.3 It should be noted that the website was not considered under the scope of this audit as this is covered in the scope of the Website Management audit. A review of the Change Management Programme was, however, conducted, with a specific focus on the introduction of the new Customer Relationship Management (CRM) system.
- 2.4 It should also be noted that the scope of this audit did not cover Council-wide customer access, but rather solely focused on customer access via the CSC. Certain service areas, such as Housing, provide their own customer services, but these were not examined under the scope of this particular audit.

3 **Objectives of the Audit and Coverage of Risks**

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. It should be noted that the risks stated in the report do not represent audit findings in themselves, but rather express the potential for a particular risk to occur. The findings detailed in each section following the stated risk confirm whether the risk is being controlled appropriately or whether there have been issues identified that need to be addressed.
- 3.2 In terms of scope, the audit covered the following risks:
1. Cost effectiveness of services cannot be demonstrated.
 2. Failure to comply with legislation and regulations surrounding customer service, e.g. GDPR / Consumer Rights Act 2015.
 3. Potential accessibility issues following relocation to the Pump Rooms.
 4. Services provided do not meet applicable standards and / or public expectations.
 5. Staff not provided with sufficient resources at new offices.
 6. Inaccurate, irrelevant, or inconsistent information / advice provided to customers.
 7. Staff not adequately trained / customer focused.
 8. Resources not effectively managed to cope with demand.
 9. Processes and procedures not clearly defined following relocation.
 10. Customer issues not quickly resolved / escalated.
 11. No set performance measures in place / performance levels not reported.
 12. Collusion between customers and Customer Service Advisers.
 13. Health and wellbeing of customers adversely affected if services are unavailable.
 14. Physical health and wellbeing of staff at new Pump Rooms reception.
- 3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Customer & Digital Services risk register and Significant Business risk register have also been reviewed.
- 3.4 These risks, if realised, would be detrimental with regards to meeting Priority 1 of the new Corporate Strategy, 'Warwick District 2030'. The objectives of the Change Management Programme are clearly set out in the case for change, and these have been incorporated into the Corporate Strategy. The Change Programme will improve the efficiency and effectiveness of how the Council delivers services to ensure it remains responsive and accessible to customer needs. The Change Management Programme will make it easier for customers to contact the Council and enable the CSC to help more customers at the first point of contact.

4 **Findings**

4.1 **Recommendations from Previous Reports**

- 4.1.1 There were no recommendations arising from the previous report.

4.2 Financial Risks

4.2.1 Potential Risk: Cost effectiveness of services cannot be demonstrated.

There has been no formal review conducted to explore the differences in cost between providing a centralised CSC and a 'distributed' model i.e. where individual teams across the Council handle their own calls. This is because there is very little by way of quantifiable evidence as to how much resource each service has dedicated to front facing customer interactions. Furthermore, not every team in the Council uses the call system software, so there is no way to monitor every customer query that the Council receives. There are also 120 generic email addresses on the WDC website that provide no meaningful insight into the work that these produce. The cost of centralising the CSC can, therefore, only be based on estimates as to how many customer queries the Council receives in total.

Currently, calls concerning WDC waste permits and waste collections are dealt with by Stratford-on-Avon District Council (SDC). There is a plan in place to bring these calls back in-house to WDC and there have been some discussions on the likely implications of this between the Head of Customer & Digital Services and the Neighbourhood Services Manager (NSM). SDC have provided the Head of Customer & Digital Services with a breakdown of waste call volumes, although data regarding the average call times was not obtained. Moreover, SDC did not separate the waste call performance figures into WDC-related queries and SDC-related queries, further complicating this issue.

By bringing waste calls back in-house, the extra call demand would justify the appointment of more Customer Service Advisers (CSA), or certainly justify bringing in a temporary resource to cope with the initial demand. The NSM has advised that by bringing the waste calls back in-house, savings would amount to approximately £100k, but this is figure is based on no extra staff being required to cope with the demand.

In a CRM, a customer starts their journey by submitting the details of what they require through a structured mechanism, which is then recorded in a database. From there, workflows are triggered according to the service requested and the outcome is returned to the customer upon completion. A record of the interaction is stored within the CRM, which can be accessed should a problem require investigation. Interactions are visible to both staff and customers, from their own secure, online portal. Customers can use a variety of mechanisms to submit their information including online via the Council's website or app, and other 'offline' channels such as telephone or face-to-face.

It was reported to Cabinet in March 2024 that the anticipated costs of procuring a CRM would be £218,050 based on a four-year contract. These costs would include twenty licenses for the CSC, integration with e-Payments and various methods of testing. These licences will provide full access to the system and allow for the complete management of transactions. Procurement for the system was agreed on 28 June 2024. Year one costs specifically for the CRM will be approximately £71,500, which can be funded from the Customer and Digital Services Digital Seed Budget. This includes a contingency of approximately 10% of the year one budget.

An introduction of a CRM will make the CSC the first point of contact, allowing queries to be resolved in real-time. The CRM will also shine a light on how services operate and provide a truer picture of how customer queries are currently dealt with across the Council. There will be no need to replace back-office systems as these can be integrated into the new CRM. Contractors will also be able to use it as a workflow tool; contractors will be given a suitable level of access to allow them to view their work queues and any outstanding job requests.

The CRM system itself will not generate a financial saving as it is a new system that will incur new costs; however, it will directly facilitate increased efficiency of back-office systems. Additional savings will also be generated through posts no longer required or the replacement of obsolete software. After the integration of the waste calls, other services will likely be brought under a centralised call system, although certain teams may have sufficient capacity to justify maintaining their own customer administration teams e.g. Housing.

The full year CSC budget for 2024/25 is £652,000, £88,786 of which has already been spent. In comparison, there was an underspend of £114,338 during 2023/24, as the team struggled to fill its vacant posts.

The Benefits and Customer Services Manager (BCSM) meets with the Assistant Accountant quarterly to discuss the budget, and, upon discussion, it was confirmed that the budget includes all known costs to the service.

4.3 **Legal and Regulatory Risks**

4.3.1 **Potential Risk: Failure to comply with legislation and regulations surrounding customer service, e.g. GDPR / Consumer Rights Act 2015.**

The Customer Services Team Leader (CSTL) advised that the team follow the general corporate policies with regards to GDPR and Data Protection. Any guidelines related to necessary laws and regulations, or changes to legislation, are cascaded down to the team by the BCSM. The CSTL advised that data breaches have occurred where letters involving more than one benefit claimant have been sent in a single envelope; breaches of this nature are reported directly through the Intranet.

Recommendation – Staff should be reminded to thoroughly check all letters before these are folded and sent for posting.

The CSA training documents include how to report a data breach. All staff have recently undertaken training relating to the Memorandum of Understanding between WDC and the DWP; all other data protection training is completed through Meta. A Data Protection Group is due to be established by the Head of Governance, of which the BCSM will be a member.

Recommendation - Refresher Data Protection Training should be held on an annual basis.

4.3.2 **Potential Risk: Potential accessibility issues following relocation to the Pump Rooms.**

There are no issues with customer accessibility to the Pump Rooms, although the BCSM is in the process of installing a hearing loop. The location of the Pump Rooms is considered 'accessible' given that it is situated in the town centre which offers easy transport connections.

Auditor observation confirmed that the layout of the new CSC is accessible for both customers and staff; all facilities are located on the ground floor and there are no physical obstacles. There is, however, not much space for staff; there are four workstations in the CSC office. It was highlighted that previously, if all stations were in use, customers could often hear other CSAs on the phone; this issue has, however, been resolved.

Whilst the office is wheelchair accessible, the reception desk is partially blocked by a printer. The CSTL has requested that the printer be moved, and the dimensions of the desk measured, to ensure that it allows all staff to work from the reception desk; one CSA is a wheelchair user.

The Arts Manager is in the process of obtaining appropriate signage for the CSC, as currently there is just a pull-up banner in place with which to direct customers.

4.4 **Reputational Risks**

4.4.1 **Potential Risk: Services provided do not meet applicable standards and / or public expectations.**

Staff performance is fed back to individual CSAs during appraisals. If an issue is picked up that affects the whole team, this is fed back during team meetings. Training attendance sheets are maintained through I-Trent and on Meta compliance. The CSTL compiles call performance statistics in weekly, monthly, and quarterly reports. Call monitoring also takes place as and when the CSTL is free to do so, with the CSTL reviewing the calls and discussing these with the individual CSA if improvements are needed; all calls taken by CSAs are noted on CIVICA.

The CSTL maintains individual records of CSA statistics that include the number of calls an officer has taken during the week, as well as the amount of time an officer is ready to receive a call, and the percentage of calls that take longer than six minutes. This data also captures the percentage of calls an individual officer has taken, compared to the number of calls received by the entire team during that week.

A number of Benefits work items were identified through CIVICA. These were then examined by the auditor to check how CSAs had dealt with customer enquiries. In all ten cases, the actions taken by the CSAs were commensurate with the nature of the query and consistent with procedural documentation. In five of the ten cases, the advice given to the customer was recorded on the system, and was accurate, relevant, and consistent across the sample. In all ten

cases, the query and the actions taken were appropriately recorded on the diary notes.

A number of Council Tax work items were also examined. In all twenty cases, the actions taken by the CSAs were consistent with procedural documentation. In nine of the twenty cases, the advice given to the customer was recorded in the system. In nineteen of the twenty cases, both the query and the actions taken were appropriately recorded on the diary notes.

Advisory – Consideration should be given to reminding staff of the importance of adding diary notes to the system.

A number of Business Rates work items were also examined in the same manner. In all twenty cases, the actions taken by the CSAs were commensurate with the query and consistent with procedural documentation. In fifteen of the twenty cases, the advice given to the customer was recorded on the system and was consistent across the sample. There was one case where the advice given was not recorded, although a confirmation bill was later sent as requested by the customer. In eighteen of the twenty cases, the query and the actions taken, were appropriately recorded on the diary notes.

4.4.2 Potential Risk: Staff not provided with sufficient resources at new offices.

The Project Manager for the Office Relocation is due to compile a 'lessons learned' report following the move to the Pump Rooms, and as part of this, a customer survey will be devised and distributed in September 2024. It was noted as part of auditor observation that there are members of the public who still approach the CSC thinking that it is the exit to the Pump Rooms; this reinforces the aforementioned need for appropriate signage, which is being dealt with by the Arts Manager.

The Project Manager advised that customer feedback will be obtained on the new location and how the facilities are being used. This will include the number of people using the Pump Rooms versus the number of customers that visited Riverside House. The Head of Customer & Digital Services will then use these survey results as the basis for a report going to Overview and Scrutiny in October 2024. Lessons learned will help determine whether Customer Services will remain in the Pump Rooms or if they will leave the town centre and reintegrate with the back office during any future relocations.

The BCSM advised that the plans for the new offices were shared with the CSC staff for their comments, and both the BCSM and CSTL had input into the size of the pods. There was, however, a lack of 3D plans provided by the contractor; although requested, these were never provided. This made it very difficult for staff to visualise what the CSC would look like upon completion.

The CSTL advised that there have been some issues with resources. A specific photocopier needs to be sourced which can scan documents straight to CIVICA; this has to be compatible with CIVICA software. The photocopier currently located behind the reception desk is too large and prevents more than one CSA from using the space. As there is a contract in place with Ricoh UK Limited, it is

proving difficult to get this rectified; however, the team are sourcing alternative locations as to where the current photocopier can be placed. Although previously there was no privacy film on the CSC office door, the door has now been measured for a privacy screen, meaning that customers will no longer be able to see directly into the back office. The CSC staff are also waiting on contractors to amend the office door so that it opens automatically.

The CSC fire doors do not currently function, and a report has been passed to Pinner in order to get this rectified. There are also issues with some of the fire alarms which can be falsely triggered in periods of hot weather. This is a particular issue for wheelchair users; a point that has been raised with the Health & Safety Group by the BCSM.

There was, up until August, no heating or air conditioning in the reception offices; however, this has now been rectified. The CSTL advised that any issues with the facilities are directly sent to the Pump Rooms Building Surveyors.

Advisory – Consideration should be given to ensuring that any issues identified with the facilities are rectified as soon as practicable.

Recommendation – Guidance should be compiled outlining where and how CSC staff can report facility issues.

The team have also had some issues with recruitment and retention. The BCSM advised that they need to look to appoint another CSTL to manage the CSC when the current Team Leader is on leave.

4.4.3 **Potential Risk: Inaccurate, irrelevant, or inconsistent information / advice provided to customers.**

The CSC take calls for the Elections, Benefits, and Revenues teams as well as the general Council switchboard. The team also deal with face-to-face queries for the whole Council, whether this be through booked appointments or ad-hoc queries.

There are training documents in place and the CSTL is currently compiling Wiki 'how-to' pages as sources of instruction; the CSTL did advise that the team obtain most of their information from the WDC website. The CIVICA Open Vision manual also provides CSAs with step-by-step instructions on how to display customer records, display council tax accounts, request bills, and set special arrangements (SPARs).

The training manual includes procedural steps, relevant legislation and general documents covering a variety of topics such as council tax bills, tax exemptions, student accounts, insolvency, holiday lets, business rates relief, universal credit, benefits, and valuation tribunals.

The BCSM advised that there are currently two telephone systems in place to cater for the teams who have not yet been fully migrated over to MS Teams. The new telephony system uses Webex software and the BCSM is in the process of testing this. When testing the new system, there have been occasions where there has been no answer from certain teams. It was also found that telephone

numbers were in place which connected to officers who left the organisation some time ago. A similar incident also occurred where the Deputy Chief Executive was assigned a phone number for the anti-social behaviour complaint hotline. This reiterates the need to remove phone numbers from the public domain following the implementation of the CRM.

Currently, customers can either call the switchboard or directly call individual departments. This means that telephone messages are repeated to address the possibility that any of these lines could have been called - for example, calling the Benefits team through the switchboard will bring about the same message as calling the Benefits team directly. These are currently being shortened and will be recorded by one voice to ensure consistency.

Presently, the Council's online forms, telephones, social media, and face-to-face operations are all independent. This approach makes it virtually impossible for a customer to easily transition between one communication channel and another, as their information exists in isolation. It also creates significant limitations on the ability to provide customer updates, particularly if information is held in service specific software or mailboxes with restricted access.

As of April 2023, there were 132 email addresses published on the Council's website as a means for the public to contact WDC; the Council also currently has over 100 online forms. This is being addressed and the introduction of a CRM should reduce the number of direct numbers available to call.

Contact details are located on the website, on letters and through email signatures. The phone lines are available 8:45am-17:15 pm Monday to Thursday and 8.45am-16:45pm on Fridays. Emergency out of hours contacts are also advertised.

The new CSC has been advertised on the WDC website and customers have been informed that Riverside House is now permanently closed; map directions to the Pump Rooms have been included on the website. The new reception was also actively promoted through social media in order to make customers aware of the relocation. Customers have been told that the Council's administrative offices at Saltisford and the Town Hall are not open or accessible for public enquiries.

4.4.4 **Potential Risk: Staff not adequately trained / customer focused.**

The Council Tax team have shared useful information with the CSC, including the council tax accounts where probate has been granted. The CSC team also receive 'targeted' training when specific types of enquiries are expected (e.g. elections). The team will be trained on the new telephony service when the system is fully introduced. Training will be provided, and training notes prepared for each service taken on by the CSC moving forward; this is already in progress for the waste calls.

During introductory training, CSC staff can only take switchboard calls. Once suitably trained, the CSTL can then manually move officers onto the individual Council Tax and Benefits phone lines. New starters can listen into calls with more experienced CSAs, as the team have special headsets which allow them to

do this. Once a CSA feels confident to take their own calls, a more experienced CSA is on hand to listen. All staff are given the same initial training plan, but specific issues are discussed in individual appraisals. The CSTL controls which queue a CSA is given, based on their requisite skill level.

4.4.5 **Potential Risk: Resources not effectively managed to cope with demand.**

All CSC staff work the phone lines and the CSTL can reduce the lines in periods of low staffing.

The CSTL is concerned that with the waste calls being brought back in-house, this will increase the call load to 900 extra calls per month. The CSC currently take about 4,020 calls per month; an extra 900 represents an increase of approximately 23%. The CSC are also due to lose a member of staff in February 2025, due to the officer being on a two-year contract.

Whichever staff member is free in the Pump Rooms will be put on face-to-face duties. Whether staff can deal with walk-ins, fully depends on how busy the phone lines are. The CSTL advised that there have been times where the phone queues have been stacked back and customers waiting in reception have had to be advised to leave their telephone number for a CSA to call them back.

Advisory – Consideration should be given to appointing extra Customer Service Advisers to prepare for the increase in call demand and ensure that face-to-face customers are not neglected.

The CSC team are not always made aware of any planned changes to services, although the BCSM informally notifies the team of upcoming events such as the Elections. The CSTL advised that since the move to the Pump Rooms, communication from WDC to the CSC is somewhat lacking, and there is a general feeling that Council officers do not understand the role of the CSC.

Recommendation – Guidance needs to be distributed to WDC staff (e.g. through the Intranet) explaining the roles and responsibilities of the CSC following their move to the Pump Rooms.

The BCSM advised that she can generate reports detailing the number of telephone calls taken. The CSTL generates weekly and monthly call reports for the BCSM, and the Revenues and Recovery Manager is sent monthly call statistics; weekly call reports are distributed amongst the CSC team.

There are no expected levels of performance that state how many calls must be taken. The CSTL has an expectation that CSAs working from home will take more calls than those dealing with face-to-face queries in the Pump Rooms.

The second stage of the Change Management Programme will focus on customer service redesign, reviewing all customer related processes and procedures, and creating a new operating model for customer service delivery. The aim of introducing a CRM is to have a more holistic view of each customer and their service interactions, thus minimising the amount of customer data that is needed. The creation of a customer portal will enable the customer to see their history of interaction, launch new requests, submit information, and get updates

on requests in progress by single sign-on. Measuring the success of this will be based on the number of customers who rate WDC services as 'good' or 'very good' by 2026.

The CSTL advised that she and two CSAs have been involved in meetings regarding the new CRM. The CSC will also be heavily involved in testing the CRM before it is implemented; the CRM supplier, Jadu, are due to hold demos with the team. The Head of Customer & Digital Services advised that testing and training on the CRM system will take at least two months. As services are transitioned into the CRM, CSC staff will be fully trained and provided with the necessary resources to deal with as many types of enquiry as possible, at first point of contact. Unlike current operations, requests will only be escalated to back-office services if there is either a functional (e.g., waste collection vehicle needing to pick up a missed bin) or a hierarchical need (e.g., the need for a Planning Officer to provide expert advice). Where escalation is required, the CSC will endeavour to collect as much information as possible to facilitate the service delivery being carried out effectively.

Customers will receive updates to their queries from data either directly entered into the CRM by the CSC operative or back-office staff member, or from information entered into line-of-business applications, integrated within the CRM system; updates and information will not be re-keyed or duplicated manually.

4.4.6 **Potential Risk: Processes and procedures not clearly defined following relocation.**

The CSA job description clearly outlines that officers should ensure that where possible, customer enquiries, payments and complaints are resolved at the first point of contact for a wide range of Council services. The CSTL job description is currently being updated.

The CSTL has created a new fire procedure for the CSC. The team's responsibility is to evacuate the Customer Service area through the fire doors which lead to the outside of the Pump Rooms. One of the CSA's is a dedicated fire warden, but in their absence, the Art Gallery & Museum staff take the lead on this; fire alarms are tested every Monday.

All instructions to customers and addresses in the switchboard directory have been updated to reflect the move to the Town Hall and the Pump Rooms. Certain CSC documentation has been updated to reflect the move; however, there are several documents (approx. twenty five) that still refer to Riverside House in the CSC training manual. There are also documents that refer to officers who have either left the Council or are no longer in the positions described, such as the homeless drop-in instructions and the structure for landlord operations.

Recommendation - Any documents in the manual that refer to Riverside House should be updated.

Advisory – Consideration should be given to updating the training manual to reflect staff job titles.

There are no corporate customer service standards to which the team must adhere. The CSTL advised that since the relocation of the CSC to the Pump Rooms, processes and procedures need to be streamlined. As a result of this, the CSTL is in the process of compiling a procedure manual which will form part of the CRM. The Head of Customer & Digital Services advised that there is no set Council standard as to what 'good' customer service looks like. Discussions are being held which advocate following the Customer Service Excellence (CSE) Standard. Originally issued by the Cabinet Office, this contains twenty items of criteria including 'understanding the customer', 'meeting customer demand', and 'consistent performance'. As part of the introduction of the CRM, customer service standards will be formally implemented.

4.4.7 **Potential Risk: Customer issues not quickly resolved / escalated.**

If possible, queries can be dealt with by the CSC at first point of contact. The CSTL advised that there is still a 'Contact Us' email inbox linked to the CSC, although this is not actively advertised as it is no longer needed. If any emails come into this inbox, they are usually forwarded on directly to the relevant department.

Advisory – Consideration should be given to closing the 'Contact Us' email inbox.

The CSTL advised that most CSAs are able to deal with queries themselves before they have to be escalated up the organisation. The team maintain a list of switchboard numbers, including staff extensions and external contact numbers. CSAs can also use the staff directory on the Intranet to find officer details. The new telephone system is due to go live on 21 August 2024; this contains a staff directory to enable the transfer of calls.

Generic department numbers should be used as much as possible; it is the policy at WDC that if a person is unable to answer the call themselves, they should make alternative arrangements for their calls to be answered or at least transferred to voicemail. There are five options on the switchboard number to direct calls automatically including Housing, Revenues & Benefits, Contract Services, Development Services, and other enquiries.

Although there is no reference to customers in the Emergency Management Plan (last updated in January 2023), the most recent Business Continuity Plan (BCP) includes customer services and the management of customer expectations during incidents. There may be circumstances where the Council is required to ensure that customers and members of the public are kept informed of Council progress following business interruption. The BCP, therefore, includes a guide to assist the Council in disseminating key information to customers and members of the public e.g. alternative premises where assistance can be sought or where payments can be made.

The public communication strategy flowchart addresses questions such as 'what does the public need to know', 'how will this information be disseminated', 'can individual services provide communication with the public', and 'is there a continuous flow of regularly updated information'. As the frontline service is

discretionary, the recovery priority is three to seven days. The BCP has been updated to reflect the move to the Pump Rooms for CSC staff.

There is a CSC-specific BCP that sets out the actions to be taken in the event that there is an issue with the telephone system; however, this has not been updated since 2022. This includes the guidelines for adding urgent messages to the phone lines. If any situation arose forcing the face-to-face service to close, all staff are expected to take telephone calls to deal with the likely increase in demand. The Emergencies and Resilience Lead Officer has advised that this BCP is due to be moved onto a new template in order to reflect the changes in service area.

There are no set scripts or call responses that CSAs use. CSAs work with customers to find the best solution and aim to converse rather than provide stock answers. Auditor observation confirmed that this was the case both during phone calls and over the reception desk. There is a training document in place containing generic greeting messages.

Advisory – Once the CSC has been fully migrated over to MS Teams, consideration should be given to updating the switchboard training documents where reference is made to Cisco Jabber.

The CSC do not transfer calls to external agencies; switchboard training, therefore, includes a list of contact details for the District and Borough Councils that surround WDC. During induction, officers are trained on the required behavioural expectations, such as how to demonstrate empathy or work with vulnerable customers. CSAs have a large degree of autonomy when dealing with customer enquiries, but particularly in-depth queries are sent through to the back office.

The CSC use the WDC corporate complaint procedure. Upon receipt of a complaint, if the relevant service cannot resolve the issue, this will proceed to Stage 1 - initial investigation. At Stage 2, the complaint can be considered by the Policy, Performance and Complaints Manager. If a customer complains about a member of the CSC, this is dealt with by the CSTL, whereas any service complaints are sent to the individual department in question. Emails of complaint regarding the CSC are shared with the BCSM.

CSAs include follow-up appointments on their calendars where a customer is expecting a callback. CSAs also deal with safeguarding referrals providing that the customer has given their permission.

A list of switchboard master messages has been compiled which covers emergency and out of hours calls, as well as when queues are busy or reduced due to staff training; this procedure will change when the new system is introduced, and emergency messages will be updated accordingly. With a CRM in place, the CSC could easily update a customer on the progress of their request. The system would query any back-office application autonomously, and the CSA would simply have to repeat the information to the customer. The customer can also do this for themselves on the Council's website.

There are no maximum wait times or hold times to which the CSC must adhere. CSC staff operate all work queues once trained and so calls are picked up by the next available officer. Benefits receive the lowest volume of calls; it is only at year-end when Benefits calls increase, although even this has reduced in volume.

Staff are required to make notes regarding the customer enquiry which is classed as working time. This means that calls can take anywhere between two and twenty minutes, hence there being no set call time in which queries must be resolved or answered. Call statistics include the shortest and longest wait times for individual CSAs.

The CSTL generates quarterly reports which examine the number of calls presented, average queue times, maximum queue times, the number of calls handled, the average speed of answer, the average handle time, maximum handle time, and the number of calls abandoned. Daily call reports list the number of calls handled versus the number of calls presented. The CSTL has also compiled a spreadsheet that details both the weekly and monthly statistics for each service e.g. Council Tax, Benefits, Switchboard. These compare the figures from the previous year against the current year.

A number of calls were selected from the CSA weekly reports. These were then examined by the auditor to explore the longest and shortest call times. The sample focused on the week commencing 3 June 2024. On average, the shortest call handling time was forty seconds and the longest call lasted for nineteen minutes. A test was also conducted from these call logs to determine if the CSC had been sufficiently manned. It was found across the sample that on each day the switchboard was sufficiently staffed to cover opening times, although this did not take into account peak and off-peak times. Based on the number of calls taken throughout April and May 2024, on average, the CSC take 832 calls per week. Across the year, a total of 40,696 calls were handled and a total of 5,429 calls were abandoned. This reiterates a need for more staff, especially with the forthcoming waste calls and during busy periods e.g. when summons are distributed.

4.4.8 **Potential Risk: No set performance measures in place / performance levels not reported.**

The previous target for the number of Revenues and Benefits calls handled was 2,500 although there has not been any performance information published since June 2022 when 3,152 calls were taken. The 2023/24 service area plan (SAP) included KPIs such as the number of Revenues/Benefits calls handled, and the number of calls abandoned after ten minutes; however, the interim KPI spreadsheet uploaded to the Business Intelligence Portal did not include any performance figures against these 'targets.'

Recommendation – The KPI relating to the number of Benefits and Revenues calls taken, needs to be updated to reflect that the CSC also handle Elections and Switchboard calls.

Call statistics are supposed to be reported to the Head of Customer & Digital Services. Although previously this did not regularly occur, this has been taking

place whilst the team have been transitioning to a new call management system; the same resources that provide the call statistics reports were deployed in this transition.

Recommendation – Call statistic reports should be sent onto the Head of Customer & Digital Services, as appropriate.

The team do not directly ask for customer feedback or send out user satisfaction surveys, but they do receive complimentary feedback from customers either through emails or over the phone. Call data is used to improve performance; if any specific feedback is given to the CSTL, she will discuss this with the relevant CSA. There is also a CSC MS Teams chat in place where queries can be discussed if they are particularly challenging.

4.5 Fraud Risks

4.5.1 Potential Risk: Collusion between customers and Customer Service Advisers.

CSAs have access to CIVICA, Active H, WebReg, and CISCO. For Benefits and Revenues, if staff live in the District, they are required to declare their address and are subsequently locked out of any modules or work items relating to that address. This is the same procedure if staff declare that they are the landlord of any properties in the District. All CSC staff are subject to DBS checks and must request access to CIVICA through the forms located on the Intranet; staff must adhere to the confidentiality agreement contained within these forms. Staff must also have obtained a DBS check before being given access to the Benefits module.

There are no conflict of interest forms which must be signed; however, if staff have a personal connection to a customer, the query is passed over to another member of the team. The names of CSC staff were cross referenced against CIVICA and Active H by the auditor to check that officers had not accessed their own accounts. It was found in all eleven cases, that the CSA identified had not handled any queries on their account.

Recommendation – All Council departments should ensure that all staff are subject to thorough verification checks before being given access to a specific system.

The employee code of conduct highlights that employees must not use their working relationships or take advantage of their status as a Council employee to advance their interests or views as a resident of the District. Although employees should declare if they are a member of the Resident's Association, there is nothing specific in the Code of Conduct which says employees must declare that they live in the district.

Staff have received corporate fraud training, although one member of staff is still waiting to receive this. The CSTL advised that staff are directed to the Intranet should they wish to read any of the Council policies.

CSAs have view-only access to Active H meaning that they cannot deal with tenant rent accounts or create diary notes. On CIVICA, CSAs can set instalments, SPARs, and diary notes as well as print and post bills. They do not, however, have access to HomeChoice; instead HomeChoice applications have to be scanned in and sent to the Housing Allocations team.

4.6 **Health and Safety Risks**

4.6.1 **Potential Risk: Health and wellbeing of customers adversely affected if services are unavailable.**

There are two members of staff who work full-time from home; not all staff have the necessary RSA tokens to work from home. There are seven members of staff who work full time from the Pump Rooms.

If homeless citizens come into the reception, the CSC do not have the jurisdiction to deal with their query. Whilst most homeless citizens are happy to wait for a call or MS Teams call (in a pod) with the relevant Housing Officer at a later time or date, there have been occasions where this has not been the case; this poses potential harm to members of the CSC if citizens demand to speak to a Housing Officer. The CSC were promised by the Housing team before the move, that an officer would be available to deal with these scenarios, or at least be available to take calls from homeless citizens at an agreed time.

Advisory – Consideration should be given to reminding Housing staff of their duties to communicate with the CSC and ensure that they are available to help.

The main reception desk is manned at all times during opening hours; this does, however, mean that lunch breaks between staff have to be switched to ensure fairness and sufficient coverage of the reception desk. There are two private pods also located in reception. CSAs do not sit with customers when they are in MS Teams meetings with members of staff. The equipment put into the pods was made as secure as possible and the potential risk for equipment to become damaged or stolen was accepted. The devices installed have been locked down so that customers are unable to access anything on the Council's network; these devices can only be used for MS Teams calls. Due to limited space, staff can work in the pods with their laptops to take telephone calls and staff have been provided with lockable pedestals in which to store their laptops. If staff are away from the pod for any length of time, they have been made aware that laptops must be removed.

4.6.2 **Potential Risk: Physical health and wellbeing of staff at new Pump Rooms reception.**

There is no CCTV located in the new reception although panic alarms were installed in June-2024 both behind the reception desk and in the pods. The BCSM advised that the team have a security guard in place, but this is not a permanent arrangement as there have been issues with Procurement. In terms of the physical environment, CSC staff have a radio which can be used to contact the Community Wardens if a situation arose where back-up was required.

Advisory – Consideration should be given to funding an extra Community Warden, who could be permanently stationed around the Pump Rooms.

There are two fire exits located in the reception, one of which can be used by staff working in the back part of the office. Staff are required to sign in when working at the Pump Rooms.

A risk assessment has not been conducted since the move to the new reception. The Casual Health and Safety and Premises Manager has made a start on this, but this had not been completed at the time of the audit.

Recommendation – A fully comprehensive risk assessment of the Pump Rooms reception should be completed as a matter of urgency.

If customers are abusive, it is up to the CSA as to whether they are prepared to continue with a call. The BCSM is looking to hold conflict management training in person for the CSC and a supplier has been sourced for this. This will have to be held over two sessions, as not all CSAs can be taken off the phone lines at the same time.

5 **Summary and Conclusions**

- 5.1 Section 3.2 sets out the risks that were reviewed as part of this audit. The review highlighted weaknesses against the following risks:
- Risk 2 – Failure to comply with legislation and regulations surrounding customer service, e.g., GDPR / Consumer Rights Act 2015.
 - Risk 5 – Staff not provided with sufficient resources at new offices.
 - Risk 8 - Resources not effectively managed to cope with demand.
 - Risk 9 – Processes and procedures not clearly defined following relocation.
 - Risk 11 - No set performance measures in place / performance levels not reported.
 - Risk 12 - Collusion between customers and Customer Service Advisers.
 - Risk 14 – Physical health and wellbeing of staff at new Pump Rooms reception.
- 5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted as there are no significant risks attached to the actions not being taken.
- 5.3 In overall terms, we can give a MODERATE degree of assurance that the systems and controls in place in respect of Customer Access Facilities are appropriate and are working effectively to help mitigate and control the identified risks.
- 5.4 The assurance bands are shown below (overleaf):

Level of Assurance	Definition
Substantial	There is a sound system of control in place and compliance with the key controls.
Moderate	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited	The system of control is generally weak and there is non-compliance with controls that do exist.

6 **Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management.
- 6.2 The advisory comments above are reproduced in the attached Action Plan (Appendix B) for management consideration.

Ian Davy
Audit and Risk Manager

Action Plan

Internal Audit of Customer Access Facilities – September 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.1 (a)	Legal & Regulatory Risk: Failure to comply with legislation and regulations surrounding customer service, e.g., GDPR / Consumer Rights Act 2015.	Staff should be reminded to thoroughly check all letters before these are folded and sent for posting.	Medium	Customer Services Team Leader	Staff will be reminded of the importance of checking documents prior to posting, in order to comply with the relevant Data Protection regulations. The introduction of Hybrid Mail should negate the need for hand-printed mail.	31 August 2024
4.3.1 (b)	Legal & Regulatory Risk: Failure to comply with legislation and regulations surrounding customer service, e.g., GDPR / Consumer Rights Act 2015.	Refresher Data Protection Training should be held on an annual basis.	Low	Head of Customer & Digital Services	A cyber-security training plan has recently been developed which includes the requirement for all staff to undertake regular data protection refresher training within the next 12 months.	Completed.
4.4.2	Reputational Risk: Staff not provided with sufficient resources at new offices.	Guidance should be compiled outlining where and how CSC staff can report facility issues.	Low	Benefits & Customer Services Manager	We will determine the mechanism through which the CSC can report issues with the building and provide feedback to the CSTL.	31 August 2024
4.4.5	Reputational Risk: Resources not effectively managed to cope with demand.	Guidance needs to be distributed to WDC staff (e.g. through the Intranet) explaining the roles and responsibilities of the CSC following their move to the Pump Rooms.	Low	Benefits & Customer Services Manager	Agreed to compile document and get this distributed.	30 September 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.6	Reputational Risk: Processes and procedures not clearly defined following relocation.	Any documents in the manual that refer to Riverside House should be updated. The waste and recycling procedure will also need updating to reflect the calls being brought back into WDC.	Low	Customer Services Team Leader	This will be an ongoing project taking place as and when procedure notes are transferred to the wiki 'how-to' guides.	January 2025
4.4.8 (a)	Reputational Risk: No set performance measures in place / performance levels not reported.	The KPI relating to the number of Benefits and Revenues calls taken, needs to be updated to reflect that the CSC also handle Elections and Switchboard calls.	Medium	Head of Customer & Digital Services	This will be actioned as soon as the replacement Contact Centre Telephony Management system is in place (August 2024) for inclusion within SAP performance reporting requirements. Because of how the previous (outgoing) system was setup, differentiation between call types was problematic.	31 October 2024
4.4.8 (b)	Reputational Risk: No set performance measures in place / performance levels not reported.	Call statistic reports should be sent onto the Head of Customer & Digital Services, as appropriate.	Medium	Benefits & Customer Services Manager	This will be done on a monthly basis.	30 September 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.5.1	Fraud Risk: Collusion between customers and Customer Service Advisers.	All Council departments should ensure that all staff are subject to thorough verification checks before being given access to a specific system.	Medium	Head of Customer & Digital Services	Completing baseline security checks is a requirement of our Memorandum of Understanding with the DWP regarding access to their data. All current staff recruitment exercises include this requirement. Work will be undertaken with HR to ensure that all current employees have undertaken appropriate checks.	30 December 2024
4.6.2	Health & Safety Risk: Physical health and wellbeing of staff at new Pump Rooms reception.	A fully comprehensive risk assessment of the Pump Rooms reception should be completed as a matter of urgency.	High	Benefits & Customer Services Manager; Casual Health and Safety & Premises Manager.	This will be completed as a matter of urgency.	End of August 2024.

* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

- High: Issue of significant importance requiring urgent attention.
- Medium: Issue of moderate importance requiring prompt attention.
- Low: Issue of minor importance requiring attention.

Action Plan

Internal Audit of Customer Access Facilities – September 2024

Report Ref.	Risk Area	Advisory Comment
4.4.1	Reputational Risk: Services provided do not meet applicable standards and / or public expectations.	Consideration should be given to reminding staff of the importance of adding diary notes to the system.
4.4.2	Reputational Risk: Staff not provided with sufficient resources at new offices.	Consideration should be given to ensuring that any issues identified with the facilities are rectified as soon as practicable.
4.4.5	Reputational Risk: Resources not effectively managed to cope with demand.	Consideration should be given to appointing extra Customer Service Advisers to prepare for the increase in call demand and ensure that face-to-face customers are not neglected.
4.4.6	Reputational Risk: Processes and procedures not clearly defined following relocation.	Consideration should be given to updating the training manual to reflect staff job titles.
4.4.7 (a)	Reputational Risk: Customer issues not quickly resolved / escalated.	Consideration should be given to closing the 'Contact Us' email inbox.
4.4.7 (b)	Reputational Risk: Customer issues not quickly resolved / escalated.	Once the CSC has been fully migrated over to MS Teams, consideration should be given to updating the switchboard training documents where reference is made to Cisco Jabber.
4.6.1	Health & Safety Risk: Health and wellbeing of customers adversely affected if services are unavailable.	Consideration should be given to reminding Housing staff of their duties to communicate with the CSC and ensure that they are available to help.
4.6.2	Health & Safety Risk: Physical health and wellbeing of staff at new Pump Rooms reception.	Consideration should be given to funding an extra Community Warden, who could be permanently stationed around the Pump Rooms.



INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Housing, Health & Communities
C.C. Chief Executive
Deputy Chief Executive
Head of Finance
Housing Advice and Allocations Manager
Housing Needs Manager
Portfolio Holder (Cllr Wightman)

SUBJECT: Temporary Accommodation
DATE: 5 July 2024

1 Introduction

- 1.1 In accordance with the Audit Plan for 2024/25, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 Under the Housing Act 1996, the Council has a legal duty to provide temporary accommodation to certain groups who find themselves unintentionally homeless. The Homelessness Reduction Act 2017 placed additional duties on local authorities to prevent and relieve homelessness for all eligible homeless applicants; this includes the duty to secure interim accommodation for those in priority need.
- 2.2 Warwick District Council (WDC) uses a variety of sources of temporary housing. Temporary accommodation is provided either through allocated WDC housing stock (which consists of twenty-three properties) or through private hotels, B&B's, and guesthouses.
- 2.3 The temporary accommodation charges for 2023/24 amounted to £386,500.12.

3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. It should be noted that the risks stated in the report do not represent audit findings in themselves, but rather express the potential for a particular risk to occur. The findings detailed in each section following the stated risk confirm whether the risk is being

controlled appropriately or whether there have been issues identified that need to be addressed.

3.2 In terms of scope, the audit covered the following risks:

1. Non-payment of temporary accommodation fees leading to financial penalties.
2. Lack of formal agreements in place with temporary accommodation providers resulting in the Council being overcharged.
3. Failure to use Council assets as temporary accommodation, resulting in high hotel / B&B costs.
4. Insufficient financial resources to sustain the temporary accommodation service.
5. Failure to comply with legislation including the Homelessness Reduction Act 2017/Housing Act 1996.
6. Loss or unauthorised disclosure of sensitive personal information.
7. Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council / refusal from business owners to house Council referrals.
8. Documentation incomplete or records of visits not maintained in the system.
9. Failure to perform weekly inspections / block checks.
10. Temporary accommodation resources inadequate to deal with the increased levels of homelessness.
11. Unsuitable accommodation.
12. Failure to provide temporary accommodation in a timely manner.
13. Risk of accommodation not being used / no genuine homeless need.
14. Risk of housing benefits being paid to applicants no longer residing in temporary accommodation.
15. Failure to adequately monitor the welfare of the applicant.
16. Failure to perform accurate risk assessments on the applicant.
17. Risk to staff health and safety when conducting site visits.
18. Citizens staying in temporary accommodation for lengthy periods, resulting in significant budgetary pressures, and providers becoming too reliant on the Council for this service.
19. Lack of resources to perform the service.

3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Housing risk register and Significant Business risk register have also been reviewed.

3.4 These risks, if realised, would be detrimental with regards to meeting Priority 3 of the new Corporate Strategy, 'Warwick District 2030', which includes specific references to meeting the demand for housing and tackling rough sleeping and homelessness by increasing the volume of affordable and social housing.

4 Findings

4.1 Recommendations from Previous Reports

4.1.1 As this is the first audit of its kind, there are no previous recommendations arising.

4.2 **Financial Risks**

4.2.1 **Potential Risk: Non-payment of temporary accommodation fees leading to financial penalties.**

A number of temporary accommodation placements were identified through the Locata system. These were then investigated by the auditor to check that accommodation charges had been paid in a timely manner. It was found that all invoices had been correctly calculated. Payment of these invoices was completed in a fairly timely manner; from a sample of twenty, the majority (twelve) were paid within one month of the invoice being issued and six invoices were paid in the same month. The payments were all accurately reflected on Ci Anywhere, recorded under either the temporary homeless accommodation budget, the homelessness general expenditure budget or the rough sleeping initiative budget.

4.2.2 **Potential Risk: Lack of formal agreements in place with temporary accommodation providers resulting in the Council being overcharged.**

The Homeless Services Manager (HSM) confirmed that there are currently no formalised agreements in place with providers of temporary accommodation. The team is, however, working with the Procurement Supervisor to source a Dynamic Provider System; this will provide a list of registered accommodation providers and help to draw up written agreements between WDC and private landlords. WDC have certain expectations of accommodation providers, and these will be incorporated into the agreements made through the Dynamic Provider System.

The temporary accommodation team will research which accommodation presents the best value for money, but this is dependent on the individual applicant's circumstances and whether they can be placed in the areas identified. The team then advise the Housing Options Officers which properties are available in order for them to agree a suitable placement. For non-WDC accommodation, officers have to justify why the accommodation selected has been identified as appropriate. The HSM advised that there are average costs for a single person or family and WDC will refuse to pay above these thresholds if this does not represent value for money. During audit testing, it was found that the same hotel had charged different rates for multiple applicants; these applicants did not have dependent children or partners that would have justified the variance in price. The HAAM did, however, advise that often with emergency placements, large hotel chains are the only option and there is no room for price negotiation.

4.2.3 **Potential Risk: Failure to use Council assets as temporary accommodation, resulting in high hotel / B&B costs.**

The Senior Housing Advice & Allocations Officer advised that homeless referrals can be made through a variety of methods; referrals come through to the Housing Options team either through the homeless portal on the WDC website,

via telephone calls or through hospital referrals; homeless applicants can also complete a self-referral form. The HSM advised that they will first and foremost use Council assets to house homeless applicants; however, this very much depends on individual circumstances. Many of the Council's temporary accommodation properties are situated in locations known to the public. Therefore, it is not considered safe to house applicants fleeing domestic violence in these properties. Similarly, Council assets only have a one- or two-bedroom capacity, thus housing larger families can be difficult. Three-storey townhouses are also inappropriate for applicants with physical disabilities.

A number of temporary accommodation placements were identified through the Locata system. These were then investigated by the auditor to check that existing Council assets had been used before seeking private temporary accommodation. Twelve of the twenty applicants tested were offered WDC temporary accommodation before being offered privately owned accommodation. The reasons in each case were considered appropriate; in most cases, the applicants offered WDC accommodation had dependent children. Where the applicant had been placed into private temporary accommodation, three of these were later moved to WDC temporary housing. Families are usually offered WDC properties first; however, in instances where there are no WDC properties available, the household is placed into alternative accommodation until a WDC property becomes available.

Moreover, households with children are only permitted to remain in private accommodation (hotels/B&Bs) for up to six weeks, after which time they must be moved by law. With limited WDC single, double, and family provision available, it is not always possible to move applicants into WDC accommodation.

A draft procedure manual was provided during the audit; however, this was only created in April 2024. The manual contains the policies, processes, operational guidance, associated forms, and letters adopted for the temporary accommodation service. This includes the steps to be taken when assessing a homeless applicant, as well as the procedures to follow where an applicant has breached conditions or where a placement has been terminated. The manual also contains a checklist that must be completed once an applicant has been placed into WDC temporary accommodation; this includes signing the non-secure tenancy agreement, explaining the rent charges, and issuing keys.

Following a consultancy exercise, a temporary accommodation manual has been provided which is being adapted in order to properly align it to WDC policies and procedures. The consultancy exercise is not yet complete; the concluding report is due to be issued early July.

WDC temporary accommodation costs approximately £140 per week for a two-bedroom property, although housing benefit pays a sizeable amount towards this. There is no formal temporary accommodation policy which includes the use of serviced apartments; serviced apartments cost approximately £110 per night, and so the HAAM has advocated zero-tolerance towards these, unless in highly exceptional circumstances. Serviced apartments do not present value for money as WDC incur a cleaning charge after each use. Moreover, Air B&Bs should not be used to house homeless clients because the quality of the accommodation cannot be predetermined, and there is no capacity for the Private Sector

Housing Team to check these properties before placement. In the current list of tenancies, the auditor found just one applicant that had been placed into a serviced apartment; however, the applicant had been in situ for eighteen weeks.

Recommendation – A temporary accommodation policy should be compiled. This should make reference to the different types of temporary accommodation that the Council provides, as well as the standards expected of these properties and the various charges. A policy of this nature should also refer to serviced apartments and the circumstances in which these can be used.

4.2.4 **Potential Risk: Insufficient financial resources to sustain the temporary accommodation service.**

There are two budget codes associated with the Temporary Accommodation function: the Temporary Homelessness Accommodation budget and the Rough Sleeping Initiative budget. During 2023/24, significant costs included council tax of WDC properties (£4,130.70), electricity (£14,537.59) and water rates (£7,504.24). Income during 2023/24 amounted to £665,520.32, the majority of which came from Housing Benefit rebates for applicants placed into WDC temporary accommodation. £390,952 in grant funding was also received.

Thus far, £99,917.95 has been collected in rent rebates for 2024/25. Expenditure has amounted to £68,531.49, although it should be noted that £6,000 of temporary accommodation expenses has been debited against the general expenditure code as opposed to the temporary accommodation code. The Council tax for WDC temporary accommodation has increased to £17,034.09 for 2024/25; WDC have also paid £6,200.90 towards the rough sleeper initiative.

The HAAM advised that the temporary accommodation team often provide crockery, cutlery, air beds, bedding and other ad hoc items for those applicants who come into temporary accommodation with no belongings. Items are regularly bought and there is no formalised record of who these items are sent to. The items are kept in a storeroom at Radcliffe Gardens that temporary accommodation staff have access to on key code entry.

Whilst the scope of the audit did not specifically look at temporary accommodation stock, a preliminary review of the purchasing card transactions was conducted by the auditor. Several transactions were found in which the following items had been purchased for homeless applicants:

- Air beds and foot pumps for air beds
- Bedding/duvet sets
- Waterproof mattresses

Recommendation – A full inventory of furnishings/stock purchased for temporary accommodation placements should be compiled. The expected standards of the provision of white goods and furniture should be included under a temporary accommodation policy.

It has also come to light that Homeless Support Workers allow some tenants who vacate WDC temporary accommodation to leave furnishings in place for the next occupant; this has been done without the consent of the HSM. The HAAM has advised that by allowing this to happen, WDC take on an unnecessary risk if the furniture breaks, injures an occupant or is found to be contaminated. Moreover, any soft furnishings left behind may not carry the correct fire-retardant labels.

In order to address this, it has been agreed that all spends in excess of £300 (not including the day-to-day hotel or guest room bookings) will need to be authorised by the HAAM. This will also include any damage or cleaning costs, key replacement claims submitted by proprietors, and any other costs from contractors for furniture removals.

4.3 **Legal and Regulatory Risks**

4.3.1 **Potential Risk: Failure to comply with legislation including the Homelessness Reduction Act 2017/Housing Act 1996.**

Any changes to, or new pieces of legislation are reviewed by the HAAM, HSM and Housing Needs Manager before being disseminated to staff.

The service is bound by the Severe Weather Emergency Protocol (SWEP). Where the temperature measures 0°C or below, the Council has a duty to house any rough sleepers. There has also been a change in the homelessness code of guidance around the suitability of accommodation; it has been made explicit that temporary accommodation should not be considered as suitable for families with children under two if there is not enough space for a cot. WDC temporary accommodation follow the guidance issued by the Lullaby Trust and provides information and guidance for families with babies and young children on how they can provide a safe sleeping space. Guidance to this effect has been distributed to the relevant officers.

The HAAM advised that WDC have to abide by the multi-agency public protection arrangement (MAPPAs) when trying to house a high-risk offender. The Criminal Justice Act 2003 provides for the establishment of MAPPAs in each of the 42 criminal justice areas in England and Wales. These are designed to protect the public, including previous victims of crime, from serious harm by sexual and violent offenders.

Offenders are placed into one of three MAPPAs categories according to their offence and sentence, with the levels designed to ensure that resources are focused on those that require the greatest level of multi-agency co-operation. The three levels of MAPPAs management are:

- Level 1 – Multi-Agency Support
- Level 2 – Multi-Agency Management
- Level 3 – Enhanced Multi-Agency Management

The majority are managed at level 1 (ordinary agency management). This involves the sharing of information but does not require multi-agency meetings. Others are managed at level 2 if an active multi-agency approach is required,

and at level 3 if senior representatives of the relevant agencies are also needed. Regular formal MAPPA meetings must be held for offenders managed at Level 2 or 3.

Once offenders have been identified as MAPPA offenders, the next stage is to assess the risk that they pose. This could be the risk of reconviction, the risk of reoffending, or the risk of serious harm. Every MAPPA offender is identified in one of the four MAPPA categories:

- Category 1 – Subject to sexual offender notification requirements.
- Category 2 - Violent offender or other sexual offender.
- Category 3 - Other dangerous offender.
- Category 4 – Terrorist or terrorist risk offender.

A number of applicants with offending history were identified through the Locata system and investigated by the auditor to check that they had been assessed against MAPPA criteria before being housed. Nine of the cases sampled were subject to MAPPA. In two of these cases, the MAPPA level was set to 1 and the applicant was housed in temporary accommodation. In the remaining seven cases, the level had been set to 2; these applicants had not been housed in temporary accommodation, as the risk had been deemed too high. In the remaining eleven cases, whilst the applicant had a history of offence, they were not subject to MAPPA; only three of these cases were housed in temporary accommodation.

The temporary accommodation online forms contain details of the household, whether the accommodation selected is suitable, which accommodation has been declined and the price of the accommodation booked. If applicants refuse the temporary accommodation offered, an escalation procedure is triggered through the Housing Options team who will assist in ending a temporary accommodation placement if there has been a breach of agreement, or if the risk is deemed too great; there is an ongoing case at present where an applicant has been rehomed thirteen times due to behavioural issues.

The service is bound by the corporate complaint procedure; the Council aims to investigate complaints within twenty working days although there are certain complaints that will be prioritised, investigated, and reported on within five working days, where particular circumstances identify vulnerability and/or a need for urgency. Complaints that the team receive mostly concern unsuitable temporary accommodation, where for example, the accommodation does not meet the applicant's need, it is not clean, or the applicant does not feel safe etc. There is, however, no central complaint log in the Locata system to record how many complaints the team have received within a certain time period. In order to ascertain whether a complaint has been recorded against an applicant, this would require going into the individual applicant journals (of which there are 8,464 cases on Locata). Consequently, this made it difficult to test the number of complaints relating to unsuitable accommodation.

The auditor did manage to locate four complaints of this nature during other areas of the testing. In all cases, the action taken to resolve the complaint had been recorded. In two of the four cases, the applicant had been informed of the resolution; one complaint was resolved within the same month, whilst another

took one month to resolve. Two of the applicants identified made multiple complaints across several months, and so the date that all complaints were resolved was approximately three months after the first complaint was made. The HSM did advise that a complaints module could be introduced to the system.

Advisory – Consideration should be given to introducing a complaints module on Locata.

On average, approximately fifty temporary accommodation placements are made each month. At month end, the HSM will send figures to the HAAM concerning the number of households placed into temporary accommodation. The service is subject to KPI monitoring, including:

- The average length of stays in days within temporary accommodation.
- The number of households that have been in temporary accommodation for longer than three months.
- The % of ended homelessness prevention or relief duties that were successful.

The Head of Housing, Health & Communities advised that management performance meetings monitor these KPIs.

4.4 Reputational Risks

4.4.1 Potential Risk: Loss or unauthorised disclosure of sensitive personal information.

There have been no recorded data breaches; however, records have been inappropriately placed on the Locata system and, consequently, have had to be deleted. Team briefings held by the HSM are starting to reiterate the need to ensure that records are filed correctly.

There is a data sharing and consent form which is issued to homeless applicants during their sign up to temporary accommodation. This outlines that the personal data provided by applicants will be used by the Council to assist in obtaining accommodation by assessing housing needs and vulnerabilities; a copy of this consent form is contained in the operations manual.

A test was conducted by the auditor to ensure that copies of privacy consent forms had been signed and dated by the applicant before being uploaded to the individual Locata journals. In the majority of cases, evidence was found that consent had been given. However, in three cases, there was no consent form attached to either Active H or Locata; in another case, the Locata journal stated that the applicant had returned the consent form, but this had not been uploaded to either system.

Advisory – Consideration should be given to ensuring that every applicant has a fully signed data sharing and consent form uploaded to their account on both Active H and Locata.

Personal information pertaining to homeless applicants is retained for six years after the date of last contact. A test was, therefore, performed to ascertain whether data older than six years had been appropriately deleted. A sample of fifteen applicants, whose placement into temporary accommodation ended in 2018, was reviewed. It was found that all fifteen clients still had personal contact details showing on Locata. Of the fifteen cases sampled, twelve related to WDC properties so Active H was also reviewed; it was found that personal contact details were also held in all twelve of these cases on Active H. There were also three tenants that had been recorded against different addresses on Active H when compared to Locata.

Recommendation – Any homeless records older than 2019 should be disposed of accordingly.

Advisory – Consideration should be given to reminding staff to file records appropriately and ensure that the data held on Locata appropriately matches the data held on Active H.

The Locata system provides officers with information to allow appropriate rehousing to take place and monitors placements into temporary accommodation. The Active H system also provides information relating to applicant needs and preferences, but this only relates to the applicants placed into WDC accommodation. There may be a potential in the future for the data contained in the Locata system to migrate back into Active H, as this sometimes causes double data entry for staff.

4.4.2 **Potential Risk: Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council/refusal from business owners to house Council referrals.**

Homeless Support Workers are supposed to take photographs of WDC temporary accommodation before these are handed back to the Voids team, to ensure that no damage, theft, or vandalism has ensued during an applicant's stay. Hotel inspections are carried out by the Private Sector Housing team and the Homeless Support Workers conduct weekly room inspections during their visits to applicants. Some applicants receive daily housekeeping visits whilst in private accommodation; any concerns with the condition of the rooms can be reported to WDC through this method.

Any damages caused are the applicant's responsibility and the proprietor can hold them liable for payment. The Council pays the damages to cover the immediate cost, but this should be recouped from the applicant. All clean and clearance charges from private temporary accommodation should also be recharged in this manner.

A number of temporary accommodation placements were examined to check that any damages had been appropriately recorded and that recharges had been paid in a timely manner. The seven cases identified related to damages caused in privately owned temporary accommodation. In all seven cases, the damage had been recorded on the Locata system. As a result of the damages caused, the placement ended within the same week in five cases. The remaining two cases had mitigating circumstances in place which meant that they were able to

remain in the property after a formal warning was issued. The cost of the damages was recorded through invoices on the finance management system in five of the seven cases.

Recommendation – Where purposeful damages have been caused in private temporary accommodation, the temporary placement should be ended promptly.

The due date for WDC to repay the charge was recorded on the invoice in only two cases. Where it was found that the charges had been paid by the Council, one invoice was paid within a week and another within three weeks; two invoices were paid within the same month that they were received. There was just one case where a repayment agreement had been set up with the applicant. None of the cases tested had been served a Notice to Quit.

Recommendation - Payments to providers of temporary accommodation should be made in a timely manner to avoid the risk of losing sources of accommodation.

Recommendation - Officers should, where possible, be trying to recoup any monies from applicants where WDC have had to foot the bill for damages.

Advisory – Where damages have occurred, consideration should be given to immediately serving a Notice to Quit.

The HSM advised that there is a warning procedure in place with regards to behaviour; applicants receive a verbal warning, followed by a first and second written warning. After this, they are evicted from temporary accommodation, although eviction may be immediate if a breach is considered serious.

A non-secure tenancy agreement is signed by WDC and the homeless applicant, where they have been placed into WDC temporary accommodation. The tenancy agreement outlines that the Council reserves the right to move applicants to alternative temporary accommodation at any time. The conditions for use and occupation are included in this agreement. In turn, the Council's responsibilities are to ensure that the property is in good order when the agreement commences, repair any defects, keep communal areas clean, and make regular visits to support the applicant.

For applicants staying in private temporary accommodation, a Use and Occupation Agreement must be signed. This specifically highlights that the agreement can be ended at any time if the applicant is guilty of gross misconduct or breaches any of the terms and conditions:

- Not to cause damage to the room.
- Not to disturb neighbours.
- Not to use the property for illegal purposes.
- Not to smoke in the room.
- Not to bring drugs or alcohol onto the premises.
- Not to block fire exits.

It was found during the testing of private temporary accommodation placements, that none of the twenty-five cases sampled had a user and occupation agreement uploaded to Locata. One case had a diary note stating that the applicant had completed the agreement, but no agreement was attached to corroborate this. In one case the applicant had refused to sign the agreement but was still housed.

Recommendation – All User and Occupation Agreements should be uploaded to Locata.

4.4.3 **Potential Risk: Documentation incomplete or records of visits not maintained in the system.**

Visits to properties are primarily documented through the Locata journal but can also be diary noted through Active H. Every applicant should have a copy of the key receipt, fire door agreement, emergency next of kin and non-secure tenancy agreement saved to the DIP in Active H. Documents should also be signed, and have names fully printed.

A sample of twenty temporary accommodation placements were examined to check that the corresponding documentation had been appropriately uploaded to the DIP. The test proved largely satisfactory, although a number of documents were found to be either missing or incomplete:

- Two applicants had no key receipt uploaded, and one key receipt had been signed but not dated.
- There were four applicants without a fire door agreement and one where the agreement had been signed but no name was printed or dated.
- Only six of the twenty cases tested had an emergency next of kin form uploaded to the DIP; eleven cases had no next of kin form at all. One next of kin form was signed but no name had been printed or dated; one had been dated but had no signature or name printed and one had no signature, date or name printed.
- Two cases had no tenancy agreement present. One agreement was signed but no date or name printed, and two cases had no signature present from a WDC officer.

Recommendation - Staff should be reminded to upload key receipts, fire door agreements, next of kin forms, and non-secure tenancy agreements to the DIP for all WDC temporary accommodation placements.

Recommendation - Staff should be reminded that these documents must be fully signed, dated and names printed by both the applicant and the WDC officer in all cases. The HSM should also undertake regular audits of these documents.

A number of temporary accommodation placements were also investigated to check that where rent statements had been produced, these had been paired with a visit to the applicant. In all twenty cases sampled, a rent statement had been issued during April 2024 (although one case did not have this recorded on Locata, and this was instead confirmed through Active H). Thirteen cases in the

sample had the rent statement hand delivered, while the remaining seven were posted. Only two rent statements were paired with a visit to the applicant; it was not specified in eight cases whether a visit had been conducted.

Recommendation - Staff should be reminded to update both Locata and Active H where possible.

Recommendation - Rent statements should be hand delivered to the applicant where possible. Where rent statements have been delivered to the property, a visit should accompany this.

4.4.4 **Potential Risk: Failure to perform weekly inspections / block checks.**

The HSM advised that there are procedure notes in place regarding the expectations that staff must meet when placing applicants into temporary accommodation. This includes helping the client with housing benefit claims and conducting weekly property inspections. The HAAM advised that block checks do not always take place every week, leading to applicants complaining about the service charge where blocks have not been cleaned.

During a temporary accommodation placement, support visits should take place every week. A number of temporary accommodation placements were examined to ascertain if weekly visits had been made to the applicant during placement. This test focussed on where the applicant had actually been visited as opposed to where rent statements had been posted. It was found in just two cases that weekly visits to the applicant had consistently taken place.

Recommendation – Management should consider the resources needed in order for the team to be able to conduct weekly visits to all homeless applicants placed into temporary accommodation.

4.4.5 **Potential Risk: Temporary accommodation resources inadequate to deal with the increased levels of homelessness.**

The team works with third-party organisations such as 'P3' and 'Together' who are commissioned to provide floating homelessness support; 'Together' particularly focuses on the physical needs of the applicant as well as mental health support. Support referrals can be made at any time by the Homeless Support Workers during visits to homeless clients.

Meetings are held with accommodation providers every Monday morning to discuss any concerns arising from the weekend. As part of the new Dynamic Provider System, there will be an audit requirement for the HSM to meet with accommodation providers and assess whether they are achieving service specific requirements.

Where the applicant had been placed into private temporary accommodation, a test was conducted by the auditor to determine whether WDC officers had contacted the accommodation provider to ensure that the citizen was still using the accommodation and that there were no issues arising. In six of these cases, contact had been made with the provider.

4.4.6 **Potential Risk: Unsuitable accommodation.**

Hotels do not come under the Council's decent standards, and this cannot, therefore, be enforced upon them. The team should, however, use the Private Sector Housing team to check hotels and ensure that there are no Category 1 risks present. WDC do expect hotel rooms to be clean, tidy, secure, and in good working order. The Temporary Accommodation team are working on making sure that all providers of temporary accommodation are listed on the Dynamic Provider System, as private proprietor standards often differ to WDC.

4.4.7 **Potential Risk: Failure to provide temporary accommodation in a timely manner.**

A number of temporary accommodation placements were investigated to check that applicants were housed in a timely manner. Following the temporary accommodation request, thirteen of the twenty cases sampled had to be housed on the same day; eight of these thirteen cases were housed within this timescale.

Advisory – Consideration should be given to reminding staff of the need to house applicants into temporary accommodation within the timescales specified in the temporary accommodation request.

The auditor also conducted a test to check whether applicants were informed of their placement in a timely manner. In all twenty cases, the applicant was notified of their placement, generally either on the day that the placement started, or a day or so in advance.

4.5 **Fraud Risks**

4.5.1 **Potential Risk: Risk of accommodation not being used / no genuine homeless need.**

Placements were investigated to check that requests for temporary accommodation had been appropriately reviewed by management prior to placement. All twenty cases had been reviewed by the Senior Housing Advice and Allocations Officer. Evidence to justify the need for temporary accommodation was also evidenced on Locata in thirteen of the twenty cases, e.g., through police reports, MASH/MARAC referrals or Notices to Quit.

The identified risk does, however, reinforce the need for frequent visits to temporary accommodation, to ensure that applicants are still present.

4.5.2 **Potential Risk: Risk of housing benefits being paid to applicants no longer residing in temporary accommodation.**

A number of temporary accommodation placements were investigated by the auditor to ascertain if housing benefit had been stopped in a timely manner after the placement had ended. This test was split into WDC properties and private placements. Encouragingly, benefit payments were stopped promptly following the end of the placement into WDC temporary accommodation; there were two cases in the sample where housing benefit had been stopped prior to the end of

placement as the applicant no longer met the criteria. There was just one case where housing benefit was still being paid to the applicant, despite their placement having ended in April 2024. In every case, the benefit payment had been appropriately recorded on the corresponding Active H account.

As private temporary accommodation is not listed on Active H, the test was completed to ensure that the Benefits team had been appropriately advised to stop housing benefit, and that this had been recorded on the Locata system. Housing benefit commenced promptly following placement into private temporary accommodation; there were just three cases in the sample where no benefit start date was recorded.

Recommendation - Staff should be reminded to note housing benefit start dates on the Locata journal notes where relevant.

Following the end of placement, a notification was sent to the Benefits team in a timely manner in fourteen of the cases reviewed. There were, however, four cases where no notification had been sent to the Benefits team. No reason was specified as to why the Benefits team had not been notified; however, the Benefits Assessment Officer confirmed that in all four cases, housing benefit had either been stopped or had not been paid.

Recommendation - Staff should be reminded to notify the Benefits team immediately once the placement end date is known.

4.6 **Health and Safety Risks**

4.6.1 **Potential Risk: Failure to adequately monitor the welfare of the applicant.**

Homeless Support Workers are allocated certain residents to monitor by the HSM. A number of temporary accommodation placements were examined by the auditor to ascertain if weekly contact had been made during placement. Weekly contact had been consistently made in eleven of the twenty cases sampled. Where this was not the case, contact had been made but not on a regular basis. At the time of testing, sixteen cases had received a visit between mid-late April; one applicant had not been visited since March 2024, and another since January 2024. In one case, no visit had been documented on Locata at all.

Recommendation - Staff should be reminded to make weekly contact with their assigned applicant. In cases where contact cannot be established, this should be documented on the Locata journal.

4.6.2 **Potential Risk: Failure to perform accurate risk assessments on the applicant.**

Using the Locata system, risk assessments are performed on the individual to determine if they pose a risk to others, themselves or to the property; in cases where an individual is fleeing violence, temporary accommodation is seen as the most appropriate solution.

Currently, the temporary accommodation team do not conduct their own risk assessments as these are completed during the housing options assessment which is then recorded on Locata. The HSM is working on a risk and need assessment template which the temporary accommodation team can use when evaluating the applicant. This includes looking at address history, housing circumstances and money management.

4.6.3 **Potential Risk: Risk to staff health and safety when conducting site visits.**

WDC have a lone-worker policy in place. Staff must inform their line manager or other identified person when they will be working alone, giving accurate details of their location, and following an agreed plan to inform that person when the task is completed. This includes occasions when a staff member expects to go home following a visit rather than returning to their base. When entering premises, it is the WDC employee who has the personal responsibility to be aware of any foreseeable hazards and, so far as is reasonably practicable, protect themselves and other staff under their control.

Where possible, two people should work together. Depending on the risk posed, staff visit temporary accommodation placements in pairs. If the risk is deemed too high, visits are not conducted.

In the sixteen risk assessments identified, risks had been categorised as either 'risk to self', 'risk to others' 'risk from others', or 'none identified'. In the cases where 'risk to self' had been the only category identified (six cases), just one Homeless Support Worker had been assigned to the case. However, there were also six cases where only one officer had been assigned, but 'risk to others' had been identified on the assessment. There was just one case where all three risk categories had been identified and two support workers were required to conduct visits.

Advisory - Where 'risk to others' has been highlighted, consideration should be given to ensuring that both Homeless Support Workers conduct visits to the applicant.

Homeless Support Workers record their visits through their calendars to ensure that colleagues are informed of their whereabouts. Officers have also been issued with Solo Protect units.

Staff have access to the staff alert list via the Intranet. As part of upcoming appraisals, officers are due to attend a course on how to deal with confrontational situations, including how to deal with difficult conversations and making sure that conversations with homeless applicants are factual and appropriate.

4.7 **Other Risks**

4.7.1 **Potential Risk: Citizens staying in temporary accommodation for lengthy periods, resulting in significant budgetary pressures, and providers becoming too reliant on the Council for this service.**

The length of time a homeless applicant is offered temporary accommodation depends on the assessment of the individual's circumstances. The maximum length of time for a family placement into hotels or B&Bs (anything not self-contained) is six weeks as per the Homelessness (Suitability of Accommodation) (England) Order 2003.

A number of placements were investigated to ascertain the amount of time spent in temporary accommodation. It was found that in fifteen of the twenty-five cases tested, the time spent in temporary accommodation exceeded six-weeks; however, none of the applicants in question concerned family placements.

In all fifteen cases, a reason had been appropriately recorded in the journal outlining why time spent at the accommodation was so high. The reasons provided included 'waiting on void works to complete at the new property', 'no suitable properties to bid on HomeChoice' and 'issues with rent or Council Tax'. During COVID, there were applicants who had spent a significant time in temporary accommodation; however, this has since been reviewed and numbers are considerably lower.

Homeless Support Workers assist applicants in the completion of HomeChoice forms and help the applicant work to reduce any rent or Council Tax arrears in order that they can be moved to permanent accommodation as quickly as possible. The applicant will complete a Personal Housing P (PHP) and work to address any barriers that would prevent them from being housed in permanent accommodation.

4.7.2 **Potential Risk: Lack of resources to perform the service.**

A review of the Homeless Support Worker job description was conducted by the auditor. The main responsibilities of the role include assisting applicants with completing benefit claims, assisting with HomeChoice applications, undertaking weekly welfare visits to clients, conducting property inspections, supporting the client's health and wellbeing, and ensuring that case records are up to date. Whilst officers can liaise with support services, they should not be providing these support services themselves.

The HSM has been given authority to recruit more staff; according to the current structure, there should be five occupied posts, where currently there are just two. The Temporary Accommodation Assistant post has since been advertised.

5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were reviewed as part of this audit. The review highlighted weaknesses against the following risks:

- Risk 3 – No formalised temporary accommodation policy in place.
- Risk 4 – Stock may not be accounted for; furnishings may not be compliant.
- Risk 6 – Data may not be disposed of in a timely manner.
- Risk 7 – Applicants who have purposefully caused damage are not evicted promptly; damage recharges may not be repaid on time; WDC is not

reimbursed for damage recharges; copies of applicant agreements are not always evidenced on file.

- Risk 8 – Documentation may not be uploaded to the relevant systems; documentation does not contain appropriate names and signatures; rent statements are not paired with visits.
- Risk 9 – The resources are not in place to ensure weekly visits are consistently performed.
- Risk 14 – The Benefits team may not be notified of placement end; housing benefit dates are not included in the Locata system.
- Risk 15 – Weekly contact is not always made with applicants.

5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted as there is no significant risk attached to the actions not being taken.

5.3 In overall terms, we can give a MODERATE degree of assurance that the systems and controls in place in respect of Temporary Accommodation are appropriate and are working effectively to help mitigate and control the identified risks.

5.4 The assurance bands are shown below:

Level of Assurance	Definition
Substantial	There is a sound system of control in place and compliance with the key controls.
Moderate	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited	The system of control is generally weak and there is non-compliance with controls that do exist.

6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management.

6.2 The advisory comments above are reproduced in the attached Action Plan (Appendix B) for management consideration.

Ian Davy
Audit and Risk Manager

Action Plan

Internal Audit of Temporary Accommodation – July 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.3.	Financial Risk: Failure to use Council assets as temporary accommodation, resulting in high hotel / B&B costs.	A temporary accommodation policy should be compiled. This should make reference to the different types of temporary accommodation that the Council provides, as well as the standards expected of these properties and the various charges. A policy of this nature should also refer to serviced apartments and the circumstances in which these can be used.	Low	Housing Advice and Allocations Manager	Agreed. We have serviced apartment providers on the DPS for use if needed. A policy will be developed to clarify when they can be used and to ensure value for money.	31 December 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.4	Financial Risk: Insufficient financial resources to sustain the temporary accommodation service.	A full inventory of furnishings/stock purchased for temporary accommodation placements should be compiled. The expected standards of the provision of white goods and furniture should be included under a temporary accommodation policy.	Medium	Homeless Services Manager	Existing stock control procedures were not being followed. The HSM has spoken with officers to remind them that they must complete inventory sheets. A full stock check has now been completed and will be audited by the HSM each month. Items that are included in the WDC stock have been checked to ensure that they are in good working order. Any nonstandard items will be removed and if clearance of items is required, this will be arranged, and the outgoing tenant will be sent an invoice for the cost. End of tenancy visits will be carried out when the staffing levels permit.	Completed
4.4.1	Reputational Risk: Loss or unauthorised disclosure of sensitive personal information.	Any homeless records older than 2019 should be disposed of accordingly.	Medium	Homeless Services Manager; Senior Housing Advice and Allocations Officer	The HSM will dispose of records pre-2019. The Senior Housing Advice and Allocations Officer will ensure archived records are deleted prior to 2019 on the LOCATA system.	30 September 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.2 (a)	Reputational Risk: Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council/refusal from business owners to house Council referrals.	Where purposeful damages have been caused in private temporary accommodation, the temporary placement should be ended promptly.	Medium	Homeless Services Manager	Agreed. There is an existing warning system in place whereby any breaches of occupancy due to wilful damage will result in financial penalties and eviction. Staff have been informed of this.	Completed.
4.4.2 (b)	Reputational Risk: Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council/refusal from business owners to house Council referrals.	Payments to providers of temporary accommodation should be made in a timely manner to avoid the risk of losing sources of accommodation.	Medium	Homeless Services Manager	Invoices are received and checked before being approved. Payments are made in line with WDC Procurement, Purchasing and Payments. The service maintains invoicing records to ensure payments are made in a timely manner.	Completed.
4.4.2 (c)	Reputational Risk: Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council/refusal from business owners to house Council referrals.	Officers should, where possible, be trying to recoup any monies from applicants where WDC have had to foot the bill for damages.	Medium	Homeless Services Manager; Housing Advice and Allocations Manager	Debt recovery policy to be implemented and sundry accounts to be set up on ActiveH.	30 September 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.2 (d)	Reputational Risk: Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council/refusal from business owners to house Council referrals.	All User and Occupation Agreements should be uploaded to Locata.	Medium	Homeless Services Manager.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	31 July 2024
4.4.3 (a)	Reputational Risk: Documentation incomplete or records of visits not maintained in the system.	Staff should be reminded to upload key receipts, fire door agreements, next of kin forms, and non-secure tenancy agreements to the DIP for all WDC temporary accommodation placements.	Medium	Homeless Services Manager.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	31 July 2024
4.4.3 (b)	Reputational Risk: Documentation incomplete or records of visits not maintained in the system.	Staff should be reminded that these documents must be fully signed, dated and names printed by both the applicant and the WDC officer in all cases. The HSM should also undertake regular audits of these documents.	Medium	Homeless Services Manager.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	31 July 2024
4.4.3 (c)	Reputational Risk: Documentation incomplete or records of visits not maintained in the system.	Staff should be reminded to update both Locata and Active H where possible.	Low	Homeless Services Manager.	This will be done during team meetings and 1:1s. The HSM will remind staff of the importance of accurate record keeping.	31 July 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.3 (d)	Reputational Risk: Documentation incomplete or records of visits not maintained in the system.	Rent statements should be hand delivered to the applicant where possible. Where rent statements have been delivered to the property, a visit should accompany this.	Low	Homeless Services Manager.	Every Monday rent statements are issued; where the occupant is present the team will speak with them, but this is not done through a supported visit. A support visit is arranged in line with occupant and officer availability at an agreed date during the week. When staff vacancies are filled, this will provide the capacity to ensure that this is done in all cases.	Completed
4.4.4	Reputational Risk: Failure to perform weekly inspections / block checks.	Management should consider the resources needed in order for the team to be able to conduct weekly visits to all homeless applicants placed into temporary accommodation.	Medium	Homeless Services Manager; Housing Advice and Allocations Manager	Agreed. Support visits are taking place, but the reduced staffing levels do not allow a visit every week. Weekly visits will resume when the service has its full complement of staff. Weekly block inspections of WDC stock are recorded on ActiveH.	31 July 2024
4.5.2 (a)	Fraud Risk: Risk of housing benefits being paid to applicants no longer residing in temporary accommodation.	Staff should be reminded to note housing benefit start dates on the Locata journal notes where relevant.	Low	Homeless Services Manager	Agreed. A record of housing benefit claim numbers will be uploaded on LOCATA and cross-referenced with the temporary accommodation spreadsheet.	31 July 2024
4.5.2 (b)	Fraud Risk: Risk of housing benefits being paid to applicants no longer residing in temporary accommodation.	Staff should be reminded to notify the Benefits team immediately once the placement end date is known.	Medium	Homeless Services Manager	The recruitment of a Temporary Accommodation Assistant will ensure this recommendation is complied with.	30 September 2024

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.6.1	Health & Safety Risk: Failure to adequately monitor the welfare of the applicant.	Staff should be reminded to make weekly contact with their assigned applicant. In cases where contact cannot be established, this should be documented on the Locata journal.	Medium	Homeless Services Manager	The recruitment of a Homeless Support Officer will ensure full compliance of this recommendation.	30 September 2024

* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

- High: Issue of significant importance requiring urgent attention.
- Medium: Issue of moderate importance requiring prompt attention.
- Low: Issue of minor importance requiring attention.

Action Plan

Internal Audit of Temporary Accommodation – July 2024

Report Ref.	Risk Area	Advisory Comment	Management Response
4.3.1	Legal & Regulatory Risk: Failure to comply with legislation including the Homelessness Reduction Act 2017/Housing Act 1996.	Consideration should be given to introducing a complaints module on Locata.	Enquiries will be made with Locata to establish if the system has the capability to do this.
4.4.1 (a)	Reputational Risk: Loss or unauthorised disclosure of sensitive personal information.	Consideration should be given to ensuring that every applicant has a fully signed data sharing and consent form uploaded to their account on both Active H and Locata.	Although privacy notices and consent forms are obtained by the Housing Options officers, the Temporary Accommodation team will also ensure their own forms are completed, in order to obtain emergency contact details should there be concerns regarding the wellbeing of homeless applicants.
4.4.1 (b)	Reputational Risk: Loss or unauthorised disclosure of sensitive personal information.	Consideration should be given to reminding staff to file records appropriately and ensure that the data held on Locata appropriately matches the data held on Active H.	Team meeting and 1:1's will provide information relating to good reporting and recording of information. Training will be given to ensure this is ongoing.
4.4.2	Reputational Risk: Temporary accommodation vandalised / damaged by occupants leading to fines incurred by the Council/refusal from business owners to house Council referrals.	Where damages have occurred, consideration should be given to immediately serving a Notice to Quit.	Agreed. Consideration will always be given; however, warnings are issued proportionate to the seriousness of the incident alongside the characteristics of the household. Wilful damage is always treated seriously and where applicable is likely to result in eviction and involvement from Warwickshire Police.
4.4.7	Reputational Risk: Failure to provide temporary accommodation in a timely manner.	Consideration should be given to reminding staff of the need to house applicants into temporary accommodation within the timescales specified in the temporary accommodation request.	Most temporary accommodation placements are completed on the same day, following instruction from the Housing Options Officers. Where this differs, WDC always provide accommodation by the date provided on the temporary accommodation request form.

Report Ref.	Risk Area	Advisory Comment	Management Response
4.6.3	Health and Safety Risk: Risk to staff health and safety when conducting site visits.	Where 'risk to others' has been highlighted, consideration should be given to ensuring that both Homeless Support Workers conduct visits to the applicant.	The staff alert list is checked prior to all visits and the temporary accommodation request identifies where there is a risk to staff. All temporary accommodation staff have Solo Protect devices which is activated for all visits.

Internal Audit Progress 2024/25: Quarter 2
Analysis of Performance

Time Spent: Audit Plan – Planned Vs Actual

ACTIVITY	ANNUAL ALLOCATION (DAYS)	PROFILE ALLOCATION (DAYS)	ACTUAL TO DATE (DAYS)	VARIATION (DAYS)
<u>Planned Audit Work</u>	301.0	150.5	82.2	+68.3
<u>Other Time</u>				
Sundry audit advice	15.0	7.5	0.0	+7.5
Contingency audit work	20.0	10.0	20.2	-10.2
Contingency non-audit work	10.0	5.0	8.4	-3.4
Other work	15.0	7.5	0.0	+7.5
Principal Internal Auditor non-audit work	75.0	37.5	0.0	+37.5
Non-chargeable activities	157.0	78.5	114.3	-35.8
Leave and other absences	139.0	69.5	33.9	+35.6
<i>Total Other Time</i>	431.0	215.5	177.3	+38.2
<i>Total Time</i>	732.0	366.0	259.5	+106.5

Time spent: Assignments Completed – Planned Time Vs Actual Time

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Customer Access Facilities	14.0	11.2	+2.8
Temporary Accommodation	10.0	10.9	-0.9
Cyber Security (2022/23 Audit)	Contracted Out		

Explanation for variances greater than 2 days (unless within 20%):

Customer Access Facilities – the time allocation had not been amended for part of the previous scope that now forms a separate audit.

Completion of Audit Plan: Target Vs Actual

NO. OF AUDITS PER AUDIT PLAN	PROFILED TARGET COMPLETION		ACTUAL NO. COMPLETED TO DATE		VARIATION	
	NO.	%	NO.	%	NO.	%
33	9	27.3	3*	9.1	-6	-18.2

Does not include the 2022/23 Cyber Security audit

**Summary of Recommendations and Management Responses from Internal Audit Reports
issued Quarter 2, 2024/25**

Recommendation	Rating ¹	Responsible Officer	Management Response	Target Date
Customer Access Facilities – September 2024				
Staff should be reminded to thoroughly check all letters before these are folded and sent for posting.	Medium	Customer Services Team Leader	Staff will be reminded of the importance of checking documents prior to posting, in order to comply with the relevant Data Protection regulations. The introduction of Hybrid Mail should negate the need for hand-printed mail.	31 August 2024
Refresher Data Protection Training should be held on an annual basis.	Low	Head of Customer & Digital Services	A cyber-security training plan has recently been developed which includes the requirement for all staff to undertake regular data protection refresher training within the next 12 months.	Completed.
Guidance should be compiled outlining where and how CSC staff can report facility issues.	Low	Benefits & Customer Services Manager	We will determine the mechanism through which the CSC can report issues with the building and provide feedback to the CSTL.	31 August 2024
Guidance needs to be distributed to WDC staff (e.g. through the Intranet) explaining the roles and responsibilities of the CSC following their move to the Pump Rooms.	Low	Benefits & Customer Services Manager	Agreed to compile document and get this distributed.	30 September 2024

¹ The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Recommendation	Rating ¹	Responsible Officer	Management Response	Target Date
Any documents in the manual that refer to Riverside House should be updated. The waste and recycling procedure will also need updating to reflect the calls being brought back into WDC.	Low	Customer Services Team Leader	This will be an ongoing project taking place as and when procedure notes are transferred to the wiki 'how-to' guides.	January 2025
The KPI relating to the number of Benefits and Revenues calls taken, needs to be updated to reflect that the CSC also handle Elections and Switchboard calls.	Medium	Head of Customer & Digital Services	This will be actioned as soon as the replacement Contact Centre Telephony Management system is in place (August 2024) for inclusion within SAP performance reporting requirements. Because of how the previous (outgoing) system was setup, differentiation between call types was problematic.	31 October 2024
Call statistic reports should be sent onto the Head of Customer & Digital Services, as appropriate.	Medium	Benefits & Customer Services Manager	This will be done on a monthly basis.	30 September 2024
All Council departments should ensure that all staff are subject to thorough verification checks before being given access to a specific system.	Medium	Head of Customer & Digital Services	Completing baseline security checks is a requirement of our Memorandum of Understanding with the DWP regarding access to their data. All current staff recruitment exercises include this requirement. Work will be undertaken with HR to ensure that all current employees have undertaken appropriate checks.	30 December 2024
A fully comprehensive risk assessment of the Pump Rooms reception should be completed as a matter of urgency.	High	Benefits & Customer Services Manager; Casual Health and Safety & Premises Manager.	This will be completed as a matter of urgency.	End of August 2024.

Temporary Accommodation – July 2024

Recommendation	Rating ¹	Responsible Officer	Management Response	Target Date
<p>A temporary accommodation policy should be compiled. This should make reference to the different types of temporary accommodation that the Council provides, as well as the standards expected of these properties and the various charges. A policy of this nature should also refer to serviced apartments and the circumstances in which these can be used.</p>	Low	Housing Advice and Allocations Manager	<p>Agreed. We have serviced apartment providers on the DPS for use if needed. A policy will be developed to clarify when they can be used and to ensure value for money.</p>	31 December 2024
<p>A full inventory of furnishings/stock purchased for temporary accommodation placements should be compiled. The expected standards of the provision of white goods and furniture should be included under a temporary accommodation policy.</p>	Medium	Homeless Services Manager	<p>Existing stock control procedures were not being followed. The HSM has spoken with officers to remind them that they must complete inventory sheets. A full stock check has now been completed and will be audited by the HSM each month. Items that are included in the WDC stock have been checked to ensure that they are in good working order. Any nonstandard items will be removed and if clearance of items is required, this will be arranged, and the outgoing tenant will be sent an invoice for the cost. End of tenancy visits will be carried out when the staffing levels permit.</p>	Completed
<p>Any homeless records older than 2019 should be disposed of accordingly.</p>	Medium	Homeless Services Manager; Senior Housing Advice and Allocations Officer	<p>The HSM will dispose of records pre-2019. The Senior Housing Advice and Allocations Officer will ensure archived records are deleted prior to 2019 on the LOCATA system.</p>	30 September 2024

Recommendation	Rating¹	Responsible Officer	Management Response	Target Date
Where purposeful damages have been caused in private temporary accommodation, the temporary placement should be ended promptly.	Medium	Homeless Services Manager	Agreed. There is an existing warning system in place whereby any breaches of occupancy due to wilful damage will result in financial penalties and eviction. Staff have been informed of this.	Completed.
Payments to providers of temporary accommodation should be made in a timely manner to avoid the risk of losing sources of accommodation.	Medium	Homeless Services Manager	Invoices are received and checked before being approved. Payments are made in line with WDC Procurement, Purchasing and Payments. The service maintains invoicing records to ensure payments are made in a timely manner.	Completed.
Officers should, where possible, be trying to recoup any monies from applicants where WDC have had to foot the bill for damages.	Medium	Homeless Services Manager; Housing Advice and Allocations Manager	Debt recovery policy to be implemented and sundry accounts to be set up on ActiveH.	30 September 2024
All User and Occupation Agreements should be uploaded to Locata.	Medium	Homeless Services Manager.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	31 July 2024
Staff should be reminded to upload key receipts, fire door agreements, next of kin forms, and non-secure tenancy agreements to the DIP for all WDC temporary accommodation placements.	Medium	Homeless Services Manager.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	31 July 2024

Recommendation	Rating ¹	Responsible Officer	Management Response	Target Date
Staff should be reminded that these documents must be fully signed, dated and names printed by both the applicant and the WDC officer in all cases. The HSM should also undertake regular audits of these documents.	Medium	Homeless Services Manager.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	31 July 2024
Staff should be reminded to update both Locata and Active H where possible.	Low	Homeless Services Manager.	This will be done during team meetings and 1:1s. The HSM will remind staff of the importance of accurate record keeping.	31 July 2024
Rent statements should be hand delivered to the applicant where possible. Where rent statements have been delivered to the property, a visit should accompany this.	Low	Homeless Services Manager.	Every Monday rent statements are issued; where the occupant is present the team will speak with them, but this is not done through a supported visit. A support visit is arranged in line with occupant and officer availability at an agreed date during the week. When staff vacancies are filled, this will provide the capacity to ensure that this is done in all cases.	Completed
Management should consider the resources needed in order for the team to be able to conduct weekly visits to all homeless applicants placed into temporary accommodation.	Medium	Homeless Services Manager; Housing Advice and Allocations Manager	Agreed. Support visits are taking place, but the reduced staffing levels do not allow a visit every week. Weekly visits will resume when the service has its full complement of staff. Weekly block inspections of WDC stock are recorded on ActiveH.	31 July 2024
Staff should be reminded to note housing benefit start dates on the Locata journal notes where relevant.	Low	Homeless Services Manager	Agreed. A record of housing benefit claim numbers will be uploaded on LOCATA and cross-referenced with the temporary accommodation spreadsheet.	31 July 2024

Recommendation	Rating¹	Responsible Officer	Management Response	Target Date
Staff should be reminded to notify the Benefits team immediately once the placement end date is known.	Medium	Homeless Services Manager	The recruitment of a Temporary Accommodation Assistant will ensure this recommendation is complied with.	30 September 2024
Staff should be reminded to make weekly contact with their assigned applicant. In cases where contact cannot be established, this should be documented on the Locata journal.	Medium	Homeless Services Manager	The recruitment of a Homeless Support Officer will ensure full compliance of this recommendation.	30 September 2024

Current Implementation Position for Recommendations Due for Completion by End of Quarter 2 2024/25

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Aids and Adaptations (2023/24 Audit)				
Review the Active H system with the Application Support team to ascertain whether the automated updates to the Attributes field from the orders can be restored.	The system will be reviewed to ascertain whether this link can be restored.	July 2024	No.	The action in terms of reviewing the system to see if the link can be restored is completed (insofar as it was already working but the updates to the relevant attributes were not automatic due to the way that the contracts had been set up on the Active H system). Work will now be undertaken to ensure that the contractors and contracts are appropriately set up so that this link works as required.
Leisure and Recreation Facilities (2023/24 Audit)				
a) Fire risk assessments should be completed by the Assets team in line with the specified timescales. b) the Sports & Leisure team should be ensuring that these risk assessments are completed.	Actions will be completed under our control. Other actions raised with the Assets team will be regularly chased and audit trails made available. Sports & Leisure Contract Officer to liaise with Health & Safety and Premises Manager as the AssessNet system is proving problematic in actioning tasks.	July 2024	No.	a) FRA's for Newbold Pavilion and The Old Library are due to be completed by an independent assessor on 19th August. This will allow The Sports Team to review the current actions that are outstanding on these buildings. A full review of outstanding actions, will take place in September 2024. The annual FRA's for the sports buildings are also due again in the autumn.

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
				b) The Sports Assistants monitor and update the compliance spreadsheet and update accordingly. They have access to the DMS on Active H and also request the information directly from the contract administrators - if not readily available. Sports Assistants are aware of the importance of the document and the need to maintain accuracy and up to date information.
a) Compliance works should be completed by the Assets team. b) The Sports & Leisure team need to ensure that these compliance works have been completed and update the compliance spreadsheet accordingly.	All actions under the Sports & Leisure Team's control have been completed; other items are the responsibility of the Assets team, who are being regularly communicated with; audit trails are available. Sports & Leisure Contract Officer to liaise with Health & Safety and Premises Manager as the AssessNet system is proving problematic in actioning tasks.	July 2024	No.	Compliance checks are completed and recorded by both contractors that are instructed by Assets and the Assets Team themselves. All of these checks are recorded and paperwork passed to the Sports Assistants. The Sports Assistants then transpose the information on to their own compliance spreadsheet and monitor accordingly from there.
Staff should be reminded to file monthly and weekly inspections, where necessary.	Inspections had been completed but were not filed correctly. Admin procedures will be addressed.	August 2024	No.	On a weekly basis we do on-site inspections of the pavilions and obtain reports monthly from assets for the assessments by external companies (Firesafe, Dodds etc.) If this information is not available we continue to chase colleagues.
The risk assessment relating to the Poplar trees at the Edmondscote athletics track	Officer will update Assessnet in due course. Works are still ongoing with the trees.	September 2024	No.	The risk assessment has been reviewed and updated. A number of trees were felled in March 2024 as

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>should be reviewed and updated where appropriate.</p>				<p>they had been deemed as a risk and needed to be removed. Further work is scheduled for October/November 2024. A bat survey was recently concluded (Oct 2024). Providing that this survey allows then further tress will be felled prior to the end of 2024. The risk assessment will be reviewed at that point and amended as necessary. Everyone Active operate the athletics facility on behalf of WDC now and they have risk assessments in place to close the track or reduce operation during high winds. This will again need reviewing once any tree work has been completed as it could be that that the risk is completely removed depending upon the number of trees felled and their location. The tree condition is managed by Greenspace colleagues and the reports undertaken are sent to and reviewed by them. Any action undertaken is done via their instruction.</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
IDVERDE should be reminded of their contractual obligation to inspect the football pitches on a regular basis.	Sports Team will liaise Contract Services.	September 2024	No.	ID Verde should complete monthly pitch inspections and worksheets sent to the sports team for their information. These reports are then filed. This did happen consistently towards the end of the previous season, and September's reports for this season have been received. Sports Team will monitor and ensure these are completed by ID Verde.
Information Governance (2023/24 Audit)				
Managers should be reminded to inform their teams where data is stored and located.	Request to all managers via email can be sent for them to brief and explain to their teams.	July 2024	No.	Action completed in 8 August 2024 via email to managers forum.
The Town Hall operating procedure should be updated to reflect the clear-desk policy and use of headsets in the office.	The Head of Assets to liaise with the Facilities Manager on this.	July 2024	No.	The clear desk policy and (use of) headsets have been updated in both the Saltisford and the Town Hall SOPs.
ICT Strategies and Policies (2023/24 Audit)				
The detail behind the current Digital Strategy and any sub-strategies required should be drawn up as soon as practicable to support the current change programme, with reference being made to how they align with the Corporate Strategy Warwick District 2030.	Work is underway to develop the content of the Digital Strategy objectives based on the one-page digital strategy outlined as part of the Change Programme. These will be published and made available to staff as soon as possible and identify how they align to both the change programme and the Council's wider corporate objectives.	July 2024	No.	This recommendation is complete. The Digital Strategy and associated Change Programme documents are all now published together and the links between are contained within this documentation.

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>It should be ensured that the new strategy is published as a distinct document on the internet and intranet.</p>	<p>Revised materials will be published accordingly and consideration can also be given as to the most appropriate way of communicating the strategy, alongside the wider change programme. Target date set to match the outcomes identified in recommendation 4.2.3.</p>	<p>July 2024</p>	<p>No.</p>	<p>This recommendation is completed and the strategy can be found through SharePoint and by searching for Digital Strategy on the intranet.</p>
<p>Temporary Accommodation</p>				
<p>A full inventory of furnishings/stock purchased for temporary accommodation placements should be compiled. The expected standards of the provision of white goods and furniture should be included under a temporary accommodation policy.</p>	<p>Existing stock control procedures were not being followed. The HSM has spoken with officers to remind them that they must complete inventory sheets. A full stock check has now been completed and will be audited by the HSM each month. Items that are included in the WDC stock have been checked to ensure that they are in good working order. Any nonstandard items will be removed and if clearance of items is required, this will be arranged, and the outgoing tenant will be sent an invoice for the cost. End of tenancy visits will be carried out when the staffing levels permit.</p>	<p>Completed at the time of the final report.</p>		

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Where purposeful damages have been caused in private temporary accommodation, the temporary placement should be ended promptly.	Agreed. There is an existing warning system in place whereby any breaches of occupancy due to wilful damage will result in financial penalties and eviction. Staff have been informed of this.	Completed at the time of the final report.		
Payments to providers of temporary accommodation should be made in a timely manner to avoid the risk of losing sources of accommodation.	Invoices are received and checked before being approved. Payments are made in line with WDC Procurement, Purchasing and Payments. The service maintains invoicing records to ensure payments are made in a timely manner.	Completed at the time of the final report.		
All User and Occupation Agreements should be uploaded to Locata.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	July 2024	No.	Use and occupation agreements are being completed when households are being seen at their accommodation however; we still only have one HSW so these are taking time to be completed and then uploaded onto the system
Staff should be reminded to upload key receipts, fire door agreements, next of kin forms, and non-secure tenancy agreements to the DIP for all WDC temporary accommodation placements.	Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.	July 2024	No.	All WDC non-secure tenants signed up have completed and signed relevant sign up paperwork including checklists which have been uploaded to ActiveH DIP folder

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>Staff should be reminded that these documents must be fully signed, dated and names printed by both the applicant and the WDC officer in all cases. The HSM should also undertake regular audits of these documents.</p>	<p>Agreed. The HSM will remind staff of the importance of accurate record keeping. When staff vacancies are filled, this will provide capacity to ensure this is done in all cases.</p>	<p>July 2024</p>	<p>No.</p>	<p>HSM checking all documents are completed in full following visits with households prior to uploading onto system for those in WDC non secure tenancies. For Non-WDC households, recruitment has been unsuccessful therefore there is a delay in the uploading of documents as households come into TA.</p>
<p>Staff should be reminded to update both Locata and Active H where possible.</p>	<p>This will be done during team meetings and 1:1s. The HSM will remind staff of the importance of accurate record keeping.</p>	<p>July 2024</p>	<p>No.</p>	<p>There is only one HSW and the TA manager currently in post therefore; daily meetings taking place whereby records are being updated and information uploaded onto systems as required. There is a backlog of scanning to upload to client files which is being done weekly and diarised.</p>
<p>Rent statements should be hand delivered to the applicant where possible. Where rent statements have been delivered to the property, a visit should accompany this.</p>	<p>Every Monday rent statements are issued; where the occupant is present the team will speak with them, but this is not done through a supported visit. A support visit is arranged in line with occupant and officer availability at an agreed date during the week. When staff vacancies are filled, this will provide the capacity to ensure that this is done in all cases.</p>	<p>Completed at the time of the final report.</p>		

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Management should consider the resources needed in order for the team to be able to conduct weekly visits to all homeless applicants placed into temporary accommodation.	Agreed. Support visits are taking place, but the reduced staffing levels do not allow a visit every week. Weekly visits will resume when the service has its full complement of staff. Weekly block inspections of WDC stock are recorded on ActiveH.	July 2024	No.	The resources required for weekly visits have been considered although support visits are still taking place fortnightly currently as we have been unable to successfully recruit a HSW to enable the weekly visits. These are diarised and recorded when visits have taken place.
Staff should be reminded to note housing benefit start dates on the Locata journal notes where relevant.	Agreed. A record of housing benefit claim numbers will be uploaded on LOCATA and cross-referenced with the temporary accommodation spreadsheet.	July 2024	No.	A record of ALL HB claim references is captured both on Locata and the TA spreadsheet. Dates by which memos (both occupancy and vacation) are emailed to Benefits are on the spreadsheet and also recorded on Locata. This role is that of the TA assistant however; currently being completed by the HSM so there are a few notifications delayed in sending.
Any homeless records older than 2019 should be disposed of accordingly.	The HSM will dispose of records pre-2019. The Senior Housing Advice and Allocations Officer will ensure archived records are deleted prior to 2019 on the LOCATA system.	September 2024	No.	The temporary accommodation service has safely removed records of those in temporary accommodation pre 2019 in the folders within Homeless services provision in line with GDPR and sensitive information

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>Officers should, where possible, be trying to recoup any monies from applicants where WDC have had to foot the bill for damages.</p>	<p>Debt recovery policy to be implemented and sundry accounts to be set up on ActiveH.</p>	<p>September 2024</p>	<p>No.</p>	<p>We have set up some sundry accounts onto our system on the ActiveH system enabling a code to be allocated for payment to be made. Where a client has a rent account set up the costs for damages post vacation of temporary accommodation has been applied creating arrears on their account. A folder designated to damages invoices incurred following vacation of temporary accommodation clients has been set up and we are currently in the process of setting up sundry accounts to recharge and recoup the costs. This will be completed and available for Audit purposes 31/10/2024 and ongoing.</p>
<p>Staff should be reminded to notify the Benefits team immediately once the placement end date is known.</p>	<p>The recruitment of a Temporary Accommodation Assistant will ensure this recommendation is complied with.</p>	<p>September 2024</p>	<p>No.</p>	<p>We have successfully recruited to the role of temporary accommodation assistant as at: 16/09/2024. To this, all occupancy and vacation memos are being managed by this role alongside benefits communication and correspondence daily. We are now in a position to monitor and undertake a review bi monthly of overpayment notifications received reducing any fraud risk.</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>Staff should be reminded to make weekly contact with their assigned applicant. In cases where contact cannot be established, this should be documented on the Locata journal.</p>	<p>The recruitment of a Homeless Support Officer will ensure full compliance of this recommendation.</p>	<p>September 2024</p>	<p>No.</p>	<p>We have not been successful in recruiting to the role of homeless support worker for both the permanent position and fixed term contract. As a result we have been able to provide fortnightly visits to most households and maintain weekly phone calls across all households to address any concerns or issues they require assistance with. The temporary accommodation assistant has been able to provide telephone contact and visual when completing property inspections. the HSM is also undertaking visits to ensure a presence where this is achievable due to other work commitments.</p>
<p>Housing Rent Collection (2023/24 Audit)</p>				
<p>Staff should be reminded to dispose of tenant data in line with specified timeframes.</p>	<p>This is an area of ongoing development. A retention period for the DMS has been agreed with the various Housing teams. The Business Development and Change Officer is working with IT to build a framework which can be applied to these retention rules and run automatically. Currently, there is no practice to delete, redact or anonymise data in Active H. There are, however, possibilities to introduce data disposal</p>	<p>August 2024</p>	<p>No.</p>	<p>The framework to automatically dispose of digital documentation in line with the Housing Services retention policy has been completed and tested. However as this work has been developed concurrently to other DMS enhancements, of which some are dependent on other components, existing plans are to deploy this into Live at the same time as the wider ActiveH upgrade, which is scheduled to occur in Q4</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
	<p>methods which could run automatically on a nominated schedule. This is something that the BD&C Team would be looking to progress in 2024/25.</p>			<p>24/25. The deletion or anonymisation of 'data' in the ActiveH database itself now has superior automation opportunities through the arrival of a Modern Workflow Studio, however no such processes relating to data redaction have been bought into the live system.</p>
Open Spaces (2022/23 Audit)				
<p>The Green Space Strategy should be reviewed and updated. It should also take the Council's actions towards the climate emergency, ecological emergency, and health inequality into consideration.</p>	<p>Original: Any review needs to address the climate emergency, ecological emergency, and health inequality. Current strategy ends in 2026 so would start planning to review in 2024. Update (February 2024): This will be integrated into the service plans for 2024/25 (No new target date was provided, so followed-up in April 2024) Update (May 2024): Discussions have started on how to staff resource the project and options on out sourcing the works required. A Project Initiation Document will be in place by end August 2024.</p>	<p>August 2024 (Previous target date of January 2024 with follow-up in April 2024)</p>	<p>No.</p>	<p>Planning is underway for the review of the Green Space Strategy which will happen in 2025 and is included within the Service Area Plan for 2025-2026. Procurement have advised us on the procurement options if we are needing external support.</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Change Management (2023/24 Audit)				
<p>The Change Management Policy should be reviewed as soon as possible and at regular intervals thereafter.</p>	<p>Original: The Change Management policy does require a review as it was last looked at when we were merging. We will review the policy in context of best practice and bring this back to SLT for approval.</p> <p>Update (November 2023): Updates to the Change Management Policy have not been completed yet due to resourcing limitations within Customer and Digital Services. However, work toward a revised Change Control process is underway and will be completed shortly.</p> <p>Update (May 2024): Work toward a revised change management policy has not been completed due to other priorities within the service, which have drawn the attention of officers away from this.</p> <p>The Change Policy is prioritised for updating and will be completed as soon as possible. A draft policy has been created, but has not yet been circulated to stakeholders for consideration, ready for confirmation by SLT or the ICT Steering Group if this is established before the recommendation is completed.</p>	<p>August 2024 (Previous target dates of 3 November 2023 and February 2024)</p>	<p>No.</p>	<p>A revised Change Management policy has been developed by ICT. This addresses the aspects identified by the audit and is based on the Change Management principles identified in ITIL v3 and ISO 27002 (2022). It cannot guarantee that no uncontrolled changes will ever take place, especially outside of ICT environment where individual services are responsible for line of business systems, but it introduces safeguards to minimise this risk. The revised policy whilst aimed at ICT and the systems it has in place to manage changes, can be used by other service areas with slight adaptation, to make use of the tools they have available.</p> <p>The policy is set to be reviewed every two years.</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
	An extension to this action is requested.			
<p>The Council should implement a process whereby improved change request monitoring reporting is designed and implemented. These might include (but not be limited to) the following:</p> <ul style="list-style-type: none"> • Aging of change requests broken down into regressive time periods, to detect change records that have exceeded specific KPIs in this respect. • New changes for specific time periods. • Resource time allocations to changes, to detect allocation overruns where changes are more challenging to implement. • Change request age (the time between the initial record being raised to the request being closed). • Changes awaiting approval. <p>All these examples will require agreed KPIs or other suitable metrics for them to be adding value to the service.</p>	<p>Original: Agreed – this will be addressed as part of reviewing the Change Management Process.</p> <p>Update (November 2023): Updates to the Change Management Policy have not been completed yet due to resourcing limitations within Customer and Digital Services. However, work is progressing and a revised change reporting process will be completed.</p> <p>Update (May 2024): Work toward a revised change management policy has not been completed due to other priorities within the service, which have drawn the attention of officers away from this.</p> <p>The Change Policy is prioritised for updating and will be completed as soon as possible. A draft policy has been created, but has not yet been circulated to stakeholders for consideration, ready for confirmation by SLT or the ICT Steering Group if this is established before the recommendation is completed.</p> <p>An extension to this action is requested.</p>	August 2024 (Previous target dates of 3 November 2023 and February 2024)	No.	<p>A revised change management process has been developed that records key information about a change and allows for the monitoring of change performance. This includes aspects such as:</p> <ul style="list-style-type: none"> • Key dates for when the change was raised, when it is expected to be completed and when authorisations are required. • Resources are recorded within the change control document - both internally to ICT, internally within a service, and externally if any contractor support is being provided. • Category of changes dependent upon impact and risk. • Notification time tables and methods. • Change types - standard, regular or emergency <p>Each of these aspects facilitate improved monitoring of Change Control performance within ICT and the key outputs will become a</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
				feature of ICT's 2025/26 Service Area Plan performance measures.
<p>The Council should update the email template used (to have the business authorise the next steps in the change cycle) to include an explicit option for having the service area confirm that their business process documentation has been updated as required and that relevant training on the new processes has been delivered.</p>	<p>Original: Agreed – this will be addressed as part of reviewing the Change Management Process.</p> <p>Update (November 2023): Updates to the Change Management Policy have not been completed yet due to resourcing limitations within Customer and Digital Services.</p> <p>Update (May 2024): Work toward a revised change management policy has not been completed due to other priorities within the service, which have drawn the attention of officers away from this.</p> <p>The Change Policy is prioritised for updating and will be completed as soon as possible. A draft policy has been created, but has not yet been circulated to stakeholders for consideration, ready for confirmation by SLT or the ICT Steering Group if this is established before the recommendation is completed.</p> <p>An extension to this action is requested.</p>	<p>August 2024 (Previous target dates of 3 November 2023 and February 2024)</p>	<p>No.</p>	<p>A new change management process has been developed which explicitly asks a service to provide positive affirmation of a change and describes each aspects of the change process.</p> <p>This does not explicitly state that a service would need to update its operational documentation as this is beyond what ICT would be able to provide insight toward. However, it does contain a suggestion of aspects which the service should consider and documentation is an item on this list.</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Void Management (2023/24 Audit)				
An illegal occupation procedure should be compiled.	<p>Original: Agreed.</p> <p>Update (May / June 24): One of the responsible officers had not initially been made aware that she had been allocated responsibility for undertaking the action so the target date needed to be amended. Initial thoughts have now been pulled together which are to be discussed by the two responsible officers so that an agreed procedure can be taken forward.</p>	August 2024 (Previous target date of April 2024)	Yes – revised to November 2024	A draft procedure has been drawn up by the Housing Advice and Allocations Manager which is awaiting comments from Assets (via the Compliance Manager).
The Assets service risk assessment regarding visits and inspections should be updated.	<p>Original: Agreed to review with the Health & Safety and Premises Manager.</p> <p>Update (July 2024): Completing this recommendation has been hampered by the resignation of Francis Quinn. Mark Sainsbury is though now in post on a casual basis and is reviewing both the contracts and general use of Solo Protect and AssessNet. Until this is complete, it is difficult to determine what changes are required to the existing Risk Assessment. I will though take this up with Mark ASAP and discuss what interim changes, if any to the RA need to be made.</p>	August 2024 (Previous target date of Spring (June) 2024)	No.	The relevant Risk Assessment on AssessNet has now been updated and published in consultation and support from the Corporate Health & Safety Manager.

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Staff should be reminded to take arrears action in cases where damage recharges have not been paid.	Agreed. The Landlord Services Manager to speak to the Purchasing and Payments, Business Administration, and Income Management teams to draw up a procedure outlining the stages for pursuing arrears, including County Court Orders.	Summer 2024 (September 2024)	No.	A draft procedure is now in place and consideration is being given to see if a process in Active H can be developed to manage the process and link in with repairs.
A procedure needs to be drawn up to ensure that properties which remain empty after contractor work has completed, are regularly inspected. This is to ensure compliance with insurance requirements and prevent legionella.	Agreed.	Summer 2024 (September 2024)	Yes – revised to March 2025.	As part of the Consumer Standards action plan, a redesign of the end-to-end process for letting a void is currently underway. This recommendation will be included in the redesign and will be completed by 31/03/25.
Staff should be chasing unpaid costs as well as making sure that recharges have been charged to the correct individual.	Agreed.	Summer 2024 (September 2024)	No.	Completed as part of the recharge process
Financial Strategy, Planning and Budgetary Control (2022/23 Audit)				
The 'Managing Your Cost Centre' course should be made mandatory for new budget managers with consideration being given to running this as refresher training for existing budget managers.	Original: A new training programme is to be established to support the use of the new Finance Management System, introduced in Nov 21. This was supported at launch by mandatory training sessions. Update (June 2023): Support is currently offered by Assistant and Principal Accountants to	Aug 2024 (Previous target dates of April and September 2023 and January, February	Yes – initially revised to September 2024 and then to November 2024	Original Response: The training PowerPoint presentation is now almost finalised, and managers will be required to shortly attend the training (end of September after the Fees and Charges work is finished) Subsequent Response (October 2024): The PowerPoint slides to deliver CCM

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
	<p>assist all Finance system users (including Managers). A new Budgeting system is being developed and accompanying training will be provided. This will take place over the next couple of months with a view to having this live by September 2023.</p> <p>Update (November 2023): The PowerPoint that was going to build on the initial training we offered our users at go-live for new starters was being updated but, with one thing or another, this got delayed. The Strategic Finance Manager's thinking now is this needs to be more Cost Centre Manager focused so we're looking at bringing those bits more into it.</p> <p>The last few weeks have been busy with the Fees and Charges exercise. That's over now, so this will be looked at again over the coming weeks with the Strategic Finance Manager and the Team.</p> <p>Update (February 2024): Due to workload in the Team it hasn't been possible to put together this training. The next couple of months will be focused on upgrading to a newer release 23B (from 22B) and then year-end processes. We should look to start this late April and for now suggest we put in a completion</p>	and June 2024)		<p>training are ready and it just needs scheduling in dates with the Learning and Development Officer for the Accountancy Team to run these.</p> <p>I'm mindful this has been on the back burner for the best part of a year but with Fees and Charges recently and currently the need to finalise our accounts for 2021/22 & 2022/23 I would have liked to have said we'll get these started in October but in reality I suspect it will be sometime in November 2024.</p>

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	<p>date of 30/06/2024.</p> <p>Update (July 2024): The only problem was, with this be 'Cost Centre Manager' training as opposed to general CIA system training, I had hoped for input from a number of people on various areas but with workloads I accept this can be lower on individuals priorities. So to get this to move a bit, the Strategic Finance Manager's instructed me to put something together myself and for that to be improved upon by individuals if required. So the Strategic Finance Manager wants me to get that together by the middle of this month (July). We can then give individuals to the end of the month to comment / add to. Then with it being the holiday season in August (and to allow for any further time required on the above) I think realistically it wouldn't go live before Sept so a 31st Aug completion date should be met.</p>			

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Licensing Services				
A training log should be implemented to track which Licensing and Regulatory Committee and sub-committee members have received the mandatory licensing and regulatory training and which still require this training.	Yes, Committee have a record but it would be beneficial for Licensing to have their own record too.	August 2024	No.	A Licensing (team specific) Training Log has been developed, that includes details such as date invite sent, when a response was received and if they attended the training or not - it will be used for subsequent Cllr training sessions.
Customer Access Facilities				
Staff should be reminded to thoroughly check all letters before these are folded and sent for posting.	Staff will be reminded of the importance of checking documents prior to posting, in order to comply with the relevant Data Protection regulations. The introduction of Hybrid Mail should negate the need for hand-printed mail.	August 2024	No.	An email has been sent to all relevant staff.
Refresher Data Protection Training should be held on an annual basis.	A cyber-security training plan has recently been developed which includes the requirement for all staff to undertake regular data protection refresher training within the next 12 months.	August 2024	No.	Annual data protection training for Customer Services staff will be scheduled via the Meta system, commencing in December 2024.
Guidance should be compiled outlining where and how CSC staff can report facility issues.	We will determine the mechanism through which the CSC can report issues with the building and provide feedback to the CSTL.	August 2024	No.	Staff now know that if they experience an issue with the Pump Rooms they can raise this with their team leader who will escalate the situation to the Council's Assets Team. If a prompt response is not received, this will be escalated to

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
				the Head of Customer and Digital Services, who will liaise with the Assets Team directly.
A fully comprehensive risk assessment of the Pump Rooms reception should be completed as a matter of urgency.	This will be completed as a matter of urgency.	August 2024	No.	Within the first six months of opening there have been no incidents within the customer service environment. Currently, it is considered that the risk of a significant incident is not high and there is no budget available to fund an additional community warden. The risk of an incident will continue to be recorded in Customer and Digital Services risk assessment for the Pump Rooms, but no further action will be taken at this stage.
Guidance needs to be distributed to WDC staff (e.g. through the Intranet) explaining the roles and responsibilities of the CSC following their move to the Pump Rooms.	Agreed to compile document and get this distributed.	September 2024	No.	Staff now have access to a comprehensive knowledge base which explains the roles of Customer Service staff within the Pump Rooms and in other settings.
Call statistic reports should be sent onto the Head of Customer & Digital Services, as appropriate.	This will be done on a monthly basis.	September 2024	No.	Call performance reports are now distributed to the Head of Customer and Digital Services on an automated basis. Performance monitoring has also been added to the KIT meeting agenda for the Customer Services Manager.
Events Management (2023/24 Audit)				

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Contract KPIs should be formally monitored.	Agreed.	September 2024	No.	KPI Excel spreadsheet created and being monitored periodically.
BCP's from contractors should be provided on a yearly basis.	Agreed.	September 2024	No.	BCP's requested from 2 contractors, 1 received to date.
VAT Accounting (2023/24 Audit)				
The VAT reference manual should be reviewed.	<p>Original: SFM to work with AA to find capacity to update VAT manual, including all statutory updates and to then publish on the intranet.</p> <p>Update (May 2024): Priorities have been on completing the closedown for three different financial years. Additional resource will be placed into this team to provide resilience for the Assistant Accountant who deals with VAT.</p>	September 2024 (Previous target date March 2024)	Yes – revised to August 2025.	The completion of the accounts has been the priority and this will be reviewed by August 2025.
VAT details, if not included on receipts, should be available on request to customers.	<p>Original: To advise service areas to have VAT receipts available where possible and ensure that signposting to the intranet to inform the VAT registration number is available (and to update the internet is updated).</p> <p>Update (May 2024): Priorities have been on completing the closedown for three different financial years. Additional resource will be placed into this team to provide resilience for the Assistant Accountant who deals with VAT.</p>	September 2024 (Previous Target Date March 2024)	No.	CIA has been developed to include VAT receipts (where costs have been coded correctly to VAT) to be available on request, including the authorities address and VAT number. A dashboard is available to all users to find and print these.

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>A timetable of VAT tasks should be developed and progress regularly reviewed by the Strategic Finance Manager.</p>	<p>Original: Timetable to be produced annually in line with the Finance report timetable Update - February 2024: This has not yet been actioned due to workload issues and, as we are nearly at financial year end, there is currently not time to action this. The Strategic Finance Manager suggested that he needs to find time for the Assistant Accountant to complete this task.</p> <p>Update (May 2024): Priorities have been on completing the closedown for three different financial years. Additional resource will be placed into this team to provide resilience for the Assistant Accountant who deals with VAT.</p>	<p>September 2024 (Previous target dates of June and December 2023 and April 2024)</p>	<p>Yes – revised to April 2025.</p>	<p>The completion of the accounts has been the priority and this will be reviewed by April 2025.</p>
<p>Banking Arrangements (2023/24 Audit)</p>				
<p>Ethical procurement aspects should be considered in the risk register.</p>	<p>Original: The Council’s investment counter-party criteria identifies countries that the Council is happy to accept, and the Council’s bank provider would be a UK-based subsidiary or company. The risk register will be reviewed in October and then on a quarterly basis.</p> <p>Update (November 2023): Due to the ongoing external audit and other workload pressures this review</p>	<p>September 2024 (Previous target dates of October 2023 and March 2024)</p>	<p>Yes – revised to January 2025.</p>	<p>Previous responses have taken this action slightly on a tangent. The consideration of this risk will be covered when the next review of the Finance Risk Register is undertaken in January</p>

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	<p>hasn't taken place and will have to be deferred until the consideration of the 2024/25 Annual Treasury Management Strategy Statement report to Council, to be approved by 31 March 2024.</p> <p>Update (May 2024): Procurement have advised we need to take a report to Cabinet to get approval, as the two-year contract extension, taken with the original contract, exceeds the £50k limit the S151 has.</p>			
Treasury Management (2022/23 Audit)				
<p>The Treasury Management Practice documents should be reviewed to ensure that they are complete and up to date.</p>	<p>Original: The TMPs will be reviewed as soon as time permits.</p> <p>Update (April 2023): These have been significantly re-written but need the S151 Officer to review a number of points. Once comments have been received, time will be needed to amend the documents accordingly.</p> <p>Update (October 2023): The Strategic Finance Manager and the Principal Accountant will arrange a meeting with the Head of Finance soon about the updated Treasury Management Practices that the Principal Accountant did in February, as he needs to agree what has been</p>	<p>September 2024 (Previous target dates of March, September and December 2023 and March and June 2024)</p>	<p>Yes – revised to March 2025.</p>	<p>The completion of the accounts has been the priority and this will be addressed in time for the TM statement in March 2025.</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	TARGET DATE	TARGET DATE REVISED?	CURRENT STATE OF IMPLEMENTATION PER MANAGER
	<p>included with regards to the S151 Officer's responsibilities which are based on the CIPFA recommendations. It's never quite got to the top of priorities give the external audit situation, change of Council, etc.</p> <p>Update (January 2024): A Treasury Management Policy Statement was included in the Annual Treasury Management Strategy Statement 2023/24, at Appendix A, adopted by Council in March 2023. This statement will also be included in the Annual Treasury Management Strategy Statement 2024/25 currently being drafted for Cabinet on 6 March 2024 (for Council on 20 March 2024).</p> <p>Update (May 2024): The Treasury Management Practices are still in draft as they require the formal acceptance from the Head of Finance, as they to add to his (and the Strategic Finance Manager's) responsibilities. However, priorities have been on completing the closedown for three different financial years.</p> <p>Update (August 2024): S151 Officer to review and approve draft TMP's by end of September 2024.</p>			

Title: Treasury Management Activity Report for period 1 April 2024 to 30 September 2024

Lead Officer: Karen Allison, Assistant Accountant (Capital and Treasury), (karen.allison@warwickdc.gov.uk or 01926-456334)

Portfolio Holder: Councillor Jonathan Chilvers

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	12/12/2024	Jonathan Chilvers
Finance		Andrew Rollins
Legal Services		N/A
Chief Executive	09/12/2024	Chris Elliott
Director of Climate Change		Dave Barber
Head of Service(s)		Andrew Rollins
Section 151 Officer		Andrew Rollins
Monitoring Officer		Graham Leach
Leadership Co-ordination Group		N/A
Final decision by this Committee or rec to another Cttee / Council?	Yes final decision by this 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?	Yes	

Summary

This report details the Council's Treasury Management performance for the period 1 April 2024 to 30 September 2024.

- Core re-investments were initially kept short to take advantage of the changes in interest rates then midterm the period was extend. Overall they outperformed the benchmark.
- Money Market Funds and Call Accounts were used for every day cashflow purposes and combined they outperformed against the benchmark.
- The overall performance was above the benchmark.

Recommendation

- (1) That Audit and Standards Committee notes the contents of this report.
-

1 Reasons for the Recommendation

- 1.1 The Council's 2024/25 Treasury Management Strategy and Treasury Management Practices (TMP's) require the performance of the Treasury Management Function to be reported to Members on a half yearly basis in accordance with the Treasury Management Code of Practice.

2 Alternative Options

- 2.1 This report retrospectively looks at what has happened during the last six months and is, therefore, a statement of fact.

3 Legal Implications

- 3.1 None directly arising from the Council's Treasury Management activity.

4 Financial Services

- 4.1 Treasury Management can have a significant impact on Warwick District Council's budget through its ability to maximise its investment interest income (see [Appendices A](#) and [B](#)) and minimize borrowing interest payable whilst ensuring the security of the capital.
- 4.2 Warwick District Council is reliant on interest received to help fund the services it provides. The actual investment interest in 2024/25 compared with the original and latest budgets is shown in the following table, which shows the income from Treasury activity as well as non-Treasury interest:

	Latest 2024/25 Budget £'000	Original 2024/25 Budget £'000	2023/24 Actual £'000
Gross Investment Interest	1,626	1,626	2,072.8
/ess HRA allocation	1,500	2,755	1,774.5
Treasury interest to General Fund	3,125	4,380	3,847.3
Non-Treasury Management Interest	2,966	2,966	3,069.1
Net interest to General Fund	6,091	7,347	6,916.4

***Please note that the figures in the table above are work-in-progress and subject to change.

This highlights the slightly reduced level of budgeted net Treasury interest expected to be earned compared with 2023/24 outturn. Interest earned by the

General Fund from the Housing Revenue Account (HRA) will reduce further as it continues to borrow from the PWLB.

5 Corporate Strategy (Strategic Aim 1)

- 5.1 The treasury management activity in this report applies to Warwick District Council, in accordance with the statutory framework and local Treasury Management Strategy and Treasury Management Practices.
- 5.2 The Treasury Management function enables the Council to meet its vision, primarily through having suitably qualified and experienced staff deliver the service in accordance with the Council's Treasury Management Practices and the national framework that local government operates.

6 Environmental/Climate Change Implications

- 6.1 The recommendation to divest from direct ownership of fossil fuels companies or commingled funds that include fossil fuel public equities by no later than 2025, in pursuance of the Council's Climate Emergency Declaration was realised ahead of target.

7 Analysis of the effects on Equality

- 7.1 There are no Equality Impact Assessment implications of this report.

8 Data Protection

- 8.1 Treasury Management activity is compliant with Data Protection Act.

9 Health and Wellbeing-not applicable

- 9.1 There are no health and wellbeing implications of the proposal in this report.

10 Risk Assessment

- 10.1 Continued uncertainty in the aftermath of the 2008 financial crisis, brought into even sharper focus by the COVID-19 pandemic, has promoted a cautious approach, whereby investments are now dominated by low counterparty risk considerations, with low returns compared to borrowing rates.

Investing the Council's funds inevitably creates risk and the Treasury Management function effectively manages this risk through the application of the **SLY principle**: Security(S) ranks uppermost followed by Liquidity (L) and finally Yield(Y).

It is accepted that longer duration investments increase the security risk within the portfolio, however this is inevitable to achieve the best possible return and still comply with the SLY principle which is a cornerstone of treasury management within local authorities.

In addition to credit ratings themselves, the Council will also have regard to any ratings watch notices issued by the three agencies as well as articles in the Financial press, market data and intelligence from Link Asset Services benchmarking groups. It will also use Credit Default Swap (CDS) data as supplied by Link Asset Services – Treasury Solutions to determine the suitability of investing with counterparties (see [Appendices C and D](#)).

Corporate Bonds and Floating Rate Notes (FRNs) – when used -introduce counterparty credit risk into the portfolio by virtue of the fact that it is possible that the institution invested in could become bankrupt leading to the loss of all or part of the Council's investment. This is mitigated by only investing in Corporate Bonds or FRNs with a strong Fitch credit rating, in this case 'A' and issued as Senior Unsecured debt which ranks above all other debt in the case of

a bankruptcy.

Covered Bonds also reduce risk in the portfolio as the bond is 'backed' by high quality assets such as prime residential mortgages thus ensuring that if the bond issuer defaults there are sufficient assets that can be realised in order to repay the bond in full.

Corporate Equity Funds can help to ensure capital security in real (as opposed to nominal) terms, but they consequently introduce the risk of capital loss due to market price fluctuations, as illustrated in paragraph 4.2.3. This is mitigated by ensuring the investments are held for a sufficiently long period. In addition, mitigation is achieved by having a spread of funds with differing risk appetites. 'Stop loss' limits (whereby if the value in the fund goes below a defined limit, the holdings in that fund will be sold) reduce risk by limiting losses. Finally, a volatility reserve had been created, which could have been released to revenue either to cover or at least mitigate the impact of any deficits.

Our treasury management consultants, Link Group, provided treasury management training for Members at the end of the previous financial year.

Consultation

11.1 No consultation is required for this report.

Background papers:

None

Supporting documents:

None.

1. Interest Rate Environment

The major influence on the Council’s investments is the Bank Rate. The Council uses Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates.

The forecast on 30th September is below.

Qtr. Ending	Sept 2024	Dec 2024	Mar 2025	June 2025	Sept 2025	Dec 2025	Mar 2026	Jun 2026	Sept 2026	Dec 2026	Mar 2027
Current Forecast as at Sept 2024											
Bank Rate %	5.00	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
Forecast as at January 2024 (when Original Budgets were set):											
Bank Rate %	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00

The forecast as at January 2024 is shown for comparison purposes as this forecast was used in calculating the original budgets.

The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. The Annual Investment Strategy 2024/25 was approved by Full Council on 20th March 2024. This approved the current lending criteria which reflect the level of risk appetite of the Council. However, the Council continues to review its Standard Lending List because of frequent changes to Banking Institutions’ credit ratings, to ensure that it does not lend to those institutions identified as being at risk. A copy of the current lending list is shown as Appendix D.

2. Investment Performance

2.1 Core Investments

During 2024/25 to date, the in-house function has invested core cash funds in fixed term deposits in the Money Markets. Table 1 in Appendix B illustrates the performance of the in-house function during this first half year for each category normally invested in.

SONIA (backward-looking) rates on the day of investment in the table and referred to below are now exclusively used for benchmarking, following the ending of LIBID.

During April to September five core investments matured. Length of re-investment was between 6 and 12 months to lock in higher interest rates still on offer. The Council outperformed against the Benchmark in all periods.

Given that counterparty security is of the utmost importance over return of yield, the level of performance achieved in this first half year continues to be satisfactory.

2.2 Cash Flow Derived Funds & Accounts

The in-house function utilises Money Market Funds and Call Accounts to assist in managing its short-term liquidity needs. Performance in this period is shown in table 2 of Appendix B.

During the half year, the Council's cash flow investments were mainly into the Money Market Funds.

As with the Money Market investments, the SONIA (backward-looking) rates are used for the benchmark which in this case is the overnight rate. It can be seen from table 2 in Appendix B that the total interest exceeded the benchmark.

The Council continued to concentrate its investments in the highest performing funds: Federated (low volatility net asset value fund), Aberdeen Standard, Invesco and HSBC Liquidity Funds.

During the first half of 2024/25 the Council earned £707,509 realised interest on its Money Market Fund investments at an average rate of 5.15% and the average balance in the funds during the period was £27,379,800.

2.3 Call Accounts

As with the Money Market Fund investments the overnight SONIA (backward-looking) benchmark was used.

The Council earned £11,607 interest on its call accounts in the first half year at an average rate of 4.97% and the average balance in the funds during the period was £465,557.

2.4 Summary

The following table brings together the investments made in the various investment vehicles during the first half year to give an overall picture of the investment return:

Vehicle	Return (Annualised) £'000	Benchmark (Annualised) £'000	Performance £'000
Money Markets £	616	582	34
Money Market Funds	708	702	6
Call A/c's £	12	12	0
Total £	1,336	1,296	40

It should be noted that the total investment return of £1,336,000 shown in the table above will not all be received in 2024/25 as it is an annualised figure and will include interest relating to 2023/24 and 2025/26

- An analysis of the overall in-house investments held by the Council at the end of September 2024 is shown in the following table:

(The balance at 31 March 2024 is shown for comparison)

Type of Investment	Closing Balance @ 30 September 2024	Closing Balance @ 31 March 2024
	£'000	£'000
Money Markets	14,000	14,000
Money Market Funds	22,798	13,484
Business Reserve Accounts incl. Call Accounts	0	0
Total In House Investments	36,798	27,484

Counterparty Credit Ratings

The investments made in the first half year and the long- and- short term credit ratings applicable to the counterparty at the point at which the investment was made is shown in Appendix C.

All investments made within the first half year were in accordance with the Council's credit rating criteria.

Also attached for the Committee's information as Appendix D is the Council's most recent 2024/25 Counterparty lending list.

Benchmarking

Regarding the Link Asset Services Treasury Management Benchmarking Club, the Council is part of a local group comprising both District and County Councils and the results are published quarterly. Analysis of the results for the first quarter show that the Council's Weighted Average Rate of Return (WARoR) on its investments at 5.22% was in line with Link's model portfolio and the benchmarking group.

	WARoR	WAM	WATT	WARisk	Gilt	SONIA-Swap	Difference		Model	
							Gilt	SONIA-Swap	Bands	Performance
Warwick District Council	5.22%	65	80	2.13	5.28%	5.17%	-0.06%	0.06%	5.06% - 5.30%	Inline
Benchmarking Group 3	5.20%	90	180	2.03	5.23%	5.13%	-0.03%	0.07%	5.10% - 5.34%	Inline
Non-Met Districts	5.22%	71	148	2.45	5.27%	5.16%	-0.05%	0.06%	5.09% - 5.33%	Inline

For the second quarter the WARoR was 5.10% which was above Link's model portfolio and inline with the benchmarking group.

	WARoR	WAM	WATT	WARisk	Gilt	SONIA-Swap	Difference		Model	
							Gilt	SONIA-Swap	Bands	Performance
Warwick District Council	5.10%	64	109	2.35	4.99%	4.88%	0.11%	0.22%	4.91% - 5.08%	Above
Benchmarking Group 3	4.99%	104	206	1.93	4.90%	4.79%	0.10%	0.20%	4.89% - 5.07%	Inline
Non-Met Districts	5.00%	72	140	2.29	4.97%	4.86%	0.03%	0.14%	4.90% - 5.08%	Inline

Borrowing

During the half year, there was long term PWLB borrowing activity totalling £10 million for HRA along with:

(a) paying the first half year interest instalment on the £136.157 million PWLB borrowing for the HRA Self Financing settlement which amounted to £2.383 million.

(b) paying the first half year interest instalment totalling £641,719 of HRA loans taken February to March 2024.

(c) a total of £316,500 interest on the £60 million joint venture loans.

(d) interest of £110,400 on the £12 million PWLB borrowing taken out in September 2019 and

(e) interest of £23,050 on the £1mill PWLB borrowing for Milverton Homes taken out on 27th April 2023 with (c), (d) and (e) relating to the General Fund.

During the first half year, it was not necessary to undertake any Money Market borrowing to fund cash flow deficits, with any deficits, should they arise, being managed within the Council's £50,000 overdraft facility. The interest rate on this facility is 2.80% above Bank Rate and is charged on the cleared balance at the end of each day when that balance is in debit i.e., overdrawn. In the half year there was no overdraft interest.

Prudential Indicators

The 2024/25 Treasury Management Strategy included several Prudential Indicators within which the Council must operate. The two major ones are the Authorised Limit and Operational Boundary for borrowing purposes. It is confirmed that during the half year neither indicator has been exceeded.

2024/25 Treasury Management Strategy

Work will commence in the final quarter of 2024/25 on preparing the 2025/26 Treasury Management and Investment Strategies.

Whilst security of the funds will be paramount, it is intended that the Council will continue to achieve the best returns possible but within Environment, Social and Governance ("ESG" – aka "ethical") criteria, where possible. To underpin this, the Council will be considering a more formal ESG strategy in 2025/26 with the guidance of Link Group.

Investment Performance Analysis

Table 1 – Summary Performance

Period	Investment Return (Annualised)	SONIA Benchmark (Annualised)	Out/(Under) Performance
Up to 7 days			
April to September 2024	NO INVESTMENTS MADE		
Over 7 days & Up to 3 months			
April to September 2024	5.29%	5.18%	0.11%
Interest earned 1st half year £	39,566	38,717	850
Over 3 months & Up to 6 months			
April to September 2024	5.28%	5.07%	0.21%
Interest earned 1st half year £	105,889	101,668	4,222
Over 6 months to 365 days			
April to September 2024	5.24%	4.92%	0.33%
Interest earned 1st half year £	470,955	441,741	29,214
1 year and over			
April to September 2024	NO INVESTMENTS MADE		
TOTAL INTEREST FIRST HALF YEAR £	616,411	582,126	34,285

Table 2 - Cash Flow Derived Funds & Accounts

Period	Investment Return (Annualised)	SONIA Benchmark (Annualised)	Out/(Under) Performance
Goldman Sachs (CNAV)			
April to September 2024	5.03%	5.12%	-0.08%
Interest earned 1st half year £	1,397	1,420	-23
Invesco (CNAV)			
April to September 2024	5.14%	5.12%	0.02%
Interest earned 1st half year £	214,241	213,301	940
Aberdeen Standard (LVNAV)			
April to September 2024	5.15%	5.12%	0.04%
Interest earned 1st half year £	246,478	244,694	1,784
Deutsche (LVNAV)			
April to September 2024	4.94%	5.12%	-0.17%
Interest earned 1st half year £	6,657	6,889	-232
HSBC LIQUIDITY (ESG)			
April to September 2024	5.07%	5.12%	-0.05%
Interest earned 1st half year £	97,314	98,250	-936

HSBC LIQUIDITY (NON-ESG)			
April to September 2024	5.08%	5.12%	-0.04%
Interest earned 1st half year £	60,256	60,689	-433
Federated Constant Net Asset Value (CNAV)			
April to September 2024	5.22%	5.12%	0.10%
Interest earned 1st half year £	40,236	39,442	794
Federated Cash Plus Account (VNAV)			
April to September 2024	5.22%	5.12%	0.11%
Interest earned 1st half year £	3,609	3,536	73
Royal London Cash Plus Account (VNAV)			
April to September 2024	5.61%	5.12%	0.50%
Interest earned 1st half year £	37,320	34,017	3,303
TOTAL INTEREST FIRST HALF YEAR £	707,509	702,239	5,270

Table 3 – Call Accounts

Period	Investment Return (Annualised)	SONIA Benchmark (Annualised)	Out/(Under) Performance
HSBC Business Deposit Account			
April to September 2024	5.07%	5.12%	-0.04%
Interest earned 1st half year £	9,103	9,183	-80
Santander Call Account (95 Day Notice)			
April to September 2024	4.76%	5.12%	-0.36%
Interest earned 1st half year £	2,444	2,628	-184
Svenska Handelsbanken Account (35 Day Notice)			
April to September 2024	2.35%	5.12%	-2.77%
Interest earned 1st half year £	60	131	-71
TOTAL INTEREST FIRST HALF YEAR £	11,607	11,942	-335

Counterparty Rating at Time of Investment

Counterparty	Investment Amount £	Credit Rating		Duration of Investment (days)
		Long Term	Short Term	
WDC Minimum	(Fitch)	A	F1	
Banks				
Goldman Sachs International Bank	£3,000,000	A+	F1	91
Landesbank Hessen-Thuringen Girozentral (Helaba)	£3,000,000	A+	F1+	334
Lloyds Bank	£3,000,000	A+	F1	274
Goldman Sachs International Bank	£4,000,000	A+	F1	183
Landesbank Hessen-Thuringen Girozentral (Helaba)	£4,000,000	A+	F1+	364
Money Market Funds (Investment amount is average balance in fund during half year)				
WDC Minimum	Fitch AAA & Volatility rating VR1+ or S & P AAAM or Moodys AAA & Volatility Rating MR1+			
Goldman Sachs	£55,376	Fund retained its rating throughout half year		liquid
Deutsche	£268,649	Fund retained its rating throughout half year		liquid
Invesco	£8,316,506	Fund retained its rating throughout half year		liquid
Federated	£1,675,691	Fund retained its rating throughout half year		liquid
HSBC Liquidity Accounts	6,196,960	Fund retained its rating throughout half year		liquid
Aberdeen Standard	£9,540,516	Fund retained its rating throughout half year		liquid
Royal London Asset Management	£1,326,136	Fund retained its rating throughout half year		liquid

Counterparty	Investment Amount £	Credit Rating		Duration of Investment (days)
		Long Term	Short Term	
<u>Call Accounts</u>				
WDC Minimum	(Fitch)	A+	F1	
HSBC Business Deposit Account	£358,052	Counterparty retained its rating throughout period AA- long term, F1+ short term.		liquid
Svenska Handelsbanken	£5,059	Counterparty retained its rating throughout period of AA long term, F1+ short term.		liquid
Santander Call Account	£102,447	Counterparty retained its rating throughout period of A+ long term, F1 short term.		liquid

Warwick District Council Standard Lending List as at November 2024

Banks

Investments up to 365 days (3 months for explicitly guaranteed subsidiaries)

Investment / Counterparty type:	S/term	L/term minimum	Security / Min credit rating	Max limit per counterparty	Max. Maturity period	Use
Bank deposits	F1	A	AA-	£8m AA- & above, £7m if L/term rating minimum A+, £5m if L/Term rating A.	365 days	In-House +Advice & EFM*
Bank - part nationalised UK	F1	A	AA-	£9m	365 days	In-House +Advice & EFM*
Bank subsidiaries of UK Banks	Unrated	Unrated	Explicit Parent Guarantee	£5m	3 months	In-House +Advice & EFM*

NB. Includes Business Call Reserve Accounts and special tranches and any other form of investment with that institution e.g. Certificate of Deposits, Corporate Bonds and Repo's except where the Repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £3m with a maximum in Repo's of £3m.

Counterparty Limit is also the Group Limit where investments are with different but related institutions.

Investments over 365 days

Investment/ Counterparty type:	S/term	L/term Min	Security/ Min credit rating	Max limit per counterparty	Max. Maturity period	Use
Bank deposits	F1	A	AA-	£8m AA- & above, £7m if L/term rating minimum A+, £5m if L/Term rating A.	2 years	In-House +Advice & EFM*
Bank - part nationalised UK	F1	A	AA-	£9m	2 years	In-House +Advice & EFM*

NB. Includes Business Call Reserve Accounts and special tranches and any other form of investment with that institution e.g. Certificate of Deposits, Corporate Bonds and Repo's.

Counterparty limit is also the Group Limit where investments are with different but related institutions.

£15m overall limit for Corporate Bond / Property Funds & £20m limit for all other counterparties.

£20m over 365 day limit only applies to those investments where at 1 April the remaining term is greater than 365 days. Any over 365 day investment with 365 days or less to maturity at 1 April is deemed to be short term.

BANK NAME	OTHER BANKS IN GROUP (* = Not on list but included for information re potential problems etc.)	GROUP LIMIT APPLIES
AUSTRALIA (AAA)		
Australia & New Zealand Banking Group Ltd		
Commonwealth Bank of Australia		
Macquarie Bank Ltd		
National Australia Bank Ltd	Bank of New Zealand* Yorkshire Bank *(Trading name of Clydesdale) Clydesdale Bank*	Yes
Westpac Banking Corporation		
BELGIUM (AA-)		
BNP Paribas Fortis		
KBC Bank NV		
CANADA (AA+)		
Bank of Montreal	Bank of Montreal Ireland plc*	
Bank of Nova Scotia	Scotia Bank* Scotia Bank (Ireland) Ltd* Scotia Bank Capital Trust (United States)* Scotia Bank Europe plc*	
Canadian Imperial Bank of Commerce	Canadian Imperial Holdings Inc New York* CIBC World Markets Holdings Inc*	
National Bank of Canada	National Bank of Canada New York Branch*	
Royal Bank of Canada	Royal Trust Company* Royal Bank of Canada Europe*	

BANK NAME	OTHER BANKS IN GROUP (* = Not on list but included for information re potential problems etc.)	GROUP LIMIT APPLIES
	Royal Bank of Canada Suisse* RBC Centura Banks Inc*	
Toronto Dominion Bank	TD Banknorth Inc*	
DENMARK (AAA)		
Danske Bank		
FINLAND (AA+)		
Nordea Bank Abp	Nordea Bank Denmark* Nordea Bank Norge* Nordea Bank North America*	Yes
OP Corporate Bank plc		
FRANCE (AA-)		
BNP Paribas		
Credit Agricole Corporate & Investment Bank		
Credit Industriel et Commercial		
Credit Agricole SA		
GERMANY (AAA)		
DZ Bank AG (Deutsche Zentralgenossenschaftsbank)		
Landesbank Berlin AG		
Landesbanken Hessen-Thuringen Girozentrale (Helaba)		
Landwirtschaftliche Rentenbank		
NRW Bank		
HONG KONG (AA+)		
The Hong Kong & Shanghai Banking Corporation Ltd		
NETHERLANDS (AAA)		
ABN AMRO Bank N.V		
Bank Nederlandse Gemeenten		

BANK NAME	OTHER BANKS IN GROUP (* = Not on list but included for information re potential problems etc.)	GROUP LIMIT APPLIES
Cooperatieve Centrale Raiffeisen Boerenleenbank BA (Rabobank Nederland)		
ING Bank NV		
Nederlandse Waterschapsbank		
NORWAY		
DNB Bank ASA		
SINGAPORE (AAA)		
DBS Bank Ltd	DBS Bank (Hong Kong)*	
Oversea Chinese Banking Corporation Ltd		
United Overseas Bank Ltd		
SWEDEN (AAA)		
Skandinaviska Enskilde Banken AB	SEB Bolan*	
Svenska Handelsbanken AB	Stadtshypotek* Svenska Handelsbanken Inc USA*	
Swedbank AB		
SWITZERLAND (AAA)		
UBS AG		
UNITED KINGDOM (AA-)		
Abbey National Treasury Services plc		
Barclays Bank UK plc(RFB)		
Barclays Bank plc(NRFB)		
Goldman Sachs International Bank		
Handelsbanken Plc		
HSBC Bank plc (NRFB)	HSBC AM* HFC Bank Ltd* Hong Kong & Shanghai Banking Corporation* HSBC Finance Corp*	Yes

BANK NAME	OTHER BANKS IN GROUP (* = Not on list but included for information re potential problems etc.)	GROUP LIMIT APPLIES
	HSBC Finance* HSBC USA Hang Seng Bank*	
HSBC UK Bank Plc (RFB)		
Lloyds Bank Corporate Markets plc (NRFB) Lloyds Bank plc (RFB) Bank of Scotland (RFB)	Halifax plc* Bank of Western Australia Ltd*. Cheltenham & Gloucester* Scottish Widows Investment Partnership* Scottish Widows plc*	Yes
National Westminster Bank PLC (RFB)		
NatWest Markets Plc (NRFB)		
Royal Bank Of Scotland plc (RFB)		
Santander UK plc		
Standard Chartered Bank		
UNITED STATES OF AMERICA (AA+)		
Bank Of America		
Bank of New York Mellon	Bank of New York (Delaware USA)* Bank of New York (New York USA)* Bank of New York Trust Company*	
Citibank		
JP Morgan Chase Bank NA	Bank One Corp* Bank One Financial LLC* Bank One NA * First USA Inc* NDB Bank NA* Chemical Bank * Chemical Banking Corp*	

BANK NAME	OTHER BANKS IN GROUP (* = Not on list but included for information re potential problems etc.)	GROUP LIMIT APPLIES
	JP Morgan & Co Inc* Chase Bank USA* Robert Fleming Ltd*	
Wells Fargo Bank NA	Wachovia Bank* Wachovia Bank NA North Carolina USA*	

Building Societies

Investments up to 365 days

Investment/ Counterparty type:	S/term	L/term	Security/ Min credit rating	Max limit per counter-party	Max. Maturity period
Building Societies - category A <ul style="list-style-type: none"> Nationwide 	F1	A	Sovereign AA-	£4m	365 days
Building Societies - category B <ul style="list-style-type: none"> Coventry Leeds Skipton Yorkshire 	F1		Sovereign AA-	£2m	365 days
Building societies – assets > £500m (Category C) <ul style="list-style-type: none"> Principality West Bromwich Newcastle (Fitch removed ratings 7.9.16) Nottingham Cumberland National Counties Progressive Cambridge Newbury Leek United Monmouthshire Saffron Furness Hinckley & Rugby Ipswich Darlington Marsden 				£1m	3 months

Investments over 365 days

Investment/ Counterparty type:	S/term	L/term	Security/ Min credit rating	Max limit per counter- party	Max. Maturity period
Building societies Category A & B (see above)	F1	A	Sovereign AA-	£1m	2 years

NB. Group limit of £8m.

Other Counterparties

Investment/ Counterparty type:	S/term	L/term	Security/ Min credit rating	Max limit per counter- party	Max. Maturity period
DMADF / DMO	n/a	n/a	Sovereign AA-	Unlimited	365 days
Milverton Homes **WDC 100% subsidiary	n/a	n/a	n/a	£0.5m	Not defined
UK Govt. (includes Gilt Edged Securities & Treasury Bills), Local Authorities / Public Corporations /Nationalised Industries.	n/a	n/a	High viability/support	£9m	365 days
Money Market Fund(CNAV)	AAAm / Aaa-mf/AAAmmf			£10m	liquid
Money Market Fund (VNAV)	AAAf S1 / Aaa-bf/AAA/V1			£6m	liquid
Corporate bonds - category 1		A	Sovereign AA-	£4m	2 years
		A+		£5m	
		AA - & ABOVE		£6m	
Corporate bonds - category 2		A		£9m	2 years
Corporate bonds - category 3		A	Sovereign AA-	£4m	2 years
		A+		£5m	
		AA - & ABOVE		£6m	
Covered bonds - category 1		A	Sovereign AA-	£4m	2 years
		A+		£5m	
		AA		£6m	

Investment/ Counterparty type:	S/term	L/term	Security/ Min credit rating	Max limit per counter- party	Max. Maturity period
		- & ABOVE			
Covered bonds - category 2		A		£9m	2 years
Covered bonds - category 3		A	Sovereign AA-	£4m	2 years
		A+		£5m	
		AA		£6m	
		- & ABOVE			
Bonds - Supranational / Multi Lateral Development Banks European Community European Investment Bank African Development Bank Asian Development Bank Council of Europe Development Bank European Bank for Reconstruction & Development Inter-American Development Bank International Bank of Reconstruction & Development <i>Or any other</i> Supranational/Multi-Lateral Development Bank meeting criteria.	AAA / Govt Guarantee			£5m	365 days
Floating Rate Notes - category 1		A		£4m	364 days
		A+		£6m	
		AA		£7m	
		- & ABOVE			
Floating Rate Notes - category 2		A		£9m	364 days
Floating Rate Notes - category 3		A		£4m	364 days
		A+		£5m	
		AA		£6m	
		- & ABOVE			
Eligible Bank Bills	n/a		Determined by EFM	£5m	364 days

Investment/ Counterparty type:	S/term	L/term	Security/ Min credit rating	Max limit per counter- party	Max. Maturity period
Sterling Securities guaranteed by HM Government	n/a		AA-	£9m	Not defined
Local Authorities	n/a	Viability/support= High		£9m	5 years
		£15m overall limit for Corporate Bond/Property Funds & £20m limit for all counterparties.			
Corporate Equity Funds - low risk (UK Equity Income Funds)	n/a	Maximum investment limit subject to 10% capital growth i.e. maximum is 110% of original investment.		£4m	10 years
Corporate Equity Funds - medium risk (UK Capital Growth Funds)	n/a	Maximum investment limit subject to 10% capital growth i.e. maximum is 110% of original investment.		£2m	10 years
Corporate Bond Funds		BBB	£15m overall limit for Corporate Bond/Property Funds & £20m limit for all counterparties.	£5m	10 years
Pooled property fund eg: REITS			£15m overall limit for Corporate Bond/Property Funds & £20m limit for all counterparties.	£5m	10 years
CCLA property funds	n/a	Security of Trustee of fund (LAMIT) controlled by LGA, COSLA who appoint the members and officers of LAMIT. £15m overall limit for Corporate Bond/Property Funds & £20m limit for all counterparties.		£5m	10 years

Categories for Covered Bonds, Corporate Bonds (must be Senior Unsecured), Floating Rate Notes:

Category 1: Issued by private sector Financial Institutions

Category 2: Issued by Financial institutions wholly owned, or part owned, by the UK Government

Category 3: Issued by Corporates

Link Asset Services Commentary on the Current Economic Background

UK. Economy.

- The third quarter of 2024 (July to September) saw:
 - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
 - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
 - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
 - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
 - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
 - 10-year gilt yields falling to 4.0% in September.
- The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
- The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
- The government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
- The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.
- Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the

three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.

- CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.
- The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.
- Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
- Our forecast is next due to be updated around mid-November following the 30 October Budget, 5 November US presidential election and the 7 November MPC meeting and the release of the Bank of England Quarterly Monetary Policy Report.
- Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.

- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

Title: Significant Risk Register

Lead Officer: Ian Davy (ian.davy@warwickdc.gov.uk (01926) 456818)

Portfolio Holder: Councillor Chilvers

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	13 December 2024	Councillor Chilvers
Finance	13 December 2024	Andrew Rollins
Legal Services	Not applicable	
Chief Executive	13 December 2024	Chris Elliott
Strategic Director	13 December 2024	Dave Barber
Head of Service(s)	13 December 2024	Andrew Rollins
Section 151 Officer	13 December 2024	Andrew Rollins
Monitoring Officer	13 December 2024	Graham Leach
Equalities, Diversity and Inclusion Business Partner	13 December 2024	Daniel Keating
Leadership Co-ordination Group	13 December 2024	Various
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	Yes – appendix 2	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

Every organisation needs to consider how it identifies, assesses, and manages risk. Risk can be both negative (a threat) and positive (an opportunity).

This report sets out the latest versions of the Council's Significant Risk Register (SRR) for review by the Committee. The registers have been reviewed by the Council's Senior Leadership Team (SLT) and Cabinet since they were last reported to this committee, with the amendments made being detailed on the Change Logs on the SRRs, and summarised within this report.

Recommendations

- (1) That Audit and Standards note the contents of this report.
 - (2) That Audit and Standards review the registers (as set out in the appendices to this report) and consider if any further actions should be taken to manage the risks facing the organisation.
-

1 Reason for the Recommendations

- 1.1 Effective risk management contributes to the Council's Corporate Governance arrangements by ensuring that there are effective management and internal control systems in place to support decision making.
- 1.2 This report seeks to assist Members to fulfil their role in overseeing the organisation's risk management framework.
- 1.3 The SRR (with the associated change log) is set out in Appendix 1 and the confidential SRR in Appendix 2. As set out in the Policy, Audit and Standards Committee will get a quarterly report on the SRR in order for them to be able to monitor changes and note the progress against the actions set out within it. (NB – for ease of reading, Members may find it easier to use the versions of the risk register available on the portal which have been recreated as these appendices).
- 1.4 As suggested above, the changes that have been made since these registers were last presented to this committee (the first time that the new registers were covered) are covered within the Change Logs.
- 1.5 The majority of the amendments made were to reflect staffing and Portfolio Holder changes along with the changes to the structure of the service areas. Other 'general' changes were to add in (and complete as appropriate) the new 'logs' and columns to cover the changes, actions needed and risks that have become issues, and to correct some minor errors and formatting.
- 1.6 Further changes were made to risk titles, descriptions and progress notes to better reflect the current position and a number of risks have had their review dates updated.
- 1.7 Some specific changes have been made to remove risks from the SRRs, with these to be placed within the relevant Service Area or Project / Programme risk registers as appropriate, due to the current risk scoring and assessment of their overall 'significance' to the organisation. These covered risks in relation to:
 - Ineffective workforce planning
 - Delivery of the Biodiversity Action Plan
 - Bowling greens
 - Business rates reset

- Office relocation
 - the prolonged loss of CCTV
 - Stoneleigh Arms
- 1.8 Another risk (Kenilworth Wardens Relocation) was removed as it was now classed as an Issue (and has been recorded on the Issues Log accordingly).
- 1.9 There have also been new risks added to the registers in relation to:
- Royal Pump Rooms roof
 - One Warwick Street
 - National Insurance increase
 - Government White Paper regarding Local Government Structure
- 1.10 Other specific changes have also been made where the scores have been amended to reflect the current perception of the likelihood of the risk occurring:
- The Bowling Greens residual risk likelihood was reduced from 3 to 2 (which led to its demotion to the Service Area Plan risk register)
 - The Closure of Accounts residual risk likelihood was increased from 2 to 3
- 1.11 Following the consideration of risks by SLT, a number of further actions are required (e.g. identification of actions to address risks where the responses are anything other than Accept). However, this is still a work in progress.
- 1.12 Cabinet have also queried whether certain risks recorded on the Confidential SRR need to be moved to, or at least reflected on, the Open version. This is due to be considered by the Deputy Chief Executive, the Head of Governance and the Audit and Risk Manager.

2 Alternative Options

- 2.1 No other options have been considered, as the Council should have a risk a strategic risk register as part of its corporate governance arrangements.

3 Legal Implications

- 3.1 There are no legal implications identified as a result of this report.

4 Financial

- 4.1 There are no financial implications identified as a result of this report.

5 Corporate Strategy

- 5.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation. The purpose of risk management is to identify and assess significant and strategic risks that could affect the Council achieving its objectives. Therefore, risk management plays a critical role in the implementation of all of the Council's corporate strategy objectives.

6 Environmental / Climate Change Implications

- 6.1 There are no environmental or climate change implications identified as a result of this report.

7 Analysis of the effects on Equality

- 7.1 An EIA is not required as part of this report.

8 Data Protection

- 8.1 There are no Data Protection implications identified as a result of this report.

9 Health and Wellbeing

- 9.1 There are no health and wellbeing implications identified as a result of this

report.

10 Consultation

10.1 As highlighted above, the risk registers are being reviewed by different Officer and Member groups.

Background papers:

Supporting documents:

Warwick District Council - Significant Risk Register - Open

SRR REF	DATE RAISED TO SRR	RISK OWNER	SERVICE AREA	PORTFOLIO HOLDER	RISK TITLE	RISK DESCRIPTION	STRATEGIC OR OPERATIONAL	CONFIDENTIAL	IMPACT ON THE CORPORATE STRATEGY	RISK EXPOSURE	RAW RISK RATING				RISK CONTROL MEASURES	RISK CONTROL ACTION(S)	CURRENT RISK RATING				PROGRESS/COMMENTS	NEGATIVE OR OPPORTUNITY RISK	RISK SOURCE	REVIEW	RISK RESPONSE	ACTIONS REQUIRED	RISK STATUS
											LEVEL	SCOPE	IMPACT	LIKELIHOOD			LEVEL	SCOPE	IMPACT	LIKELIHOOD							
1	22/05/2024	DK	DCEO	HA	Change Programme	If the Council does not achieve the expected financial benefits from the change programme then this will impact the MTF5 assumptions.	Strategic	No	P1	The change programme needs to deliver £2.5m of savings from the General Fund over the MTF5 duration.	4	4	16	Change Programme Case for Change has been approved by Cabinet. There is a £500k invest to save fund established. Change Programme has been launched. Programme board established with key senior management and political sponsorship. See Case for Change for more information. Efficiency tracker has been established to track progress.	All of SLT	3	4	12	Change Programme launched in March 2024. Programme Board established. First set of change proposals planned for June programme board.	Negative	MTF5	28/02/2025	Reduce	Consider merge of this risk with MTF5 risk (12)	Open		
2	23/05/2024	MR	Neighbourhood	WR	Ash dieback, chalara (Hymenoscyphus fraxineus)	Ash dieback is already in the district. If ash dieback spreads, then this could impact up to 80% of the ash trees in the district which would impact biodiversity, the natural landscape & the cost to WDC of felling lots of trees.	Operational	No	P3	This issue could potentially destroy around 80% of ash trees within the district. Financial cost is unbudgeted for tree felling and the possible cost is unknown. The level of spread is currently not fully known but there is monitoring in place to get a view of the problem.	4	4	16	Green Space are following the best practice from The Forestry Commission, Woodland Trust. There are regular independent tree inspections and WDC will fell dead and/or dying trees where appropriate	DA & MF	4	4	16		Negative	Service Area Plan	31/01/2025	Reduce		Open		
3	23/05/2024	MR	Community Protection	JS	Sustainable Urban Drainage Systems (SuDS)	If there is no management of SuDS by WDC on Council land, then there is a risk of flooding and insurance claims. There is no clear national guidance or policy on SuDS and increased development will require the provision of more SuDS.	Operational	No	P1 & P3	Failure of SuDS could lead to damage to properties, serious disruption and insurance/compensation claims. Flooding could also impact open spaces.	4	4	16	Condition survey of SuDS is required to understand the issues and the best way forward with respect to statutory obligations, planning, design, management, and maintenance. Previous discussions have been had between HoS but no action yet.	GSSM, SCLHOS, N&AHOS	3	4	12	Now have monthly meetings with Asset Team. Programme of inspections and maintenance is being developed. Budget in place to inspect and maintain. SuDS training for both teams is to be booked. SuDS training for both teams is to be booked. Looking at procedural note on emergency action needed on polluted or failing SuDS. Resolving the a built issues with current contractor. New contractor appointed for the SuDS inspections for built/older systems.	Negative	Legislative	28/02/2025	Reduce		Open		
4	23/05/2024	DB	Climate Change Director	LW	Delivering low cost and low carbon energy programme	If we don't have the right skills, capacity or financial resources to deliver the Programme, this will impact on a) our reputation; b) climate change and c) cost of living and impact the ability to delivery. Priority 2 of the Corporate Strategy.	Strategic	No	P2	Failure to deliver value for money; failure to deliver cost savings (for us / residents / businesses); failure to deliver carbon savings	4	4	16	Programme Board established; key staff resources identified in Climate Change, Assets; Housing; learning from other organisations; some (limited) funding in place; seek grant support and external (private) funding	DB	3	4	12		Negative	Project/Programme	31/01/2025	Reduce		Open		
8	23/05/2024	DK	DCEO	CK	Abbey Fields	If Abbey Fields Swimming Pools is not delivered on time, to specification and/or within the agreed budget then this would have a financial and reputational impact, which would affect MTF5 for the general fund.	Strategic & Operational	No	P1 & P3	Nothing identified at this point. This is on the SRR due to the project value, complexity and profile. Project has contingencies as part of the overall project funding.	3	4	12	Mace employed as Project Managers. Patrick Parsons now employed to oversee any potential risk relating to piling operations. Fortnightly meetings with contractor. Monthly finance meetings. Project Board including Members. Expenditure Working Party with Members from all parties. Kenilworth Leisure Members' Liaison Group. Project Risk Register maintained at all times. Contingencies held.	PH & LD	2	4	8	Monthly programme board meetings are in place. Need to review further in December when the LGI decision is known.	Negative	Project/Programme	28/02/2025	Accept	Project officers to review this risk as the project advances to ensure that it is appropriately scored etc.	Open		
9	14/06/2024	PC	Place, Arts & Economy	CK	South Warwickshire Local Plan	If WDC fails to adopt a Local Plan, then this would lead to speculative development, reliance upon NPFF for all decisions and no control over where growth goes. Government would impose higher housing targets and action plans	Strategic	No	P3	Unable to properly plan for the growth of Warwick District. Exposure will be multi-faceted and include (1) impact on delivery of timely and appropriate infrastructure for the district, (2) failure to maximise opportunities to deliver corporate priority targets identified for Local Plan, (3) loss of control over location of new developments, (4) financial implications with loss of CL contributions.	4	4	16	Joint Local Plan team (WDC / SDC) established and in operation / governance structure in place including regular meetings with leaders and portfolio holders of WDC/SDC and joint Advisory Group / budget established / briefings for councillors and other stakeholders undertaken at key stages	PC & AC	3	4	12	Report on housing growth has been presented to the Joint Committee in August 24 and agreed. Preferred Options document scheduled for December 2024 with public consultation to follow in early 2025.	Negative	Legislative	28/02/2025	Share		Open		
10	14/06/2024	CE, DK & DB	CEO	ID & JM	Corporate Projects	If we fail to match the resources available (staffing and finance) with the priorities within the Corporate Projects List and fail to include the commissioning of the asset within the scope of the project, there is a risk that priority projects will be delayed, cost more, fail to deliver the benefits as intended or leave the Council with an asset that is not operational.	Strategic	No	All	Failure to deliver the Corporate Strategy priorities. Significant financial risks where resources have been committed to major projects. Reputational risks with communities and partners as result of failure to deliver intended outcomes	4	4	16	Central project register completed to ensure viability / visibility of current and pipeline projects, review of risk management underway and approach to project and programme management underway.	CE, DK, DB & CoPMP	3	4	12		Negative	Project/Programme	28/02/2025	Reduce		Open		
12	14/06/2024	AR	Finance	JC	Failure to deliver MTF5 assumptions	If the assumptions underpinning the MTF5 are inaccurate, the Council will need to make savings through other means such as cutting services or staff	Strategic	No	All	The MTF5 assumes savings of £2.5m from the general fund.	3	5	15	The Change Programme includes various measures to help ensure that the savings are met, including the Fees and Charges Review. The assumptions within the MTF5 are also reviewed on a regular basis during budget monitoring etc.	AR, DK, DE	3	4	12	Initial meetings to scope areas for consideration in the fees and charges review have been undertaken. Other assumptions included within the MTF5 (e.g. Business Rates growth, Council Tax, Inflation etc.) will continue to be monitored and will be reviewed in detail following the production of the Q2 budget report in light of estimated budget variances	Negative	MTF5	28/02/2025	Contingent Plan	Consider merge of this risk with Change Programme risk (1)	Open		
13	14/06/2024	AR	Housing	ID, CK, JC & HA	Milverton Homes and Joint Venture	If Milverton Homes are not able to meet the assumptions set out in their business plan, the loans may not be repaid and the Council will fail to achieve the anticipated returns on investment	Strategic	No	P1	WDC has £60m invested in the JV through loans which are secured against income generating assets	2	4	8	Quarterly Governance meetings in place. MHL business plan reported annually to Cabinet. Development schemes have a business case with a ROI within certain tolerances.	AR & GL	2	4	8	Next Governance Meeting will focus on reviewing the MHL Risk Register	Negative	Delivery Model	28/02/2025	Share		Open		
14	14/06/2024	AR	Finance	JC	Procurement Act 2023	If the Council does not implement new Procurement processes, it will be in breach of the new Procurement Regulations that are due to come into force in February 2025	Operational	No	All	Reputational damage, WDC could be open to legal challenge and there could be regulatory intervention	4	4	16	Officer working group has been established, action plan has been developed and gap analysis undertaken	AR, RR, DB, DE, GL & TD	2	4	8	Action plan has commenced	Negative	Legislative	28/02/2025	Accept		Open		
15	14/06/2024	AR	Finance	JC	Closure of Accounts	If the Council is unable to have the 2023/24 accounts signed off by External Audit, the Council will have reduced assurance that its financial assumptions are correct	Operational	No	P1	Reputational damage through being named and shamed by Government with additional regulatory oversight. Additional costs due to higher interest rates as a result of reduced confidence in the Council.	3	4	12	Early and regular engagement with the new External Auditor	AR & SL	3	4	12	Work has already started on the 2023/24 accounts	Negative	Legislative	28/02/2025	Accept		Open		
16	14/06/2024	LB	Housing	HA	Asset Compliance and New Housing Consumer Standards	If we fail to accurately complete the action plans then the Council could experience a (further) regulatory judgement and action from the RSH	Operational	No	P1	There would be reputational damage and intense monitoring and supervision from the RSH. This could also impact on funding from Homes England	4	4	16	Action plan developed, governance board established, Housing Scrutiny committee established, building and fire safety leads appointed, project management resources increased and consultancy support secured.	AP, SH, RB, PC, JM & LB	3	4	12	Action plan is on track, RSH regularly updated and Penningtons undertaking a interim review on progress	Negative	Legislative	28/02/2025	Accept	Compliance Manager to review with consideration of wider risk re HQN	Open		
18	14/06/2024	LB	Housing	HA	Responsive Repairs Contract Procurement	If the Council either fails to secure a new contract and/or fails to specify a robust contract to replace the housing repairs contract that expires March 2026, then the Council would achieve poor value for money and poor services for tenants	Operational	No	P1	This is the most important service for Council tenants and drives overall tenant satisfaction. The value of the current contract is multi million.	4	4	16	Consultancy has been appointed to support this work. Project team is being formed. PID completed.	AP, SH and PD	3	4	12	Procurement project team being established	Negative	Service Area Plan	31/12/2024	Reduce		Open		
20a	14/06/2024	LB & AR	Housing	LW & HA	Failure to deliver the HRA Business Plan	If Decent Homes (DHS) and DHS2 which has been consulted on and is potentially considerably more onerous is made statute. Fire Safety and Building Safety legislation sees frequently changing legislation and regulation. These are statutory requirements and also carry the risk of reputational and financial damage. Disrepair is an increasing concern with ambulance chasers and this is causing concerns across the sector- Health and Safety issues and Statutory requirement. New Homes - meet housing need Aylum and Immigration- impact on housing register and local housing market. Home office led and numbers look to be increasing. If this is implemented it is likely to impact homelessness and temporary accommodation as well as impacting our communities and both other statutory and VCS services Damp, Mould and Condensation - Awaabs Law. Statutory requirement. qualifications for Housing Staff. If the law around this is tightened and becomes more litigious. Rents and rent setting being highly centrally controlled lessening certainty on ability to generate sufficient income to meet demand.	Strategic	No	P1 & P2	WDC has a customer base exceeding 6,000 homes. it has a predicted income of £33.4m with predicted operating costs of £33.5m including supporting borrowing of £19.3m (all figures pertaining to 2024/25 financial year). There are significant reputational risks. There are financial risks arising from disrepair with costs this year predicted between £360,000 and £1,080,000	4	5	20	Member of ARCH which lobbies on behalf of LA's. Individual officers are members of the Chartered Institute of Housing to add lobbying voice. Key relationships with DCN and LGA for Lobbying power. Horizon scanning Building known factors into the HRA BP Advice to Cabinet/Council to enable informed decisions	LB, SH, CR	3	4	12		Negative	Horizon Scan	28/02/2025	Contingent Plan		Open		
20b	14/06/2024	LB & AR	Housing	LW & HA	Failure to deliver the HRA Business Plan	If predicted house numbers fail to meet predicted levels (either through losses as a result of Right to Buy and / or not acquiring or building new homes) the viability of the HRA will be impacted	Strategic	No	P1 & P2	Inability to raise sufficient rental income to fund the service, provide decent homes, meet regulatory requirements	4	5	20	There is a pipeline of new properties coming on stream The HRA Business Plan is reviewed Annually.	LB, SH, CR	3	4	12		Negative	Service Area Plan	28/02/2025	Reduce		Open		
21	28/11/2024	PC	Place, Arts & Economy	CK	Royal Pump Rooms Roof	If the cost of repairing the roof at the Royal Pump Rooms exceeds the budgeted amount, there will be an impact on the future savings needed.	Operational	No	P1	Any cost increase over the current budget	4	3	12		PC, PR and JB	4	3	12		Negative	Project/Programme	28/02/2025	Reduce		Open		

Changes following SLT (05/09/2024)

- 1 Update all relevant Portfolio Holder fields from PW to HA (change of PH for Housing and Assets)
- 2 Update all relevant Portfolio Holder fields from JH to JM (change of name)
- 3 Risk 7 - Current Likelihood score reduced from 3 to 2 and removed SP from Risk Control Actionee(s)
- 4 Renumbered risks 9 onwards as 8 had been missed (following changes reflect the new numbers)
- 5 Risk 8 - risk area changed to DCEO and note added to Progress / Comments re reviewing in December following LGI decision
- 6 Risk 9 - Progress / Comments amended to reflect receipt of report and meeting in December not November
- 7 Risk 10 - Risk Description Amended to include the commissioning of the asset
- 8 Risk 11 - Risk Description amended to replace 'will' with 'could'
- 9 Risk 12 - Progress / Comments updated to include reference of the need to review after the Q2 budget report is produced in light of estimated budget variances
- 10 Risk 13 - LB removed from Risk Control Actionee(s) and PH changed to Shareholder Reference Group Members (ID, CK, JC and HA)
- 11 Risk 15 - Risk Title changed to Closure of Accounts
- 12 Risk 16 - Risk Owner changed to DK
- 13 Risk 17 - Risk Owner changed to CE, removed SP from Risk Control Actionee(s) and PH changed to JM (see also change 2)
- 14 Risk 18 - Risk Owner changed to DK and SP removed from Risk Control Actionee(s)
- 15 Risk 19 - Removed SP from Risk Control Actionee(s)
- 16 Risks 20 and 21 - renumbered as 20(a) and (b), Risk Title changed to Failure to Deliver the HRA Business Plan and Risk Owner updated to include AR as well
- 17 New Column added for Actions Required and new sheets for Issue Log and Actions Log

Changes following Cabinet Catch Up (09/09/24)

- 18 Removal of risks from SRR (to place into SAP risk registers):

5	23/05/2024	TD	People & Communications	JM	Ineffective Workforce Planning	If workforce planning is not effective then this will impact on staffing resources and inability to provide services effectively.	Strategic & Operational	No	P1	Disruption to Council Services; unable to meet statutory requirements; morale and pressure on staff; reduced level of service and resilience; reputational damage. There could also be increased reliance on agency staff.	3	4	12	People Strategy 2023 -2027; workforce planning through SLT Service Area Plans; recruitment, retention and remuneration project; Working for Warwick award and supporting benefits; performance management through 1-1's and appraisals.	TD	2	4	8	Monitoring and engagement of key areas of the control measures and associated actions through working groups: Workforce Steering Group; Ways of Working Group; Staff Voice; Health and Wellbeing Group.	Negative	Delivery Model	31/01/2025	Accept	Open
6	23/05/2024	DB	Climate Change Director	WR	Delivering Biodiversity Action Programme	If we don't have the right skills, capacity or financial resources to deliver the Programme, this will impact on a) our reputation; b) biodiversity in the District and c) future costs associated with ecological recovery in response to declared ecological emergency.	Strategic	No	P3	Ecological emergency declared and biodiversity highlighted in Corporate Strategy. The action plan will be expensive and there is therefore a reliance on Biodiversity Net Gain (BNG) to deliver important elements of it. BNG is in its infancy and isn't yet fully understood internally and especially externally	3	4	12	Biodiversity Action Programme (BAP) in place. Cost and responsibilities for delivery of the programme's year 1 actions identified. Need to identify and secure year 2 costs and recruit new member of staff. Need to put in place clearer programme governance	DB	3	3	9		Negative	Project/Programme	31/01/2025	Accept	Open

Changes following SLT (28/11/2024)

- 19 Risks 1, 3, 4, 8, 9, 10, 12, 13, 14, 15, 16, 20a and 20b - Review date amended to end of February
- 20 Removal of risks from SRR (to place into relevant SAP / Project risk registers):

7	23/05/2024	MR	Safer Communities, Leisure & Environment	JS	Bowling Greens	If the bowling green contractor does not maintain the greens to the required standard then they would die and the impact would be cost of replacement, the loss of events and impact on the local economy as well as Leamington's reputation as the UK home for bowls	Strategic & Operational	No	P3	In the worst case scenario it could cost up to £1m to replace all the greens. There would also be reputational damage for Leamington through loss of events and economic activity.	4	5	20	STRI guidance to protect greens if severe weather predicted. Additional funding has been agreed for more staff and recruitment underway Additional greens maintenance staff resources Additional CCTV installed	AH & MR, DA, ZC	2	4	8	Monitor weather forecasts Liaison with idVerde to use earmarked budget to secure additional greens keeping resource. Understaffing at greens by ID VERDE - managing contract.	Negative	Service Area Plan	31/01/2025	Reduce	Open
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11	14/06/2024	AR	Finance	JC	Business Rates Re-set	If a full business rate reset takes place, the Council could forego annual business rates growth in the region of circa £3m	Strategic	No	P1	While the MTFS does not make provision for the full business rates growth on a recurrent basis, the growth is typically used to support non-recurrent activity as part of budget setting. By not having access to this source of funding, the Council would either have to decide on other funding sources within the base budget, or not be able to carry out activities / projects.	3	4	12	Including a prudent forecast for Business rates within the MTFS, that does not consider all current growth on a recurrent basis. This non-recurrent funding can then be allocated at budget setting annually upon confirmation of the Core Finance Settlement.	AR	3	4	12	Negative	MTFS	31/01/2025	Accept	Open
17	14/06/2024	CE	Assets & Neighbourhoods	JM	Office Relocation	If office landlord decide to enforce the break clause the Council would not have alternative arrangement available, then would need to urgently find an alternative home	Strategic	No	P1	Possibility of landlord seeking to gain vacant possession of S1. Break clause is due on the 2026 - either side can give six months notice.	2	4	8	Timeline for activating the break clause is 2026.	RM	1	4	4	Negative	Service Area Plan	31/01/2025	Contingent Plan	Open

- 21 Actions added to Actions Required Column and Actions log for 8, 1 & 12, 16
- 22 Risk 14 - change to description to reflect the new date that the Act comes into force (February 2025 not October 24) and change to Risk Control Actionees to replace BB with RR and add GL
- 23 Risk 15 - Residual likelihood increased to 3 in line with the raw score due to current position with the 23/24 accounts
- 24 Risk 16 - Risk Owner changed to LB
- 25 Risk 18 - Risk Owner changed to LB and SH and PD added to Risk Control Actionee(s). Review date amended to end of December
- 26 Risk 19 combined into Risk 16

(Original version of 16 (with above changes already included))

16	14/06/2024	LB	Assets & Neighbourhoods	HA	Asset Compliance	If we fail to accurately complete the asset compliance action plan then the Council could experience a regulatory judgement and action from the RSH	Operational	No	P1	There would be reputational damage and intense monitoring and supervision from the RSH. This could also impact on funding from Homes England	4	4	16	Action plan developed, governance board established, compliance committee established, building and fire safety leads appointed, project management resources increased and consultancy support secured.	AP, SH, RB, PC, JM & LB	2	4	8	Action plan is on track, RSH regularly updated and Penningtons undertaking a interim review on progress	Negative	Legislative	28/02/2025	Accept	Compliance Manager to review with consideration of wider risk re HQN	Open
19	14/06/2024	LB	Housing & Asset Management	HA	New Housing Consumer Standards	If the Council is not compliant with the new consumer standards, then the Council could be in breach of the regulatory standards.	Strategic	No	P1	There would be reputational damage and intense monitoring and supervision from the RSH. This could also impact on funding from Homes England	3	4	12	Independent audit being undertaken by HQN and results due	LB, AP, SH & CR	3	4	12	Waiting for final report	Negative	Legislative	31/01/2025	Contingent Plan	Open	

- 27 New risk 21
 - 28 Change to all relevant risks to reflect the new WDC service area structure
- Changes following Cabinet Catch Up (09/12/24)**
- 29 Risk 2 - Portfolio Holder corrected (WR)

Title: Internal Audit Annual Report 2023/24

Lead Officer: Ian Davy (ian.davy@warwickdc.gov.uk (01926) 456818)

Portfolio Holder: Councillor Chilvers

Wards of the District directly affected: None directly impacted

Approvals required	Date	Name
Portfolio Holder	13 December 2024	Councillor Chilvers
Finance	13 December 2024	Andrew Rollins
Legal Services	Not applicable	
Chief Executive	13 December 2024	Chris Elliott
Strategic Director	13 December 2024	Dave Barber
Head of Service(s)	13 December 2024	Andrew Rollins
Section 151 Officer	13 December 2024	Andrew Rollins
Monitoring Officer	13 December 2024	Graham Leach
Equalities, Diversity and Inclusion Business Partner	13 December 2024	Daniel Keating
Leadership Co-ordination Group	13 December 2024	Various
Final decision by this Committee or rec to another Cttee / Council?	Yes	
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?	Yes	

Summary

Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal audit work undertaken during 2023/24 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Recommendation

- 1 That this Committee should consider the Annual Report of Internal Audit for the year ended 31 March 2024 as part of its consideration of the Annual Governance Statement 2023/24.
-

1 Reason for the Recommendations

- 1.1 Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal work undertaken during 2023/24 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Committee is required to consider the Annual Report of Internal Audit for the year ended 31 March 2024 as part of its consideration of the Annual Governance Statement 2023/24. This is because the Public Sector Internal Audit Standards require that "The 'chief audit executive' must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement."
- 1.2 The Public Sector Internal Audit Standards state:
The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
The annual report must incorporate:
 - *the opinion;*
 - *a summary of the work that supports the opinion; and*
 - *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*
- 1.3 The Annual Report, in the format and comprising the topics prescribed by the Public Sector Internal Audit Standards, is set out as Appendix 1.

2 Alternative Options

- 2.1 Not applicable as the production of this Annual Report is a requirement of the standards.

3 Legal Implications

- 3.1 Not applicable.

4 Financial Implications

4.1 Not applicable.

5 Corporate Strategy

5.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation:

- Delivering valued, sustainable services.
- Low cost, low carbon energy across the district.
- Creating vibrant, safe, and healthy communities of the future.

5.2 Internal Audit contributes to the delivery of these strategic aims as part of an assurance framework. This ensures that the activities necessary to deliver these aims are reviewed and, where appropriate, improved.

6 Environmental / Climate Change Implications

6.1 Not applicable.

7 Analysis of the Effects on Equality

7.1 Not applicable.

8 Data Protection

8.1 Not applicable.

9 Health and Wellbeing

9.1 Not applicable.

10 Risk Assessment

10.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with weak internal control, risk management and governance processes.

11 Consultation

11.1 Please refer to 'header page' of this report.

Background papers:

Not applicable.

Supporting documents:

Internal Audit Plan.

Internal Audit Reports.

(As reported to this committee during 2023/24)

Head of Internal Audit's Annual Report and Presentation of **Audit Opinion 2023/24**

Introduction

This report is produced to satisfy the Public Sector Internal Audit Standards which requires that:

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

It should be noted that the Audit and Risk Manager (fulfilling the role of Chief Audit Executive) in post for 2023/24 left the Council shortly after the end of the year, so this report has been drawn up by his replacement who had been in post as Principal Internal Auditor during 2023/24.

Opinion on the overall adequacy and effectiveness of the Council's control environment

The Public Sector Internal Audit Standards state that "*The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. Consulting services are advisory.*"

Based on internal audit assignments undertaken as part of the Audit Plan, together with the general views of the Internal Audit team gained from ancillary exposure to the Council's operations, it must be concluded that the Council has an adequate and effective governance, risk management and control framework to address relevant risks with controls being applied consistently.

This, however, must be qualified by the non-completion of one of IT audits that had been carried forward from the 2022/23 plan. This further delay was primarily caused by the ICT Audit contractor prioritising the 2023/24 work for other clients over this piece of work as their contract had effectively finished at the end of 2022/23.

A member of the Internal Audit team also left during the year and their replacement was not able to start immediately and needed training once they were in post. This resulted in a shortfall of three audits compared to the original plan.

Inevitably, there were some instances of non-compliance that were identified by Internal Audit, as detailed in reports that were issued during the year. These were reported to Audit and Standards Committee each quarter. Action to address these issues has been confirmed by management in all cases, with urgent action being taken where those issues were regarded as major.

Although not expressed as a further qualification, it must be confirmed that the internal audit opinion can only be based on the audits undertaken during that year and on information garnered more informally by the Internal Audit team; thus it has to be acknowledged that not everything is subject to an audit within a 12-month time frame. The Council's external auditors form their own opinion based on their own work and the Annual Governance Statement provides an overall judgement on the control environment, derived from many sources, one of which is this Internal Audit Annual Report.

The Public Sector Internal Audit Standards states that "*Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board.*"

Despite the staffing change (highlighted above) that led to a shortfall of three audits compared to the original plan, the Audit and Risk Manager can confirm that the level of agreed resources has not impacted adversely on the provision of the annual internal audit opinion.

Summary of the internal work undertaken during 2023/24 from which the opinion on the internal control environment is derived

The audits which form the basis of the opinion are listed in Appendix 1A. The results of these audits have been communicated to the Audit and Standards Committee in quarterly reports and are therefore not reproduced here. Each audit report, however, gives an overall opinion on the level of assurance provided by the controls within the area audited and this is set out in the table. The bands of assurance are set out at the bottom of Appendix 1A.

Appendix 1A indicates that internal controls were in the main found to be operating satisfactorily, giving an overall confidence in the internal control system operating in relation to these systems. Although most reports that were issued during the year contained recommendations to rectify control deficiencies it is important to stress that the issues raised in respect of these audits have since been addressed or, in the case of more recent audits, are in the process of being addressed. As part of Internal Audit's quarterly reporting, Members receive scheduled updates on the state of implementation of recommendations in order to obtain assurance that recommendations are actioned.

Roughly one third of the audits completed during the year (including the two ICT audits from the 2022/23 plan that were completed in 2023/24) were awarded a less than substantial level of assurance – all receiving a moderate level of assurance, the middle ranking assurance opinion.

Issues particularly relevant to the Annual Governance Statement

Issues particularly relevant to the Annual Governance Statement (AGS) have been identified from the process involved in its production. Some of these issues had been highlighted by Internal Audit during the year.

Comparison of the work undertaken with the work that was planned and summary of the performance of the internal audit function against its performance measures and targets

This is set out as Appendix 1B.

Compliance with the Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards state that:

"Chief audit executives are expected to report conformance on the Public Sector Internal Audit Standards in their annual report."

"To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance."

A review by an external consultant, undertaken towards the end of the 2020/21, highlighted non-compliance with some elements of the Public Sector Internal Audit Standards. The Public Sector Internal Audit Standards require such external reviews to be undertaken at least once in a five-year period. (The previous review was completed in 2016.) An action plan was produced to address those areas of non-compliance and this was reported to Finance and Audit Scrutiny Committee, as was, in March 2021, together with the full results of the review. An update in addressing the areas of non-compliance was reported to Finance and Audit Scrutiny Committee in December 2021. This reported that all areas of non-compliance had been addressed.

Periodic internal assessments form part of the Quality Assurance and Improvement Programme, as described below. The results of internal assessments undertaken during 2023/24 are set out as Appendix 1C to this Annual Report.

Separately, the Public Sector Internal Audit Standards requires that *"The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity."*

The Audit and Risk Manager can confirm that Internal Audit is organisationally independent.

Communication of the results of the internal audit quality assurance & improvement programme

The Public Sector Internal Audit Standards states that *"The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report."*

The Quality Assurance and Improvement Programme comprises cyclical self-reviews against all element of the Public Sector Internal Audit Standards such that, over a 5-year period (i.e. up to when the next external review is due), all elements of the Standards have been assessed.

The results of the self-review in respect of 2023-24 (Year Three) of the current Quality and Assurance Programme are set out in Appendix 1C to this Annual Report.

The Internal Audit Quality Assurance and Improvement Programme also includes ongoing reviews of audit files by the Audit and Risk Manager before issue of final

reports, plus external audit reviews of Internal Audit's work, as well as scrutiny by Audit and Standards Committee. It also comprises completion by auditees, post audit, of questionnaires for audits.

In terms of the post audit questionnaires that had been returned, only one auditee awarded a "score" of less than four "marks" out of five in their assessment of the audit that they had received. Clearly this indicates very broad satisfaction with the audits undertaken although it should be noted that the number of completed questionnaires is low.

The score of three was in relation to one of the delayed 2022/23 ICT audits and the score was based on the first member of contracted staff that had been working on the audit.

Appendix 1D sets out the questionnaire that is used (albeit this is now completed as an online form).

The results of the Internal Audit Quality Assurance Programme, in whatever form, are used to improve the service provided by Internal Audit.

Summary of Audits Undertaken 2023/24

Assignment	Client Service Area	Level of Assurance	No. of Recs.
<i>Quarter 1</i>			
Sports Development	Safer Communities, Leisure and Environment	Substantial	2
Catering Concessions	Place, Arts and Economy	Substantial	0
Staff Health and Wellbeing	People and Communications	Substantial	1 + 3 advisories
Grant Applications	Finance	Substantial	1
Tenancy Management	Housing	Substantial	7 + 8 advisories
<i>Quarter 2</i>			
Shared Legal Services	Governance	Substantial	1 + 3 advisories
Employee Attendance Management	People and Communications	Substantial	2 + 2 advisories
Change Management (22/23 Audit)	Customer and Digital Services	Moderate	7
Purchasing Cards	Finance	Substantial	0
Refuse Collection and Recycling	Neighbourhood and Assets	Substantial	5 + 6 advisories
Banking Arrangements	Finance	Substantial	3
CIVICA APP Application (22/23 Audit)	Safer Communities, Leisure and Environment	Substantial	5
VAT Accounting	Finance	Substantial	3
<i>Quarter 3</i>			
Grounds Maintenance	Neighbourhood and Assets	Substantial	5 + 10 advisories
GIS and NLPG	Customer and Digital Services	Substantial	3 + 2 advisories
Economic Development	Place, Arts and Economy	Substantial	0
Cloud Applications and Hosting Contracts	Customer and Digital Services	Moderate	4
Local Elections	Governance	Substantial	1
Management of Contracts	Finance	Substantial	2
Void Management	Housing / Neighbourhood and Assets	Moderate	10 + 12 advisories

Assignment	Client Service Area	Level of Assurance	No. of Recs.
Human Resources Management	People and Communications	Substantial	1 + 1 advisory
Conservation and Design	Place, Arts and Economy	Substantial	1 + 2 advisories
Council Tax	Finance	Substantial	0
<i>Quarter 4</i>			
Aids and Adaptations	Housing / Neighbourhood and Assets	Moderate	4 + 2 advisories
Community Infrastructure Levy and Section 106 Agreements	Place, Arts and Economy	Substantial	2 + 4 advisories
Corporate Governance (Staff Working Groups)	Governance / People and Communications	Moderate	9
Events Management	Place, Arts and Economy	Moderate	12 + 21 advisories
Fire Safety and Prevention Contracts	Housing / Neighbourhood and Assets	Moderate	9
Houses in Multiple Occupation	Housing	Substantial	1 advisory
Housing Benefit and Council Tax Reductions	Customer and Digital Services	Moderate	10 + 6 advisories
Housing Rent Collection	Housing	Moderate	6 + 12 advisories
ICT Strategies and Policies	Customer and Digital Services	Moderate	3 + 1 advisory
Information Governance	Governance	Moderate	15 + 10 advisories
Leisure and Recreation Facilities	Safer Communities, Leisure and Environment	Substantial	9 + 10 advisories
Loans to External Organisations	Finance	Moderate	5 + 2 advisories
National Non-Domestic Rates	Finance	Substantial	2 + 1 advisory
System Ownership and Management	Customer and Digital Services	Moderate	4
Tech One - Finance Application	Finance	Moderate	9
Website Management	People and Communications	Substantial	7 + 5 advisories

Key to Level of Assurance:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

Summary of Internal Audit Performance 2023/24

Performance Indicator	In-house Team	External Contractors	Overall for Service
Number of planned audits assigned	37	3	40
Number of planned audits completed	34	3*	37*
% assigned audits completed	91.9%	100%	92.5%
Number of audits completed within time allocation	14	N/A	N/A
% audits completed within time allocation	41.2%	N/A	N/A
Number of audit days – planned	340.0	N/A	N/A
Number of audit days – actual	313.5	N/A	N/A
Productive time as % of available time – target	73.3%	N/A	N/A
Productive time as % of available time – actual	67.4%	N/A	N/A
Number of audit recommendations issued	141	29	170
Number of audit recommendations agreed	141	29	170
% audit recommendations agreed	100%	100%	100%
Number of High Priority audit recommendations issued	8	0	8
Number of High Priority audit recommendations implemented	1**	0	1**
% High Priority audit recommendations implemented	12.5%	N/A	12.5%

* these figures do not include the two ICT reports from the 2022/23 plan that were completed in 2023/24.

** the other recommendations have target dates in the latter part of 2024/25, so have not yet been chased to ascertain whether the agreed actions have been implemented.

Results of Internal Assessments

Checklist for Assessing Conformance with the PSIAS and the Local Government

Application Note: Proficiency & Due Professional Care - 1200 to 1230

Introduction

This checklist has been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

For each check performed the relevant box should be ticked in accordance with the following levels of conformance:

GC – General Conformance

PC – Partial Conformance

DNC – Does Not Conform

Evidence for each response must be provided and reasons for any partial or full nonconformance should be given, together with any compensating measures in place or actions in progress to address this.

Programme/Checklist

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	1200 Proficiency and Due Professional Care				
1	1210 Proficiency				
1.1	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	<input checked="" type="checkbox"/>			Member of Chartered Institute of Public Finance & Accountancy, MSc in Internal Audit Management and Consultancy
1.2	Is the CAE suitably experienced?	<input checked="" type="checkbox"/>			41½ years. Head of internal audit for 30 years (nearly 26 at WDC).
1.3	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	<input checked="" type="checkbox"/>			Yes, recruitment completed within the last 4 years has been carried out by the CAE.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
1.4	Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?	<input checked="" type="checkbox"/>			The job description and personal specification for the Internal Auditor role was last updated in November 2021. The JD and PS for the Principal Auditor role were last updated in August 2019. These documents define the skills, competencies and experience required for the roles.
1.5	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?			<input checked="" type="checkbox"/>	There has not been an assessment of the skills, knowledge and competency of the team completed. Recommendation Consideration should be given to performing a formal assessment of the skills and experience of the audit staff, and the competencies needed to fulfil the internal audit plan.
1.5	Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance?	<input checked="" type="checkbox"/>			ICT audits are contracted out
1.6	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?			<input checked="" type="checkbox"/>	No formal assessment has been completed to assess the knowledge of the team.
1.7	Do internal auditors have sufficient knowledge of key information technology risks and controls?			<input checked="" type="checkbox"/>	No formal assessment has been completed to assess the knowledge of the team.
1.8	Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?			<input checked="" type="checkbox"/>	No formal assessment has been completed to assess the knowledge of the team.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
2	1220 Due Professional Care				
	<p>Do internal auditors exercise due professional care by considering the:</p> <p>a) Extent of work needed to achieve the engagement's objectives?</p> <p>b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?</p> <p>c) Adequacy and effectiveness of governance, risk management and control processes?</p> <p>d) Probability of significant errors, fraud, or non-compliance?</p> <p>e) Cost of assurance in relation to potential benefits?</p>	<input checked="" type="checkbox"/>			<p>a) Time allowance per audit is predetermined using a risk assessment completed at the last audit. Audits use this as a guide to plan the work and audit coverage.</p> <p>b) Audits are risk based so more significant risks would be identified.</p> <p>c) The controls are assessed as part of the audit and recommendations applied where there are deficiencies.</p> <p>d) These are all considered as part of the brief.</p> <p>e) Although VFM is considered on the brief this has no bearing on the actual audit and is not considered in the final report</p>
	<p>Do internal auditors exercise due professional care during a consulting engagement by considering the:</p> <p>a) Needs and expectations of clients, including the nature, timing and communication of engagement results?</p> <p>b) Relative complexity and extent of work needed to achieve the engagement's objectives?</p> <p>c) Cost of the consulting engagement in relation to potential benefits?</p>	<input checked="" type="checkbox"/>			<p>a) These are discussed in the opening meeting when creating the brief.</p> <p>b) Auditors produce their own programmes (which are checked and signed off by the CAE) this ensures that the complexity of the engagement has been considered.</p> <p>c) As above at e) VFM is considered on the brief only.</p>
3	1230 Continuing Professional Development				
	Has the CAE defined the skills and competencies for each level of auditor?	<input checked="" type="checkbox"/>			This has been set out in terms of the posts through the personal specifications.
	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?			<input checked="" type="checkbox"/>	This is not done as an assessment has not been completed.

	Do internal auditors undertake a programme of continuing professional development?	<input checked="" type="checkbox"/>			The audit team regularly attend training events. Some do this to maintain CPD others because they are training so attend Uni and additional courses of use.
	Do internal auditors maintain a record of their professional development and training activities?	<input checked="" type="checkbox"/>			For Uni off the job hours need to be maintained as part of the apprenticeship terms. For other members CPD is maintained and reported to the chartered body to remain a member.
	Conclusion - 1200 Proficiency and Due Professional Care	10		5	There are a number of areas of non-conformance due to there being no formal assessment completed of the skills needed to complete the audit plan and those of the auditors. The audit activity conforms with all other areas of the standards included under "Proficiency and Due Professional Care".

NB – where references are made to the CAE, these refer to the person who held the post in 2023/24. All responses reflect the position at the time of the assessment.

Checklist for Assessing Conformance with the PSIAS and the Local Government

Application Note: Quality Assurance and Improvement Programme - 1300 to 1322

Introduction

This checklist has been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

For each check performed the relevant box should be ticked in accordance with the following levels of conformance:

- GC – General Conformance
- PC – Partial Conformance
- DNC – Does Not Conform

Evidence for each response must be provided and reasons for any partial or full nonconformance should be given, together with any compensating measures in place or actions in progress to address this.

Programme/Checklist

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
1	1300 Quality Assurance and Improvement Programme				
1.1	Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?		<input checked="" type="checkbox"/>		<p>There is a 5-year plan detailing which principles will be covered.</p> <p>A QAIP overview document is in place but needs updating with the relevant dates and information such as correct committee names. (Written in 2020).</p> <p>Recommendation The QA&IP document should be updated with the relevant dates and information such as the correct committee names.</p> <p>A recommendation for this was given in the external review completed by Tilia in January 2021. <i>Develop a robust programme of QAIP activities that cover all the Standards on a rolling basis</i></p>

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					<p><i>and involve all members of the audit team in this work.</i></p> <p>The 5-year plan includes the core principles to be covered, team members have not been assigned the tasks on the plan. The programme does not detail the testing to be completed.</p> <p>A full programme for evaluation of the core principles is not in place. This is developed as and when they are being assessed using guidance from CIPFA.</p>
1.2	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?		☑		<p>The programmes are developed using CIPFA guidance to ensure that they assess the efficiency and effectiveness of the IAA.</p> <p>Ongoing monitoring is completed through day-to-day supervision.</p> <p>Recommendation Assignment review schedules (which form part of the continual assessments process) should be completed to allow identification of opportunities for improvement and training requirements.</p>
	Does the CAE maintain the QAIP?	☑			The CAE reviews the day-to-day monitoring and reports the outcomes of QAIP activities to committee on a regular basis.
	If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?				N/A

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
2	1310 Requirements of the Quality Assurance and Improvement Programme				
	Does the QAIP include both internal and external assessments?	<input checked="" type="checkbox"/>			Ongoing assessments, annual internal reviews on a selection of the core principles and 5-yearly external assessments.
3	1311 Internal Assessments				
	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	<input checked="" type="checkbox"/>			The CAE approves the allocation of audit work. The audit team has balanced skillsets and does not consist of specialists (other than for NFI work). The audit work is planned to prevent repetition of audit work and using the resource available.
	Do internal assessments include ongoing monitoring of the internal audit activity such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?	<input checked="" type="checkbox"/>			a) Routine assessments are completed through various methods detailed in the overview document. They include supervision and review of work. b) Periodic assessments are completed and reported to the Audit & Standards committee on an annual basis (last reported on 14 June 2022).
	Does ongoing performance monitoring include comprehensive performance targets?	<input checked="" type="checkbox"/>			The performance targets are based on progress against the audit plan. This is reported quarterly at SLT and at Audit and Standards Committee.
	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	<input checked="" type="checkbox"/>			Reports detail the performance against progress. If SLT or Councillors have asked for additional information or data this will be provided if collected.
	Does the CAE measure, monitor and report on progress against these targets?	<input checked="" type="checkbox"/>			As above, reported quarterly at SLT and A&S.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Does ongoing performance monitoring include obtaining stakeholder feedback?	<input checked="" type="checkbox"/>			Feedback forms are issued as part of the final communication for every audit. This feedback is collated and shared when received.
	Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? (Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.)	<input checked="" type="checkbox"/>			Periodic self-assessments are completed by internal audit staff members. The outcomes are reported to A&S on an annual basis as part of the IA report. Sufficient knowledge is held by the staff who have completed the self-assessments so far. Guidance is available from CIPFA which incorporates the LGAN.
	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	<input checked="" type="checkbox"/>			Performance against the audit plan is reviewed and reported to both SLT and A&S on a quarterly basis.
4	1312 External Assessments				
	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	<input checked="" type="checkbox"/>			An external review was completed in April 2016 and again in January 2021. The next external review is due (and planned) to be completed in 2026.
	Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	<input checked="" type="checkbox"/>			Yes. The CAE wanted as full and as objective an assessment as possible for maximum benefit so opted for a "full" external assessment. This was supported by the Council's "audit committee" (Finance and Audit Scrutiny Committee at the time).

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	<input checked="" type="checkbox"/>			The proposed form of the external assessment was discussed with the "audit committee" orally but not in written form. It was also discussed fully with the Chair of the Finance and Audit Scrutiny (Cllr Jonathan Nicholls at the time) and with the Head of Finance (Mike Snow at the time).
	Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CEO or the chief executive?	<input checked="" type="checkbox"/>			It was discussed with the Chair of the Finance and Audit Scrutiny in the monthly meetings that used to take place.
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	<input checked="" type="checkbox"/>			This was covered in the quote
	Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process? Competence can be determined in the following ways: a) experience gained in organisations of similar size b) complexity c) sector (i.e. the public sector) d) industry (i.e. local government), and e) technical experience. (Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.)	<input checked="" type="checkbox"/>			The independent assessor's qualifications include: CIRM (Certificate of International Risk Management), MBA, CPFA and BA .

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	How has the CAE used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?	<input checked="" type="checkbox"/>			The external assessor works for CIPFA so one has to assume that in such circumstances the individual has the required level of competence. In addition, she is well known in internal audit circles and enjoys an excellent reputation for competence, objectivity and thoroughness. A quick google also confirms that the assessor holds a CIRM, MBA, CPFA and a BA.
	Does the assessor or assessment team have any real or apparent conflicts of interest with the organisation? This may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.	<input checked="" type="checkbox"/>			No, the assessor is completely independent.
5	1320 Reporting on the Quality Assurance and Improvement Programme				
	Has the CAE reported the results of the QAIP to senior management and the board? Note that: a) the results of both external and periodic internal assessment must be communicated upon completion b) the results of ongoing monitoring must be communicated at least annually c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.	<input checked="" type="checkbox"/>			a) Reported as part of the IA annual report. b) As above. c) Report includes a copy of the programme / working papers and action plan.
	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	<input checked="" type="checkbox"/>			Yes – as above

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
6	1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'				
	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	<input checked="" type="checkbox"/>			This is stated on page 7, along with confirming that all areas of non-compliance had been addressed.
7	1322 Disclosure of Non-conformance				
	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	<input checked="" type="checkbox"/>			Yeas this was reported with the results of the external review
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?				N/A
8	Conclusion - 1300 Quality Assurance and Improvement Programme	22	2		The Internal Audit Activity mostly complies with the 1300 core principles with only two areas of partial compliance. There are two recommendations to action regarding the updating of the QA&IP and completion of ongoing review documents These have been added to the Improvement Plan.

NB – where references are made to the CAE, these refer to the person who held the post in 2023/24. All responses reflect the position at the time of the assessment.

Checklist for Assessing Conformance with the PSIAS and the Local Government

Application Note: Managing the Internal Audit Activity - 2000 to 2070

Introduction

This checklist has been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

For each check performed the relevant box should be ticked in accordance with the following levels of conformance:

- GC – General Conformance
- PC – Partial Conformance
- DNC – Does Not Conform

Evidence for each response must be provided and reasons for any partial or full nonconformance should be given, together with any compensating measures in place or actions in progress to address this.

Programme/Checklist

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
1	2000 Managing the Internal Audit Activity				
	Do the results of the internal audit activity’s work achieve the purposes and responsibility of the activity, as set out in the internal audit charter?	<input checked="" type="checkbox"/>			Final reports work with the aims set out in the charter, detailing risks and findings which support the organisations objectives. This in turn also supports the aims set out in the charter.
	Does the internal audit activity conform with the definition of Internal Auditing and the Standards	<input checked="" type="checkbox"/>			Conformance is referred to in the charter – included in the annual report to the board - and supported by the results of the QAIP.
	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the Code of Ethics and the Standards?	<input checked="" type="checkbox"/>			The core principles are detailed in the charter and include examples of how the auditors apply them. The code of ethics are agreed with for the professional body where membership is held.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Does the internal audit activity add value to the organisation and its stakeholders by a) Providing objective and relevant assurance? b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	<input checked="" type="checkbox"/>			a) Annual declarations b) QAIP completed annually, team work on the overall plan and identifying additional risks, as a team discuss control processes to find improvements or ensure they are still valid
2	2010 Planning				
	Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?	<input checked="" type="checkbox"/>			The Principal Auditor produces a risk-based plan aligned with the service area plans and risk registers. This is then reviewed by the CAE.
	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?		<input checked="" type="checkbox"/>		The plan doesn't take this in to account. The plan details the audits and work to be completed by the auditors and does not include the work plan for the CAE. Partial conformance has been given as although this has not been considered in the plan the annual internal audit opinion is completed by the CAE therefore it could be argued that it is not needed in an audit plan detailing the work of auditors.
	Does the risk-based plan take into account the organisation's assurance framework?		<input checked="" type="checkbox"/>		The risk-based plan confirms the previous level of assurance and links to risk registers but the assurance framework is not included. The CAE's annual Audit Opinion report refers to the "framework of governance, risk management and Control" but there is no further information of what framework is used and followed when assessing it's adequacy and effectiveness. Partial conformance has been given as it could be assumed that the risk registers used when

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					producing the plan form part of the framework. There are a number of these which are out of date and therefore the risks identified cannot be relied upon.
	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities?	<input checked="" type="checkbox"/>			a) There is a time breakdown showing days to be spent on various tasks which deliver the internal audit service. b) The charter provides detail regarding the development of the plan. c) The plan links to the service area risk registers which highlight areas of concern which could prevent the organisation from achieving its objectives.
	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	<input checked="" type="checkbox"/>			N/A as a local Council I feel this is not applicable as all issues that could impact the objectives of the Council are considered. These should be identified on the risk registers and could include local and national issues.
	In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?	<input checked="" type="checkbox"/>			The risk-based audit plan is developed by the Principal Auditor, the risk registers from across the organisation are used when developing the plan.
	If such a risk management framework does not exist, has the CAE used his or her judgement of risks after input from senior management and the board and evidenced this?	<input checked="" type="checkbox"/>			The Principal Auditor uses the risk registers when preparing the risk-based plan.
	Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	<input checked="" type="checkbox"/>			The risk-based plan sets out a) An overview of the audit objective b) Links to the risk registers to highlight priorities c) Gives an estimated time allowance for the audit

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Does the risk-based plan differentiate between audit and other types of work?	<input checked="" type="checkbox"/>			The plan has an allowance for other types of work, for example training, reading, and team meetings
	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	<input checked="" type="checkbox"/>			There is some contingency time built into the plan
	Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	<input checked="" type="checkbox"/>			The plan is reviewed by the CAE when it has been created. Updates of progress against the plan are produced on a quarterly basis. The most recent major change to the plan was in 2020 when it had to be adjusted due to COVID-19
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	<input checked="" type="checkbox"/>			the audit risk assessments are documented with details copied to a database. The risk assessments help to allocate resource to the audits based on the level of risk.
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	<input checked="" type="checkbox"/>			There is a three year plan, on an annual basis the risk assessments are used to allocate resource and highlight any concerns.
	In developing the risk-based plan, has the CAE also considered the following: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, e.g. IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?	<input checked="" type="checkbox"/>			a) Declarations of interest are declared when discussing the plan in a team before sharing out the audit work. b) IT audits are usually contracted out as there aren't the specialist skills held within the team. c) Contingency time is included in the plan. d) Audit planning time is allocated on the plan

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Is the input of senior management and the board considered in the risk assessment process?	<input checked="" type="checkbox"/>			Senior management are consulted with when preparing the audit plan. It is also circulated to the audit committee for comments.
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	<input checked="" type="checkbox"/>			When preparing the plan feedback from senior managers and committee are considered and in some cases this can and has influenced the plan by creating new audits or providing additional areas to focus on within planned audits.
	Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	<input checked="" type="checkbox"/>			Consulting engagements are rare and performed on a more ad-hoc basis as required, an allowance of time is included within the plan for them to use as needed.
	Are consulting engagements that have been accepted included in the risk-based plan?	<input checked="" type="checkbox"/>			Consulting engagements are not included on the plan. A time allowance is given if needed.
3	2020 Communication and Approval				
	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	<input checked="" type="checkbox"/>			The plan was circulated to SLT and shared at team meetings by the Principal Auditor. It was then emailed to committee to allow them to review and approve it. – normally it would be presented at committee, however, the changes of committees and dates meant it wouldn't be shared until June or July therefore it was emailed.
	Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	<input checked="" type="checkbox"/>			The only time this has happened was during Covid – 2020. The plan had to be altered due to the resource and ability to work from home. During this period auditors helped with the food hubs and other initiatives.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Has the CAE communicated the impact of any resource limitations to senior management and the board?	<input checked="" type="checkbox"/>			There have been no reports needed of this kind.
4	2030 Resource Management				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?		<input checked="" type="checkbox"/>		The time resource is shown on the plan but the assessment of this is not shown as part of the plan.
	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?				N/A engagement timings are agreed between the auditor and auditee
	If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.				N/A
5	2040 Policies and Procedures				
5.1	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?		<input checked="" type="checkbox"/>		There is an Audit Manual in place which provides guidance on the procedures to follow for the internal audit activity. This is due to be updated as recommended in the QAIP completed in 22/23. Partial conformance has been given as the manual has not yet been reviewed and updated, therefore the information and forms contained in the manual are not in line with the current procedures. (e.g. control checklist is out of date, old Head of Finance still named) Recommendation

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					The Audit Manual should be updated with the new procedures, forms and relevant information.
5.2	<p>Has the CAE established policies and procedures to guide staff in performing their duties in a manner that conforms to the PSIAS? Examples include maintaining an audit manual and/or using electronic management systems.</p>		<input checked="" type="checkbox"/>		<p>As above the manual needs updating (last completed in May 2021). There is a folder of Audit Procedures which include; CIPFA matrices many of which have not been updated since 2011, document retention policy from 2019 and audit forms, std programmes and templates which may need a review as the report template has been changed a number of times over the last 12 months but the one held in the file is from September 2021.</p> <p>Recommendation The templates, policies and procedure documents should be reviewed to ensure they are still relevant and reflect the procedures followed.</p>
	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?		<input checked="" type="checkbox"/>		They are reviewed but the copies held on file are not being updated with the changes. See above recommendation.
6	2050 Coordination				
	Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	<input checked="" type="checkbox"/>			Other sources of assurance are not used when preparing the plan. These may be considered when planning the individual audits when a judgement can be made on the reliance of the source. As a small audit team it would not be economical to gather the information regarding the other assurance sources as when it comes to completing the audit they may no longer be relevant. General conformance given

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					as although this is not done as part of the plan it is considered as part of the audits.
	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?			<input checked="" type="checkbox"/>	This is not completed, being a local Council there could be many other sources of assurance. As the risks and scope are discussed at the opening of an audit and relevant sources of assurance can be considered then.
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?			<input checked="" type="checkbox"/>	This is not done other than for audits contracted out. As this sits as the responsibility of the CAE they form a part of the internal audit activity. See above comments
	Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?			<input checked="" type="checkbox"/>	This is not done.
7	2060 Reporting to Senior Management and the Board				
	Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?	<input checked="" type="checkbox"/>			The CAE reports on a regular basis to senior management and committee. This is done through a number of ways, including; the charter, that annual audit opinion and quarterly updates
	Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	<input checked="" type="checkbox"/>			Risk registers are no longer reported annually, however, where significant risks have been identified these are reported and updates provided as required.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?	☑			Reports are issued frequently and feedback received regarding this shows that reporting is carried out at the desired frequency and senior management and the board approve of the content. Where requests have been made to change reports this have been considered and changes made where appropriate.
8	2070 External Service Provider and Organisational Responsibility for Internal Auditing				
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?				N/A
	Conclusion - 2000 Managing the Internal Audit Activity	27	6	3	<p>(3 N/A)</p> <p>General conformance overall.</p> <p>Some areas of partial and non-conformance have been noted without recommendations this is because there may not be an issue by not conforming as the guidance used is relevant for a wide range of organisations and the criteria may not be relevant to District Councils.</p> <p>Recommendations added to the Improvement Plan.</p>

NB – where references are made to the CAE, these refer to the person who held the post in 2023/24. All responses reflect the position at the time of the assessment.

Post Audit Questionnaire

Audit:

Date of report:

Auditor:

Manager:

In order to help us improve our service we would be grateful if you would spend a few moments answering the questions below.

Question	Yes	No	Comments (if applicable)
Pre-audit consultation			
Were you given adequate notification of the audit?			
Were the scope and objectives of the audit discussed with you?			
Was the audit process explained to you adequately?			
The audit			
Was the audit work undertaken at an agreed and convenient time?			
Was the audit conducted in a proficient manner?			
Were the appropriate staff interviewed for the audit areas covered?			
Were interviews conducted in a professional manner?			
Were the findings discussed with the right staff?			
Was the audit completed within a reasonable timescale?			
Audit reporting			
Was the draft report produced within a reasonable timescale?			

Question	Yes	No	Comments (if applicable)
Were you given the opportunity to discuss the report with the auditor?			
If so, did you find the discussion useful?			
Was the discussion conducted in a professional manner?			
Were your views and comments presented adequately in the final report?			
Were the recommendations in the report practical and realistic?			
Was the report produced to a professional standard?			
Did the audit reveal any unknown weakness in the system?			
Do you feel that the audit was worthwhile and has added value to your work?			

On a scale of 1 to 5, 1 being "very dissatisfied" and 5 representing "very satisfied", please score your level of satisfaction with the audit in overall terms:

If you have any other comments that you wish to make about the audit, please record them below:

Manager: _____

Date: _____

Title: Corporate Fraud Investigation Performance Report 2023/24

Lead Officer: Ian Davy (ian.davy@warwickdc.gov.uk (01926) 456818)

Portfolio Holder: Councillor Chilvers

Wards of the District directly affected: None directly impacted

Approvals required	Date	Name
Portfolio Holder	12 December 2024	Councillor Chilvers
Finance	12 December 2024	Andrew Rollins
Legal Services	Not applicable	
Chief Executive	12 December 2024	Chris Elliott
Strategic Director	12 December 2024	Dave Barber
Head of Service(s)	12 December 2024	Andrew Rollins
Section 151 Officer	12 December 2024	Andrew Rollins
Monitoring Officer	12 December 2024	Graham Leach
Equalities, Diversity and Inclusion Business Partner	12 December 2024	Daniel Keating
Leadership Co-ordination Group	12 December 2024	Various
Final decision by this Committee or rec to another Cttee / Council?	Yes	
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?	Yes	

Summary

The Report provides details of the performance by the Corporate Fraud Investigation team for 2023/24.

Recommendations

- 1 That the report, including its appendices, be noted.
-

1 Reason for the Recommendations

1.1 The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. Counter-fraud activity forms a key part of each of those elements thus providing the required assurance to Members.

1.2 Definitions, types, and scale of fraud

1.2.1 All references to fraud within this document include any type of fraud-related offence. Whilst the Fraud Act (2006) (the 'Act') does not provide a single definition of fraud, it may be described as 'theft by deception'. The key characteristics of fraud include an individual acting dishonestly and with the expectation of either making a gain for themselves or another person, or causing loss to a third party.

1.2.2 The Act identifies fraud as a single offence that can be committed in three separate ways:

- Fraud by false representation – A person dishonestly makes a false representation, intending to make a gain for himself or another, or to cause loss another or to expose another to a risk of loss. The legal definition of 'representation' is broad and includes written, verbal, and non-verbal communication.
- Fraud by failing to disclose information – A person dishonestly fails to disclose to another person information which they are under a legal duty to disclose, and intends, by failing to disclose the information to make a gain for himself or another, to cause loss to another or to expose another to a risk of loss.
- Fraud by abuse of position – A person abuses their position, intending to make a gain for themselves or another or to cause loss to another.

1.2.3 In 2012 the government set up a body to examine fraud in local government. It's latest paper entitled "Fighting Fraud and Corruption Locally: A strategy for the 2020s" highlights that, whilst "we do not have a wholly reliable estimate of the total scale of economic crime ... all assessments within the public and private sectors indicate that the scale of the economic crime threat continues to grow".

1.2.4 Estimates of the value of fraud perpetrated annually against local authorities generally exceed £2 billion with figures suggested as being up to £7.8 billion.

These figures do not generally take into account the indirect costs of responding to and dealing with fraud.

1.3 Arrangements at WDC

- 1.3.1 In February 2015, the Housing Benefit Fraud Investigation function at Warwick District Council transferred, like others, to the Department for Work and Pensions (DWP) under the auspices of the Single Fraud Investigation Service (SFIS).
- 1.3.2 Following several unsuccessful attempts to recruit suitably-qualified investigation staff, alternative options for providing the service were considered. In February 2016 arrangements were agreed with Oxford City Council to provide a Corporate Fraud Service for Warwick District Council. The Fraud Unit at Oxford City Council had been, and still are, providing a fraud investigation service for a number of other councils. Over the years, the service at Oxford has won many 'industry' awards from bodies such as the Institute of Rating Revenues and Valuation (IRRV), including 'Excellence in Corporate Fraud'.
- 1.3.3 Warwick District Council pays for one full time equivalent employee from Oxford City Council. This is achieved through a small number of individuals (mainly two) employed by Oxford. This arrangement provides a range of skills and expertise.
- 1.3.4 Most of the investigations undertaken by the team are 'reactive' investigations. These involve the search for and the gathering of evidence following an allegation or fraud referral, or the discovery of a set of circumstances which amount to an offence. In these cases, the offence is usually already being committed. An example would be where a member of the public contacts a council to inform them that one of their council tenants is unlawfully sub-letting their council property.
- 1.3.5 One source of referral is the National Fraud Initiative (NFI). The NFI, coordinated by the Cabinet Office, matches electronic data within and between public and private sector bodies to help prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. Participation in the NFI is mandatory for councils who are required to submit data to the National Fraud Initiative on a regular basis. The Council has always sought to investigate most matches that are received from the NFI, despite the exercise being resource-intensive and usually delivering very little in the way of results.
- 1.3.6 As part of the contract, the team from Oxford also provides fraud awareness training sessions to staff across the Council.

1.4 Types of Fraud Investigated at WDC by the Corporate Fraud Team

1.4.1 Council Tax Fraud

This can be broken down into two main areas - Discount and Exemption fraud and Council Tax Support fraud.

Discount and Exemption Fraud

The owner, leaseholder or tenant of a property is responsible for paying Council Tax. The amount paid is based on the banding of the property. The full liability is based on two or more adults being at the property and a full bill is paid unless an exemption or discount is granted. Fraud can occur when an individual intentionally gives incorrect or misleading information in order to pay less or no council tax. Examples include someone stating that they live alone when another adult also lives there or someone claiming to be a student when they aren't or claiming Empty property exemption when the property is occupied.

Council Tax Support Fraud

The Department of Work and Pensions (DWP) is responsible for the investigation of Housing Benefit (means tested help with paying rent) fraud however Council Tax Support (means tested help with paying Council Tax) fraud is often associated with Housing Benefit fraud and it is the Council's job to investigate this. Examples of Council Tax Support fraud include making a false statement about one's household, income or capital and failing to report a change of circumstances.

1.4.2 Social Housing Fraud

The unlawful misuse of social housing can be broken down into two main areas – Housing Tenancy fraud and Right to Buy fraud.

Housing tenancy fraud includes offences such as unlawful subletting, false homeless applications, non-residency, and unauthorised tenancy succession.

Right to Buy fraud includes fraudulent applications under the right to buy scheme.

Unlawful occupation of social housing has a direct financial impact on local authorities because they are responsible for providing and paying for temporary accommodation for homeless people who could otherwise be housed in permanent social housing.

1.4.3 Housing Benefit Fraud

Housing Benefit and Council Tax Support, where they are still paid, are administered by the Council on behalf of the Government. They are paid to people who are liable to pay rent and/or Council Tax and who have a low income, whether they are working or not. Benefit fraud is defined as someone obtaining state benefit they are not entitled to or deliberately failing to report a change in their personal circumstances e.g. failure to disclose financial assets and/or changes to employment or individual(s) residing at a property.

Since the introduction of Universal Credit in 2013, to help with housing costs, the majority of eligible residents receive Universal Credit payments from the DWP rather than Housing Benefit from their local authority, with most people of working age expected to have been migrated to Universal Credit by the end of 2024.

For some claimants, however, Housing Benefit can still be claimed from the local authority. This includes people on low incomes who are pensioners (both members of a couple must be pensioners), live in supported (specified) accommodation, or are in receipt of a severe disability premium (and who are not claiming Universal Credit).

At the same time, Council Tax Benefit also ceased to exist and was replaced by Local Council Tax Support.

DWP have the responsibility of investigating all HB fraud and will work jointly with local authorities where Local Council Tax Support is also claimed. Although councils are no longer responsible for the investigation of this fraud, as administrators of this benefit there is a responsibility to try to prevent fraud and to notify the Department of Work and Pensions (DWP) of any suspected fraudulent activity including false applications and failures to declare changes in circumstances.

Discretionary Housing Payment (DHP) is a discretionary scheme where the local authority can provide extra money to help a claimant meet their housing costs such as helping with a rent shortfall, a rent deposit and rent in advance. DHPs are only for extra help towards Housing Costs and are not for help with Council Tax. When investigating a Housing Benefit fraud, if it is discovered that the customer has received DHP an attempt would be made to recover it. It is not covered in the same legislation as HB or CTR overpayments, however, and therefore cannot be included as part of any sanction.

1.4.4 National Non-Domestic Rates Fraud

National Non-Domestic Rates (NNDR), more commonly referred to as Business Rates, is paid by all businesses unless they qualify for a relief or an exemption. Examples of NNDR fraud include:

- A business falsely claiming that a property is unoccupied to obtain an empty property exemption.
- A charity or not for profit organisation registered as the occupier of a property to claim mandatory and discretionary rates relief whilst the property is actually being used by a profit-making organisation.
- A business falsely claiming insolvency with the intent to avoid paying rates.

1.4.5 The list above is not exhaustive, and the team will investigate anything that is passed to them. Conversely, there will also be some work in the areas set out above that the team may not be involved in where the issues are considered errors as opposed to fraud (i.e. there is no intention to deceive).

1.5 Sanctions

1.5.1 Investigations where fraud is proven are punishable either by issuing a formal caution or an administrative penalty (known as "ad-pen") is an agreement with the claimant that in addition to the repayment of the debt they will pay a further amount. This amount is determined by legislation and is calculated as a percentage of the debt. The level of the percentage differs depending on the period in which the overpayment occurred. Neither of these sanctions results in a criminal record. In more severe cases, a claimant will be prosecuted. Sanctions are increasingly less common since DWP took over HB investigations

– administrative penalties and cautions can still be offered but are only done so on very rare occasions. Joint cases with the DWP, on the other hand, will often result in ad-pens or prosecutions. We can offer a civil penalty in respect of council tax and this is £70 penalty added to the account following an investigation.

1.6 Fraud and Error identified during 2023/24 at Warwick District Council involving the work of the Corporate Fraud Investigation Team

1.6.1 The total amounts of savings for 2023/24 made by Warwick District Council that involved the work of the Corporate Fraud Investigation team amounts to £140,944.67. This includes cash and non-cash (i.e. notional) savings. Of this total, £80,544.67 represents cash savings. The remainder is non-cash savings based on predictions. The predictions usually relate to estimates, from experience, of perpetuation of the fraud if it had not been discovered.

1.6.2 An analysis of the savings involving the Corporate Fraud Investigation team for 2023/24 is set out as Appendix 1 to this report. Of these savings, it should be noted that a proportion will benefit other bodies. For example, the savings in respect of Council Tax will be shared with relevant precepting authorities as part of the council tax setting process. The savings do not all accrue to Warwick District Council. It should also be noted that the savings achieved cannot be attributed wholly to the work of the Corporate Fraud Investigation Team. In nearly all cases, other parties such as staff within Revenues, Benefits and Housing, have been involved in flagging the cases to the Corporate Fraud Investigation Team for review. Ultimately, most fraud and error is identified through teamwork and coordinated working across the Council as well as with other agencies such as the DWP.

1.6.3 An explanation of each of these types of savings together, in the case of non-cash savings, with an explanation of how they have been calculated is set out as Appendix 2.

2 Alternative Options

2.1 This report is for information on previous performance, so this section is not applicable.

3 Legal Implications

3.1 Not applicable.

4 Financial Implications

4.1 Not applicable.

5 Corporate Strategy

5.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation:

- Delivering valued, sustainable services.
- Low cost, low carbon energy across the district.
- Creating vibrant, safe, and healthy communities of the future.

The Counter Fraud Investigation Team contributes to the delivery of these strategic aims as part of the governance framework.

6 Environmental / Climate Change Implications

6.1 Not applicable.

7 Analysis of the Effects on Equality

7.1 Counter fraud activities will comply with the Council's equality obligations.

8 Data Protection

8.1 Counter fraud activities will comply with the Council's data protection objectives.

9 Health and Wellbeing

9.1 Counter fraud activities will comply with the Council's health and wellbeing objectives.

10 Risk Assessment

10.1 There is a financial risk to the Council in making payments to people that are not entitled to receive them. There are health and safety risks to staff associated with investigating suspicious claims. There are also reputational risks to the Council from such activities.

11 Consultation

11.1 Please refer to 'header page' of this report.

Background papers:

Not applicable.

Supporting documents:

Not applicable.

The types of savings and, in the case of non-cash savings, how they have been calculated

Council Tax Reduction (CTR) Overpayments

These overpayments of CTR have resulted from an investigation and deemed recoverable unless the claimant could show the overpayment was caused by official error and they could not reasonably have known they were being overpaid. Council Tax is a daily charge and therefore the overpayment figures reflect this.

Council Tax Reduction Future Savings

The future savings are based upon a 104-week multiplier of savings identified. This is the average amount of time that a customer takes to notify the authority of a change to their circumstances.

Housing Benefit (HB) Overpayments

HB Overpayments are overpaid amounts of Benefit that have been paid (whether to the claimant their landlord or someone else) and to which the claimant was not entitled. These overpayments are calculated weekly by the Benefits team.

Housing Benefit Future Savings

The future savings are based upon a 104-week multiplier of savings identified. This is determined to be the average amount of time that a customer takes to notify a local authority of a change to their circumstances.

Discretionary Housing Payment (DHP)

This is a discretionary scheme where the local authority can provide extra money to help a claimant meet their housing costs; examples include help with a rent shortfall, rent deposits and rent in advance. The local authority looks at how much they can pay and for how long the customer can receive the payment. DHPs are only for extra help towards Housing Costs and are not for help with Council Tax. Thus, when investigating a Housing Benefit fraud, if it is discovered that the customer has had this extra help towards their housing costs (i.e. received DHP) we would seek to recover it. However, it is not covered in the same legislation as HB or CTR overpayments and therefore cannot be included as part of any sanction.

Council Tax Discount

Claimants may qualify for a Council Tax reduction if they are living on their own or with students, or providing care for, or living with, people with special circumstances. The main discount the Fraud team deals with is Single Person Discount (SPD) which is a 25% reduction when there is one adult occupant in the property.

Council Tax Discount Future Increase

The future savings are based upon a 104-week multiplier of savings identified. This is determined as the average amount of time that a customer takes to notify the authority of a change to their circumstances.

Social Housing Properties Recovered

Social Housing is more affordable than private renting and usually provides a more secure long-term tenancy. These properties are owned by the local authority or Housing Associations and are, in the first instance, for homeless people, people in cramped conditions or people that have medical conditions made worse by their current home. If people are not living in their Social Housing property as their main and principal home or are illegally subletting then the landlord can recover the property and re-allocate it to somebody else on the waiting list. The value of recovering a property is calculated currently at £42K.

Housing Applications Cancelled

Customers apply for Social Housing by completing a form declaring their circumstances. If they have lied on the form or not provided their true circumstances then their application is stopped. The value attributed to each application is £4,600, which is derived from the average cost of temporary accommodation for each family that is housed.

Right to Buy (RTB) Cancelled

RTB is a government scheme designed to help tenants in council housing to buy their homes with, very often, a very large discount. Tenants get 35% discount for houses and 50% for flats if they have been a tenant for 3-5 years; after 5 years the discount goes up by 1% for every year they have been a tenant in a house and 2% for flats, up to 70% or £102,400, whichever is the lower figure.

(NB – the RTB discounts have changed following the budget on 30 October 2024, but the figures above were relevant for the 2023/24 financial year).

Summary of Corporate Fraud Performance 2023/24

Area of Result	Number	Value (£)
Council Tax Reduction Overpayments	2	6,934.11
Council Tax Reduction Future Savings	1	2,475.20
Housing Benefit Overpayments	1	10,804.40
Housing Benefit Future Savings	1	9,609.60
Discretionary Housing Payment Overpayment	0	0.00
Council Tax Discount Removed	17	20,319.54
Council Tax Discount Future Increase	7	6,525.73
Ctax £70 Penalty	1	70.00
NNDR Increased Income	2	14,824.09
NNDR Future Income	1	8,982.00
Social Housing Properties Recovered	1	42,000.00
Housing Applications Cancelled	4	18,400.00
Right To Buy Cancelled	0	0.00
Totals: Cash and Non-Cash (Notional)		140,944.67
Totals: Cash Only		80,544.67

Key: Cash Savings are **yellow-highlighted**. Other savings are predictions and therefore non-cash i.e. notional.

NB To comply with SCULPT requirements, key points from this table are discussed in the covering report.

Title: Revised Internal Audit Plan 2024/25

Lead Officer: Ian Davy (ian.davy@warwickdc.gov.uk (01926) 456818)

Portfolio Holder: Councillor Chilvers

Wards of the District directly affected: None directly impacted

Approvals required	Date	Name
Portfolio Holder	13 December 2024	Councillor Chilvers
Finance	13 December 2024	Andrew Rollins
Legal Services	Not applicable	
Chief Executive	13 December 2024	Chris Elliott
Strategic Director	13 December 2024	Dave Barber
Head of Service(s)	13 December 2024	Andrew Rollins
Section 151 Officer	13 December 2024	Andrew Rollins
Monitoring Officer	13 December 2024	Graham Leach
Equalities, Diversity and Inclusion Business Partner	13 December 2024	Daniel Keating
Leadership Co-ordination Group	13 December 2024	Various
Final decision by this Committee or rec to another Cttee / Council?	Yes	
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?	Yes	

Summary

The report presents an updated Internal Audit Plan for 2024/25, necessary because of reduced Internal Audit resources arising from the time taken to fill the available position(s) within the team.

Recommendations

- 1 That the updated Internal Audit Plan for 2024/25 be approved.
-

1 Reason for the Recommendations

- 1.1 Members have responsibility for corporate governance, of which internal audit forms a key part.
- 1.2 The Internal Audit Plan for 2024/25 has had to be revised due to a reduction in Internal Audit resources for the year arising from:
 - the internal appointment of the Principal Internal Auditor to the Audit and Risk Manager post
 - the regrading of the Principal Internal Auditor post to Senior Internal Auditor
 - the internal appointment of one of the Internal Auditors to the Senior Internal Auditor post
 - the notice period required to be worked by the person appointed to the Internal Auditor post, with their start date being 16 December 2024.
- 1.3 All remaining audits and the remaining time allocations for other work have been re-assessed now that the available resources for the rest of the year have been determined. This has meant that a small number of audits have been deferred.
- 1.4 These audits have (initially) been deferred for one year only, subject to consultation on next year's Plan. In the main, three factors were considered in deciding which assignments should remain in this year's Audit Plan and which can be deferred:
 - the assessed risk profiles
 - any issues affecting the service areas (e.g. Housing are going through a restructure following the review of SLT by Employment Committee on 19 November 2024 and are dealing with the Consumer Standards Improvement Plan following the external review by HQN, and Procurement are dealing with the implementation of the new Procurement Regulations (delayed until February 2025))
 - the 'skills mix' within the Internal Audit team (i.e. the new member of staff will not be able to take on some of the more complex reviews).
- 1.5 The accompanying appendix to this report sets out the updated Internal Audit Strategic Plan for 2024-27, highlighting those audits which are to be deferred.

2 Alternative Options

2.1 Different audits could be suggested for deferral. However, this option has been discounted due to the factors set out in 1.4 above.

3 Legal Implications

3.1 Not applicable.

4 Financial Implications

4.1 Not applicable.

5 Corporate Strategy

5.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation:

- Delivering valued, sustainable services.
- Low cost, low carbon energy across the district.
- Creating vibrant, safe, and healthy communities of the future.

5.2 Internal Audit contributes to the delivery of these strategic aims as part of an assurance framework. This ensures that the activities necessary to deliver these aims are reviewed and, where appropriate, improved.

6 Environmental / Climate Change Implications

6.1 Not applicable.

7 Analysis of the Effects on Equality

7.1 Not applicable.

8 Data Protection

8.1 Not applicable.

9 Health and Wellbeing

9.1 Not applicable.

10 Risk Assessment

10.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with weak internal control, risk management and governance processes.

11 Consultation

11.1 Please refer to 'header page' of this report.

Background papers:

Not applicable.

Supporting documents:

Not applicable (the 'original' version of the plan is as per the appendix without the highlights)

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Corporate - Cross-Cutting	Change Management Programme	CMP	To ensure that changes made are having the desired impact with regards to the achievement of the strategic priorities as set out in the Corporate Strategy 2030	New	N/A			✓
Corporate - Cross-Cutting	Project Management	PRO	To ensure that projects taken on are appropriate in terms of helping the Council meet its strategic priorities, with business cases being prepared, and that they are appropriately managed once in place (including management of the associated costs).	New	N/A		✓	
Customer and Digital Services	Microsoft 365	365	To ascertain whether there are appropriate controls in place over the use of Microsoft 365	2022-23	Substantial		To be determined based on next update of IT Audit Needs	
Customer and Digital Services	Housing Benefit and Council Tax Reduction	BEN	To ascertain whether there are adequate controls in place to ensure that benefits are accurately paid and overpayments are appropriately identified and reclaimed. Reinstate data access aspects of the system in scope	2023-24	Moderate	10	✓	✓
Customer and Digital Services	Back-up Processes	BUP	To ensure that all systems are appropriately captured by the back up processes in place, with the data backed up being usable should the need arise.	New	N/A	8		
Customer and Digital Services	Customer Access Facilities	CAF	To ensure that the Council has appropriate facilities in place for customer interaction	2018-19	Substantial	14		
Customer and Digital Services	Cloud Applications and Hosting Contracts	CAP	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 and ensuring that the contracts in place are appropriately detailed in terms of how the services will be provided.	2023-24	Moderate		To be determined based on next update of IT Audit Needs Assessment.	
Customer and Digital Services	IT Change, Configuration and Release Management	CCR	To ascertain whether there are adequate controls in place for managing changes to ICT systems owned by the Council.	2023-24	Moderate			

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Customer and Digital Services	Cyber Security and Incident Response	CYB	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. (Include Incident Response to future audits)	2022-23 (completed in 2024-25)	Moderate	10		
Customer and Digital Services	Database Security	DAT	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.	2018-19	Substantial		To be determined based on next update of IT Audit Needs Assessment.	
Customer and Digital Services	ICT Project Management	IPM	To ensure that ICT projects are appropriate to the needs of the organisation and follow relevant project management methodologies from inception and scoping through to final launch	New	N/A			
Customer and Digital Services	ICT Strategies and Policies	ISP	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.	2023-24	Moderate			
Customer and Digital Services	Infrastructure Security and Resilience	ISR	An assurance review of the continued security and resilience of the ICT network infrastructure. Added to this review may be an element of ensuring the best use is being made of the available technologies.	2019-20	Substantial			
Customer and Digital Services	Remote Working (previously Remote Access)	RW	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.	2017-18	Substantial		✓	
Customer and Digital Services	System Access Controls	SAC	To ensure that access to systems remains appropriate for all staff when changes to roles and systems are undertaken	New	N/A		To be determined based on next update of IT Audit Needs	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Customer and Digital Services	ICT Service Continuity Management	SCM	Evaluation of the Council’s business continuity plans in place and the supporting ITDR arrangements to ensure that all business-critical services can operate in the event of either a full or partial loss of ICT infrastructure, Council-wide systems or business applications. The review will include the arrangement with the business continuity provider.	2016-17	Substantial	7		
Customer and Digital Services	System Ownership and Management	SOM	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.	2023-24	Moderate		To be determined based on next update of IT Audit Needs Assessment.	
Customer and Digital Services	Web Applications	WAP	Vulnerability assessments will be performed to ensure that web applications in place are appropriately secure.	2020-21	Moderate			
Customer and Digital Services / Place, Arts & Economy	GIS, NLPG & Street Naming and Numbering	GIS	To ensure that the GIS and NLPG systems are appropriately maintained and Street Naming and Numbering processes are appropriate and with income being received in line with agreed prices	2023-24	Substantial			✓
Finance	Business Applications - Tech One Financial Management	AP-T	Assess the adequacy of key IT controls in place for the Tech One Financial application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	2023-24	Moderate		To be determined based on next update of IT Audit Needs Assessment.	
Finance	Banking Arrangements	BA	To ensure that the Council has appropriate banking arrangements in place that meet the needs of the Authority and that these are effectively controlled.	2023-24	Substantial			✓
Finance	Corporate Procurement	CP	To ascertain whether there are adequate controls in place to ensure that the Council’s procurement activity accords with best practice and complies with legislation.	2020-21	Substantial	Deferred	✓	
Finance	Payment of Creditors	CRE	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.	2022-23	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Finance	Council Tax	CT	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	2023-24	Substantial		✓	✓
Finance	Sundry Debtors	DEB	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.	2022-23	Substantial		✓	
Finance	Final Accounts Processes	FAP	To ensure that any actions identified to address issues with the final accounts processes with External Audit are being appropriately actioned.	New	N/A		✓	
Finance	Financial Systems Interfaces	FSI	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.	2022-23	Substantial		✓	
Finance	Financial Strategy, Planning and Budgetary Control	FSP	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.	2022-23	Substantial		✓	
Finance	Grant Applications	GAP	To ensure that the Council gives appropriate consideration to applying for grant funding, taking into account the terms of the grants and that, once received, the monies are spent appropriately.	2023-24	Substantial			✓
Finance	Insurances	INS	To ensure that the Council has appropriate, competitively priced insurance cover which is appropriately 'managed' on a day-to-day basis.	2021-22	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Finance	Loans to External Organisations	LEO	Verify that loans advanced to external organisations are lawful and subject to proper governance arrangements	2023-24	Moderate			✓
Finance	Main Accounting System	MAS	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.	2022-23	Substantial		✓	
Finance	Management of Contracts	MC	To give assurance that the management of contracts is undertaken appropriately across the Council	2023-24	Substantial			✓
Finance	National Non-Domestic Rates	NDR	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	2023-24	Substantial		✓	✓
Finance	Purchasing Cards	PUR	Verify that deployment and use of procurement cards is authorised, reasonable and in compliance with the Code of Procurement Practice and relevant specific instructions.	2023-24	Substantial			✓
Finance	Rural and Urban Capital Improvement Scheme	RUC	To ascertain whether there are adequate controls in place to ensure that RUCIS grant funding is awarded and deployed in adherence to the approved scheme.	2020-21	Substantial	5		
Finance	Treasury Management	TM	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.	2022-23	Substantial		✓	
Finance	VAT Accounting	VAT	To ascertain whether there are adequate controls in place to ensure that VAT is accounted for completely and correctly and that claims arising are processed promptly.	2023-24	Substantial			✓

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Finance / Customer and Digital Services	Business Applications - Civica OPEN Revenues	AP-C	Assess the adequacy of key IT controls in place for the Civica OPEN Revenues applications to maintain the confidentiality, integrity and availability of data stored and processed within the system.	2018-19	Substantial		To be determined based on next update of IT Audit Needs Assessment.	
Governance	Civic and Committee Services	CCS	To ascertain whether there are adequate controls in place to support the Council's democratic processes economically, efficiently and effectively.	2021-22	Substantial	9		
Governance	Corporate Governance	CG	To ensure that the Council has appropriate structures, procedures and monitoring arrangements in place with reference to relevant standards.	2023-24	Moderate	5	✓	✓
Governance	Electoral Registration	ER	To ascertain whether the controls in place are appropriate to ensure that the electoral register is appropriately maintained.	2022-23	Substantial		✓	
Governance	Income Receipting and Document Management	IDM	To ascertain whether there are adequate controls in place to secure economic, efficient and effective collection of income and document management support.	2020-21	Substantial	10		
Governance	Information Governance and Requests for Information	IG	To ascertain whether the Council has appropriate controls in place to ensure that information is being appropriately secured and that requests for information (e.g. FOI's and Subject Access Requests) are responded to appropriately.	2023-24	Moderate		✓	
Governance	Local Elections	LE	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.	2023-24	Substantial			✓
Governance	Shared Legal Services	LEG	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.	2023-24	Substantial			✓

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Governance	Performance Management and Responding to Complaints	PM	Evaluate the effectiveness of corporate framework for managing performance in relation to the Council's priority objectives and for dealing with complaints received.	2021-22	Moderate	Deferred	✓	
Housing	Affordable Housing Development Programme	ADP	To ensure that the Council has appropriate processes in place for enabling the provision and development of affordable housing in the district that meets the needs of the current and future population.	2022-23	Moderate		✓	
Housing	Allocations, Nominations and Lettings	ANL	To ascertain whether there are adequate controls in place for the effective administration of residential property letting.	2022-23	Moderate		✓	
Housing	Community Health and Wellbeing	CHW	To ascertain whether there are appropriate processes in place at the Council to identify the health and wellbeing needs of the community it serves and to undertake appropriate actions to ensure that these needs are met in line with available resources.	New (split from (Staff Health and Wellbeing)	N/A	Deferred	✓	
Housing	Estate Management	ESM	Review of the management of the function and an assessment of the efficiency and effectiveness of the service.	2021-22	Substantial		✓	
Housing	Funding of Voluntary Organisations	FVO	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.	2018/19 (Deferred from 2023-24 plan)	Substantial	9		
Housing	Homelessness and Housing Advice	HHA	Appraisal of systems to ensure compliance with statutory/regulatory/policy requirements, achievement of relevant performance objectives and integrity of financial transactions.	2022-23	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Housing	Houses in Multiple Occupation	HMO	To ensure that the Council has appropriate controls in place to licence and inspect HMOs.	2023-24	Substantial			✓
Housing	Housing Rent Collection	HRC	To ascertain whether there are appropriate controls and processes in place for rent setting, collection and accounting of rents due and control of arrears.	2023-24	Moderate			✓
Housing	Housing Related Support Services	HRS	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.	2021-22 (As Independent Living (IL))	Substantial		✓	
Housing	Leaseholder Service Charges	LSC	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.	2021-22	Substantial		✓	
Housing	Right to Buy	RTB	Appraise the adequacy of the arrangements in place to ensure compliance with legislation, efficient and effective processing of applications and adherence to the associated conditions.	2022-23	Substantial		✓	
Housing	Temporary Accommodation	TAC	To ensure that the Council is making appropriate use of its own assets before placing people in temporary accommodation (i.e. hotels / B&Bs)	New	N/A	10		
Housing	Tenancy Management	TEN	To give assurance that the processes and controls within Housing Services for the management of tenancies are appropriate and are working effectively.	2023-24	Substantial			✓

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Housing / Finance	Milverton Homes	MH	To ensure that the Council has appropriate processes in place in relation to its interaction with Milverton Homes in terms of governance and financing	New	N/A	Deferred	✓	
Neighbourhood and Assets	Asbestos Management	ASB	To ascertain whether there are adequate controls in place to ensure that asbestos is appropriately managed within all Council-owned and operated buildings in accordance with statutory duties and relevant legislation.	2021-22	Substantial		✓	
Neighbourhood and Assets	Building Cleaning Services	BCS	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.	2020-21	Substantial	11		
Neighbourhood and Assets	Bereavement Services	BS	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.	2022-23	Substantial		✓	
Neighbourhood and Assets	Corporate Health and Safety	CHS	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.	2022-23	Substantial		✓	
Neighbourhood and Assets	Car Parking	CPA	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.	2021-22	Moderate	14		
Neighbourhood and Assets	Corporate Properties Repair and Maintenance	CPR	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.	2022-23	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Neighbourhood and Assets	Fire Safety Compliance	FSC	Evaluate the controls in place for ensuring that all relevant Council properties have had appropriate fire safety checks undertaken and that any actions identified as being required are performed as necessary.	New (as an individual audit) (Deferred from 2023-24 plan)	N/A		✓	
Neighbourhood and Assets	Gas and Electrical Safety Checks	GES	Evaluate the controls in place for ensuring that all Council properties (including both housing and 'corporate' stock) have had appropriate gas and electrical safety checks performed and that any actions identified as being required are performed as necessary.	2022-23	Substantial		✓	
Neighbourhood and Assets	Grounds Maintenance	GM	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.	2023-24	Substantial			✓
Neighbourhood and Assets	Highways Assets Inspections	HAI	To ascertain whether there are adequate controls in place to ensure that inspections to 'highways assets' are undertaken appropriately and that any actions identified as being required are performed as necessary.	2018-19 (as Highways Functions (HF))	Substantial	9		
Neighbourhood and Assets	Lifts and Lifting Equipment	LLE	Evaluate the controls in place for ensuring that all lifts and lifting equipment in relevant Council properties have been checked appropriately and that any actions identified as being required are performed as necessary.	2009-10 (more recently covered as part of HSC)	N/A		✓	
Neighbourhood and Assets	Legionella Management	LM	Evaluate the controls in place for ensuring that all relevant Council properties have had appropriate legionella management undertaken and that any actions identified as being required are performed as necessary.	New (as an individual audit)	N/A		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Neighbourhood and Assets	Corporate Property and Portfolio Management	PPM	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 the best commercial return for the Council.	2021-22	Substantial	11		
Neighbourhood and Assets	Refuse Collection and Recycling	RCR	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.	2023-24	Substantial			✓
Neighbourhood and Assets	Street Cleansing	SC	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.	2021-22	Substantial		✓	
Neighbourhood and Assets	Utilities Management	UM	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 and the climate aims of the Council.	2021-22	Substantial	12		
Neighbourhood and Assets / Housing	Aids and Adaptations	AAA	To ascertain whether aids and adaptations to properties are being appropriately managed and that the HEART partnership is operating effectively	2023-24	Moderate			✓
Neighbourhood and Assets / Housing	Business Applications - MIS Housing and Corporate Property	AP-H	Assess the adequacy of key IT controls in place for the Active H application to maintain the confidentiality, integrity and availability of data stored and processed within the system.	2020-21	Substantial		To be determined based on next update of IT Audit Needs Assessment.	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Neighbourhood and Assets / Housing	Housing Investment and Maintenance Programmes	IMP	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. (‘Recombine’ Fire Safety and Prevention Contracts (undertaken in 23/24) and Decarbonisation and Fuel Poverty (not actually undertaken as a separate audit) into IMP)	2021-22	Substantial	Deferred	✓	
Neighbourhood and Assets / Housing	Housing Repairs and Maintenance	RAM	To ascertain whether there are appropriate controls and processes in place for commissioning and paying for responsive repair work to domestic HRA properties.	2021-22	Moderate	14		
Neighbourhood and Assets / Housing	Housing Stock Asset Management	SAM	Appraise the adequacy of the systems in place for the effective management of the portfolio including maintenance of proper records, asset utilisation, retention and disposal, and progressing relevant provisions of Asset Management Strategy.	2022-23	Substantial		✓	
Neighbourhood and Assets / Housing	Void Management	VM	To ascertain whether there are appropriate controls in place for the effective management of void properties	2023-24	Moderate			✓
Neighbourhood and Assets / Safer Communities, Leisure and Environment	Business Applications - APP Civica	AP-F	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.	2022-23	Substantial		To be determined based on next update of IT Audit Needs Assessment.	
People and Communications	Communications	COM	To ascertain whether there are adequate controls in place to manage the Council’s internal and external communication channels. Scope to include new intranet	2020-21	Substantial	8		
People and Communications	Corporate Training	CTR	Appraisal of Council-wide processes for assessing and funding training needs and measuring the effectiveness of training to meet performance objectives and IIP requirements.	2020-21	Substantial	6		

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
People and Communications	Employee Attendance Management	EAM	To ensure that there are appropriate processes in place for managing staff absence, including monitoring of absence and support for staff.	2023-24	Substantial			✓
People and Communications	Equality and Diversity	EQD	Ascertain the adequacy of the corporate framework for facilitating the fulfilment of the Council's duties under the Equality Act 2010.	2019-20 (Deferred from 2023-24 plan)	Substantial	7		
People and Communications	Human Resources Management	HRM	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.	2023-24	Substantial			✓
People and Communications	Staff Health and Wellbeing	HW	To ascertain whether there are appropriate processes in place at the Council to identify the health and wellbeing needs of its employees and to undertake appropriate actions to ensure that these needs are met in line with available resources.	2023-24	Substantial			✓
People and Communications	Media Services	MS	To ascertain whether there are adequate controls in place to ensure that the Media Services Team are discharging its roles economically, efficiently and effectively in accordance with relevant legislation and corporate policies/strategies.	2021-22	Substantial		✓	
People and Communications	Payroll and Staff Expenses	PSE	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.	2022-23	Substantial		✓	
People and Communications	Recruitment and Selection, Terms and Conditions	RST	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.	2022-23	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
People and Communications	Website Management	WEB	Appraise the adequacy of the arrangements 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.	2023-24	Substantial			✓
Place, Arts and Economy	Community Infrastructure Levy and Section 106 Agreements	106	To ensure that there are appropriate arrangements in place for the 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 by all relevant departments.	2023-24	Substantial			✓
Place, Arts and Economy	Arts Bookings and Hiring	ABH	To ensure that the Council has appropriate controls in place over the hiring of the arts facilities (i.e. Royal Spa Centre, Royal Pump Rooms and Town Hall), both in terms of income receivable and safeguarding the facilities against loss and damage.	2022-23 (as THL)	Moderate		✓	
Place, Arts and Economy	Arts Facilities	AF	To ensure that the operational, financial and management controls at the Royal Spa Centre, Royal Pump Rooms and Art Gallery, and Town Hall are appropriate. (Removed 'lettings' from the scope)	2022-23	Substantial (for both RPR and RSC)		✓	
Place, Arts and Economy	Business Applications - IDOX Planning, Building Control and Land Charges	AP-A	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.	2016-17	Substantial			To be determined based on next update of IT Audit Needs Assessment. (Suggest audit in 2026/27 as the new system should be fully implemented by then)

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Place, Arts and Economy	Building Control	BC	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.	2021-22	Moderate	12		
Place, Arts and Economy	Conservation and Design	CON	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	2023-24	Substantial			✓
Place, Arts and Economy	Development Management	DM	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.	2020-21	Substantial	14		
Place, Arts and Economy	Economic Development	ED	To ascertain whether there are adequate controls in place to deliver the Council's economic development and regeneration functions economically, efficiently and effectively to achieve priority objectives and targets.	2023-24	Substantial			✓
Place, Arts and Economy	Events Management	EM	Ascertain whether the Council has appropriate processes and controls in place to regulate approved markets and deliver events (including the Warwick MOP) economically, efficiently and effectively in accordance with relevant strategy, policy and regulatory provisions.	2023-24	Moderate			✓
Place, Arts and Economy	Enterprise Facilities	ENT	To ensure that there are appropriate controls in place in relation to the operation of the Council's enterprise facilities.	2021-22	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Place, Arts and Economy	Local Land Charges	LLC	To ascertain whether there are adequate controls in place to ensure compliance with statutory requirements, completeness and accuracy of records and economic/efficient/effective service delivery.	2020-21	Substantial	6		
Place, Arts and Economy	Planning Policy	PP	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.	2022-23	Substantial		✓	
Programme Director for Climate Change	Sustainability and Delivery Outcomes	SDO	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.	2022-23	Substantial		✓	
Safer Communities, Leisure and Environment	Animal Warden Services	AWS	To ascertain whether there are adequate controls in place to ensure that the Animal Warden function is undertaken appropriately.	2022-23 (as CSV)	Substantial		✓	
Safer Communities, Leisure and Environment	Crime and Disorder	CD	To ensure that there are adequate structures and processes in place to ensure compliance with legislation and is can be demonstrated that that Crime and Disorder activity (including Public Space Protection Orders) is properly managed.	2020-21	Substantial	9		
Safer Communities, Leisure and Environment	Counter Terrorism	COT	To ensure that the Council has appropriate processes in place to meet the duties imposed on the Council under 'Martyr's Law'	New	N/A		✓	
Safer Communities, Leisure and Environment	CCTV and Monitoring Devices	CTV	To ensure that appropriate controls are in place with regards to CCTV (through confirmation that the service has maintained its British Standards accreditation) and other 'monitoring devices' operated by the Council	2022-23	Substantial		✓	

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Safer Communities, Leisure and Environment	Emergency Planning and Business Continuity Management	EP	Evaluate the adequacy of arrangements in place to secure effective Council response to civil emergency incidents in accordance with its statutory duties.	2022-23	Substantial		✓	
Safer Communities, Leisure and Environment	Flood Prevention and Risk Management	FRM	To ensure that appropriate controls are in place to prevent and manage the risks of flooding. (NB - this audit is to look at prevention and not the response to actual events)	2017-18 (reinstated)	Moderate	10		
Safer Communities, Leisure and Environment	Food Safety	FS	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	2022-23	Substantial		✓	
Safer Communities, Leisure and Environment	Health and Safety Enforcement in the District	HSE	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.	2021-22	Substantial		✓	
Safer Communities, Leisure and Environment	Leisure Facilities Contracts	LFC	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.	2022-23	Substantial		✓	
Safer Communities, Leisure and Environment	Licensing Services	LIC	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.	2021-22	Substantial	11		

Strategic Audit Plan - April 2024 to March 2027

Service Area	Audit Assignment		Assignment Objective	Year Last Audited	Assurance Rating	2024-25 (Days)	2025-26	2026-27
Safer Communities, Leisure and Environment	Leisure and Recreation Facilities	LRF	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. Increase scope to cover project management for new facilities	2023-24	Substantial			✓
Safer Communities, Leisure and Environment	Nuisance and Other Protection Duties	NOP	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.	2020-21	Substantial	7		
Safer Communities, Leisure and Environment	Open Spaces	OS	To ascertain whether there are adequate controls in place to deliver relevant community, strategic and operational objectives in respect of open spaces.	2022-23	Substantial		✓	
Safer Communities, Leisure and Environment	Safeguarding	SAF	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).	2022-23	Substantial		✓	
Safer Communities, Leisure and Environment	Sports Development	SD	To ascertain whether there are adequate controls in place for the deployment and management of resources in developing sporting and physical activity in the community.	2023-24	Substantial			✓
Safer Communities, Leisure and Environment	Statutory Monitoring Functions	SMF	To ensure that the processes in place for undertaking the Council's statutory monitoring functions are appropriate.	2021-22	Substantial	10		

Total Days: 268

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Title: Annual Governance Statement 2023/24

Lead Officers: Ian Davy (ian.davy@warwickdc.gov.uk (01926) 456818) and Graham Leach (graham.leach@warwickdc.gov.uk (01926) 456114)

Portfolio Holders: Councillors Davison and Chilvers

Wards of the District directly affected: Not applicable

Approvals required	Date	Name
Portfolio Holder	13 December 2024	Councillor Chilvers
Finance	13 December 2024	Andrew Rollins
Legal Services	Not applicable	
Chief Executive	13 December 2024	Chris Elliott
Strategic Director	13 December 2024	Dave Barber
Head of Service(s)	13 December 2024	Andrew Rollins
Section 151 Officer	13 December 2024	Andrew Rollins
Monitoring Officer	13 December 2024	Graham Leach
Equalities, Diversity and Inclusion Business Partner	13 December 2024	Daniel Keating
Leadership Co-ordination Group	13 December 2024	Various
Final decision by this Committee or rec to another Cttee / Council?	Yes	
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?	Yes	

Summary

This report sets out the Council's draft Annual Governance Statement for 2023/24 describing the governance arrangements that were in place during the financial year. The final Statement will accompany the Council's Statement of Accounts.

Due to the timescales involved in the production of this report, further consultation is required with some of the groups set out at 1.5.6 and the reviews of the draft as described at 1.5.7. However, in order to ensure that this document is in place and can be signed off alongside the 2023/24 Statement of Accounts, it was felt appropriate to provide this Committee with the draft as it currently stands to allow for any comments to be incorporated into the final version.

Recommendations

- 1 That Committee should review the Warwick District Council Draft Annual Governance Statement 2023/24 as set out at Appendix A and provide any comments as felt appropriate.
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1 Reason for the Recommendations

- 1.1 Members have responsibility for corporate governance, of which internal audit forms a key part.
- 1.2 The production of an Annual Governance Statement is a statutory requirement for local authorities.
- 1.3 Regulation 6 of The Accounts and Audit (England) Regulations 2015 states:
Review of internal control system
6.—(1) A relevant authority must, each financial year—
 - (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an annual governance statement.
 - (2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—
 - (a) consider the findings of the review required by paragraph (1)(a)—
 - (i) by a committee; or
 - (ii) by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—
 - (i) a committee; or
 - (ii) members of the authority meeting as a whole.
 - (3) If the relevant authority referred to in paragraph (1) is a Category 2 authority, following the review it must—
 - (a) consider the findings of the review by members of the authority meeting as a whole; and

- (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of members of the authority meeting as a whole.
- (4) The annual governance statement, referred to in paragraph (1)(b) must be—
 - (a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and
 - (b) prepared in accordance with proper practices in relation to accounts(a).

1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) emphasise that corporate governance is everyone's business and define it as:

"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities." CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

1.5 **Process for Completion of the Annual Governance Statement**

1.5.1 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the seven core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these seven themes.

1.5.2 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy

and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.

1.5.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it reflects accurately the governance framework for which they are responsible. In order to achieve this, they will rely on many sources of assurance, such as that from:

- Deputy Chief Executive and Heads of Services
- the Responsible Financial Officer
- the Monitoring Officer
- Members
- the Audit and Risk Manager
- performance and risk management systems
- third parties, e.g. partnerships
- External Audit and other review agencies.

1.5.4 'The Annual Governance Statement – Rough Guide for Practitioners' by CIPFA sets out the following stages in producing the Annual Governance Statement:

Objective 1, ESTABLISHING PRINCIPAL STATUTORY OBLIGATIONS AND ORGANISATIONAL OBJECTIVES

Step 1: Mechanisms established to identify principal statutory obligations.

Step 2: Mechanisms in place to establish organisational objectives.

Step 3: Effective Corporate Governance arrangements are embedded within the authority.

Step 4: Performance management arrangements are in place.

THEN apply the CIPFA/SOLACE Core Principles

Objective 2, IDENTIFY PRINCIPAL RISKS TO ACHIEVEMENT OF OBJECTIVES

Step 1: The authority has robust systems and processes in place for the identification and management of strategic and operational risk.

Objective 3, IDENTIFY AND EVALUATE KEY CONTROLS TO MANAGE PRINCIPAL RISKS

Step 1 - The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks.

Objective 4, OBTAIN ASSURANCES ON THE EFFECTIVENESS OF KEY CONTROLS

Step 1: Appropriate assurance statements are received from specified internal and external assurance providers.

Objective 5, EVALUATE ASSURANCES AND IDENTIFY GAPS IN CONTROL/ASSURANCES

Step 1: Make adequate arrangements to identify, review and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls.

Objective 6, ACTION PLAN TO ADDRESS WEAKNESSES AND ENSURE CONTINUOUS IMPROVEMENT OF THE SYSTEM OF CORPORATE GOVERNANCE

Step 1: Robust mechanism to ensure that an appropriate action plan is agreed to address the identified control weaknesses and is implemented and monitored.

Objective 7, ANNUAL GOVERNANCE STATEMENT

Step 1: Governance statement is drafted in accordance with regulations and timescales.

Objective 8, REPORT TO CABINET / EXECUTIVE COMMITTEE

Step 1: Report in accordance with pro-forma.

1.5.5 The Council's Annual Governance Statement is being produced in accordance with these stages.

1.5.6 Evidence sources collated for drafting the AGS are as follows:

- (a) Consultation with senior and other relevant officers.
- (b) Assurances provided by Heads of Services through the completion of Service Assurance Statements.
- (c) Consultation with a cross-party member review group comprising the Leader of the Council and Chairs of Committees.
- (d) Work undertaken during the year by Internal Audit and other review and inspection agencies.
- (e) Consultation with the Council's External Auditors.
- (f) Review of progress against the previous year's AGS action plan, which was reported quarterly to the Audit and Standards Committee.

As suggested above, some of this consultation is still to be completed (specifically items (c) and (e)).

1.5.7 The process for drafting the AGS itself, and the systems of challenge and review are as follows:

- (a) The information described above was collated and a draft Statement was circulated to relevant officers for comment and for suggestions on issues to be reflected in the AGS.
- (b) The draft Statement is to be issued to the Council's Senior Leadership Team and debated at a meeting, with discussions on whether the Council was facing any significant governance issues for inclusion in section 5 of the Statement.
- (c) A cross-party member review group will be provided the final draft AGS for comment.
- (d) A draft will be issued to the Council's External Auditors for their views.
- (e) Submission to the Audit and Standards Committee for its approval.

Again, as indicated above, some of these steps are still to be undertaken.

2 Alternative Options

- 2.1 The draft version of the statement could have been held back until all consultation and other steps detailed had been undertaken. However, this option was discounted for the reasons set out in the summary.

3 Legal Implications

- 3.1 Production of an Annual Governance Statement is a statutory requirement for local authorities.

4 Financial Implications

- 4.1 Not applicable.

5 Corporate Strategy

- 5.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation:
- Delivering valued, sustainable services.
 - Low cost, low carbon energy across the district.
 - Creating vibrant, safe, and healthy communities of the future.
- 5.2 The reviews undertaken in the production of this statement contributes to the delivery of these strategic aims as part of an assurance framework. This ensures that the activities necessary to deliver these aims are reviewed and, where appropriate, improved.

6 Environmental / Climate Change Implications

- 6.1 Not applicable.

7 Analysis of the Effects on Equality

- 7.1 Not applicable.

8 Data Protection

- 8.1 Not applicable.

9 Health and Wellbeing

- 9.1 Not applicable.

10 Risk Assessment

- 10.1 Clearly there are governance-related risks associated with weak internal control, risk management and governance processes.

10 Consultation

- 10.1 Please refer to 'header page' of this report.

Background papers:

[The Accounts and Audit Regulations 2015](#)

Supporting documents: Not applicable.

WARWICK DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT 2023/24

1 Introduction

- 1.1 The Accounts and Audit Regulations 2015 require the Council to prepare an annual governance statement.
- 1.2 Governance is about how an organisation is directed and controlled to achieve its objectives. It therefore comprises the systems, structures, and values that an organisation has in place to achieve those objectives. Good governance requires that objectives be achieved not only efficiently and effectively but also ethically and in compliance with laws and recognised standards of conduct.
- 1.3 Good governance comprises robust systems and sound structures together with effective leadership and high standards of behaviour.
- 1.4 In short, governance is "Doing the right things, in the right way."

2 The Purpose of the Annual Governance Statement

- 2.1 This Statement provides a summarised account of how Warwick District Council's processes and structures meet the principles of good governance set out in the Council's Constitution and how assurance is obtained that these are effective and appropriate. It is written to provide the reader with a clear and straightforward assessment of how the governance framework has operated over the past financial year (but also up to the time of approval of the financial statements) and to identify any weaknesses or gaps in our arrangements that need to be addressed.
- 2.2 The format and scope of this Statement follows that which is prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3 The Council's Governance Framework

- 3.1 Warwick District Council must operate in accordance with the law and appropriate standards and ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.
- 3.2 Warwick District Council also has a duty under the Local Government Act 1999 to try to secure continuous improvement in the way in which its functions are exercised.
- 3.3 In discharging these responsibilities Warwick District Council is responsible for putting in place suitable governance arrangements, including provisions for the management of risk.
- 3.4 The governance framework comprises the systems and processes, culture, and values by which the authority is directed and controlled as well as its activities

through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

- 3.5 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore provide only reasonable, not absolute, assurance of effectiveness.
- 3.6 Warwick District Council has approved and adopted a Local Code of Corporate Governance that is consistent with the principles of the latest CIPFA/SOLACE¹ Framework for Delivering Good Governance in Local Government (2016).
- 3.7 The Council's Corporate Strategy (known as Warwick District 2030 and adopted in this reporting year) sets out the Council's objectives and priorities for the district and how these are to be achieved. The strategy is based around three strategic priorities and is used to identify and prioritise the work programme up to 2030. This strategy and the priorities included within were agreed with the new administration that has been in place following the May 2023 elections.
- 3.8 Delivery of the Council's Corporate Strategy is usually through the Service Area Plans (SAPs). in which the corporate objectives are translated into more specific aims and objectives, and corporate projects. Due to the transition to the new Corporate Strategy, interim plans (only covering KPIs from the previous year) were used for the period between April and December 2023. These were then followed with new SAPs, which were linked to the new strategic priorities, covering the subsequent eighteen-month period.
- 3.9 These are then fed down into individual performance development reviews through the Council's performance appraisal system. These include agreed expectations and, where appropriate, service standards against which service quality and improvement can be judged. Performance is monitored by individual services and made available to all Councillors and Senior Officers through SharePoint.
- 3.10 Warwick District Council's Constitution establishes the roles and responsibilities for members of the Cabinet, Audit and Standards (A&S) Committee, Overview & Scrutiny (O&S) Committee, together with officer functions.
- 3.11 The Chair of the Overview & Scrutiny Committee has continued to seek to develop the role of the Committee in its ability to add value to decisions of the Cabinet and influence the direction of the Council. During 2023/24 the Committee reviewed how it operates and works with other Committees to further enhance this work and details of the planned development and revised approach were agreed by the Committee in January 2024.

¹ Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives

- 3.12 The Chair of Audit & Standards has expressed concerns, in respect of the ability to check and challenge Council finances and also awareness around procurement within the Council.
- 3.13 Both Committee Chairs, welcomed the introduction of the Asset Compliance Committee in November 2023 to challenge the progress in respect to ensuring compliance for safety under the Social Housing (Regulation) Act. As part of this, the Chairs of the Asset Compliance Committee, Audit & Standards Committee and Overview & Scrutiny Committee started quarterly meetings to share themes and areas of common work. There is also informal agreement on how to share work between these Committees to ensure the appropriate Committee looks at the appropriate area of work.
- 3.14 The Council also has the Budget review Group in place which meets the evening before Cabinet considers papers regarding the fees and charges, HRA and General Fund Budget. This has a membership of Councillors from both the Audit & Standards Committee and the Overview & Scrutiny Committee. It provides comments directly to the Cabinet.
- 3.15 The Constitution includes details of delegation arrangements, the Councillors' Code of Conduct, and protocols for councillor / officer relations. From May 2022 the Council has operated under the Local Government Association Model Code of Conduct for Councillors. The Constitution is kept under review to ensure that it continues to be fit for purpose and within the year there has been a number of minor revisions. The Council has adopted a Standards regime pursuant to the Localism Act 2011 and appointed the Audit & Standards Committee to be responsible for such matters. Conduct of officers is governed through the Employee Code of Conduct and through the values and behaviours which are part of the Council's Corporate Strategy and embedded within performance appraisals.
- 3.16 The Constitution contains procedures, rules and financial regulations that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and ensure expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by post-holders' membership (whether permanent or 'as required') of the Senior Leadership Team² (SLT).
- 3.17 In 2010 CIPFA published a statement on the Role of the Chief Financial Officer (CFO) in local government, setting out core principles and standards relating to the role of the CFO and how it fits into the organisation's governance arrangements.
- 3.18 A specific statement is required to be reported in the Annual Governance Statement on whether the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement.

² The Senior Leadership Team comprises heads of services together with the Chief Executive, Deputy Chief Executive and Programme Director for Climate Change.

- 3.19 The governance requirements in the CIPFA Statement are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team³, with a status at least equivalent to other members of the team. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the Council's Annual Governance Report, together with how these deliver the same impact.
- 3.20 The Council's financial management arrangements conform to the CIPFA Statement other than in just one specific aspect:
- Head of Finance having responsibility for Asset Management (that is to say, the Head of Finance does not have responsibility for the Assets function).
- 3.21 With regard to asset management, the day-to-day responsibility for this came under the post of Head of Neighbourhood and Assets during 2023/24. As with all heads of services, the Head of Neighbourhood and Assets is part of the Senior Leadership Team. The Council is firmly of the view that this is the best way to deliver this service. Whilst the Head of Finance does not have direct responsibility for the Assets function, he retains responsibility for any financial implications arising from any decisions to be taken over the management of the assets.
- 3.22 The Cabinet provides the strategic direction for the Council, ensuring that the Council's priorities are established and that corporate objectives are set and achieved. In order to strengthen cross-party leadership of the Council's business, all the Council's Political Group Leaders meet with the Cabinet regularly on a non-Constitutional forum known as the Leadership Coordination Group (LCG). The role of the LCG is to try to ensure that there is a unified cross-party response to the challenges facing the Council. This forum is used to review all draft Cabinet reports and receive officer briefings on the most important Council matters. It has enabled the Council's business to continue unabated despite no one party having a majority.
- 3.23 The primary counterbalances to the Cabinet is the Overview & Scrutiny Committee. The roles of these committees include the opportunity to provide a robust challenge to the Cabinet.
- 3.24 'Task and Finish' Groups, comprising solely councillors, are appointed by the Overview and Scrutiny Committee to examine issues in detail. These Groups report back to the Committee with recommendations on improvements which are, when approved, taken forward.
- 3.25 The Audit and Standards Committee fulfils the core functions of a typical 'audit committee' in respect of External Audit, Internal Audit and Risk Management. The Committee seeks assurance from the relevant Cabinet Councillor (Portfolio Holder) and/or senior manager when it has concerns or queries in respect of matters relating to particular service areas.

³ In the Council's case, this is the Senior Leadership Team.

- 3.26 The Council has a formal complaints procedure that allows the public or other stakeholders to make a complaint regarding the service received or the conduct of Councillors. The Audit and Standards Committee has responsibility for overseeing the investigation of complaints against Councillors. Mandatory training on Standards was provided to Members in May 2023. Overall, the Council continues to have a low volume of complaints about services but has recently reviewed its complaints policy and procedures to ensure they are robust.
- 3.27 The Council has policies to help safeguard the organisation and its staff when making decisions. An Anti-Fraud and Corruption Strategy and set of Policies and Procedures – comprising a Fraud Response Plan, Whistleblowing Policy and Procedure, Money Laundering Policy and Procedure, and Bribery Act 2010 Policy and Procedure - have been developed and communicated to all staff via the intranet and as part of the employee induction process.
- 3.28 The Council has embedded Risk Management throughout its arrangements with the Significant Business Risk Register (in effect, the Council’s corporate and strategic risk register) being reviewed and updated each quarter, firstly by the Senior Leadership Team and then by Cabinet who assumes overall responsibility for it. It is also considered by the Audit and Standards Committee. A significant review of the Council’s approach to risk management began in 2023/24 with a commitment to implement new processes in 2024/25.
- 3.29 Council services are delivered by staff with the appropriate skills, training, and level of experience. Job Descriptions and Person Specifications are in place for all posts and, together with a rigorous recruitment and selection process, this helps to ensure that the best candidates are appointed into each position. A significant commitment has also been made towards retaining skilled staff by offering numerous ‘work friendly’ schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost. Training needs are identified through the performance appraisal system.
- 3.30 The individual performance appraisal system is operated in the Council, having been subject to regular review and refinement. Staff are measured against operational objectives that derive from the Corporate Strategy. The performance appraisal system also helps individuals identify learning and developmental needs to ensure that appropriate training is provided to staff to enable them to undertake their role effectively and have the opportunity to develop.
- 3.31 During the first year of the administration, a review was undertaken by the Leader on how to engage Councillors effectively within the delivery of the Corporate Strategy. Three Programme Boards were introduced (to cover each of the three keys theme in the Corporate Strategy), as well as advisory groups to support these. However, there was only take up of membership for the Low Cost Low Carbon Advisory Group.

- 3.32 The Council has also established a joint advisory group of Councillors and a Joint Cabinet Committee with Stratford-on-Avon District Council in respect of the delivery of the South Warwickshire Local Plan.
- 3.33 The Council strives to be open and accessible to the community. All communication is delivered across a combination of platforms, including website, social media, press releases, and printed leaflets and posters, to ensure it is accessible to all residents. In addition, consultations and surveys are carried out to encourage engagement and seek the views of residents when developing new policies and initiatives.
- 3.34 All Council committee meetings are open to the public, except where confidential matters are concerned. During this year, the Council relocated meetings from the Town Hall, due to building works, to Shire Hall and, as a result, meetings are not broadcast live to YouTube, but uploaded the day after the meeting. Agendas and minutes for Council meetings are placed on the website along with the Council's policies and strategies. Councillors are encouraged to submit questions in advance of all committee meetings, to maximise the time available in formal meetings and enable greater focus on specific areas of concern. The responses to these pre-meeting questions are made available to the public on the website.
- 3.35 There are terms of reference and constitutions set up for key partnerships that ensure that partners act lawfully throughout the decision-making process. Key partnerships include the Coventry and Warwickshire Local Enterprise Partnership and Community Safety Partnership. Warwick District Council also works closely with a number of other councils and agencies and operates shared services for Building Control, Business Rates, Corporate Fraud, Information Governance, and Legal Services.
- 3.36 The Council complies with the 2015 Local Government Transparency Code by publishing specific information on the Council's website in prescribed format. The Council strives to publish information on the website that is accessible and understandable for the public and continues to seek to make improvements in this. An example of this is achievement of the required Website Content Accessibility Guidelines (WCAG 2.1). The Council's website accessibility is independently audited every two years with monthly automated tests carried out by Acquia Optimize (who rate all Local Authority websites according to their compliance with WCAG 2.1).
- 3.37 As a key element of the governance framework, Internal Audit reviews are undertaken regularly on a range of activities including one undertaken annually on an alternating aspect of governance.
- 3.38 The Governance framework for Milverton Homes is set out in the Articles of Association and the Shareholders Agreement. The latter sets out the parameters for decision making and requires the company to prepare and submit for approval an annual Business Plan (including financial strategy), audited accounts, and other performance related information upon request (e.g. risk register). Work is ongoing to ensure that these crucial governance arrangements and deadlines are met. Reserved Matters as detailed in Schedule 2 of the Agreement, may not be carried out without the prior written

consent of WDC as Shareholder. The company is only able to carry out business in accordance with its Business Plan which must be approved annually by the Cabinet.

- 3.39 The Council has appointed two Council Directors in accordance with the Articles of Association. It retains the right to appoint any person to be a Council Director and may remove from office any Council Director. The Council appointed the Chair who has a casting vote if the number of votes for and against a proposal at a meeting of Directors are equal. The Directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded of every unanimous or majority decision taken by the Directors. The Council, as sole shareholder, may by special resolution direct the directors to take, or refrain from taking, specified actions.
- 3.40 A re-emerging issue for the Council is its role in the region and particularly its non-membership of the West Midlands Combined Authority (WMCA). During 2022/23 it only had Observer status whereas all the other authorities in the region are either constituent or non-constituent members. Discussions were ongoing during the year for the Council to become a non-constituent member of the WMCA.

4 Review of Effectiveness

- 4.1 Warwick District Council is required legally to conduct an annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit & Risk Manager's annual report, annual service assurance statements completed by heads of services and by the findings and reports issued by the external auditors and other review agencies and inspectorates.
- 4.2 More information on the arrangements that provide this assurance is set out below.
- 4.3 The Council's Monitoring Officer (also Head of Governance) has responsibility for overseeing the implementation and operation of the Council's Code of Corporate Governance, maintaining and updating the Code in the light of latest guidance on best practice, contemplating any changes that may be necessary to maintain it and ensure its effectiveness. All reports to Cabinet, Committees and Council are seen by the Monitoring Officer to ensure compliance with legal requirements.
- 4.4 The Council's Section 151 Officer has responsibility for the proper administration of the Council's finances. This includes responsibility for maintaining and reviewing the Code of Financial Practice and Code of Procurement Practice to ensure they remain fit for purpose and submitting any additions or changes necessary to Council for approval. The Section 151 Officer is also responsible for reporting any significant breaches of the Codes to the Cabinet and/or the Council. All reports to Cabinet, Committees and

Council are seen by appropriate staff within the Finance Department to ensure compliance with financial requirements.

- 4.5 The CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations requires the head of internal audit to give an opinion annually to the Authority on its risk management, governance, and control environment and that this should be used as a primary source of evidence for the annual governance statement. In regard to this, the Audit and Risk Manager's Annual Report and Opinion for 2023/24 has concluded that, in overall terms, the Council has an effective internal control and governance environment. This statement is based, however, on those audits that were able to be completed - the inability to complete one of the ICT audits that had been carried forward from 2022/23 inevitably qualifies this assurance.
- 4.6 In addition to the above, the Council has conducted a formal review of its internal control environment and collated evidence and assurance from a variety of sources. This has included assurances, set out on "service assurance statements", from heads of services on the effectiveness of the internal control environment. The Statements did not reveal any issues of significant concern.
- 4.7 The work of the Council's Internal Audit function is governed by the UK Public Sector Internal Audit Standards (PSIAS). The PSIAS are mandatory for all internal auditors working in the UK public sector. The Standards require an external and independent assessment at least every five years of the performance of public sector internal audit units and their conformance with the PSIAS.
- 4.8 Under regulation 13 of the Local Audit (Appointing Person) Regulations 2015, Azets Audit Services was appointed as the Council's External Auditor with responsibility for reviewing the Council's Statements of Accounts for five years from 2023/24 to 2027/28. During 2023/24, the previous auditors (Grant Thornton) continued their work on reviewing the 2021/22 and 2022/23 Statement of Accounts. Whilst not completed during 2023/24, they have subsequently issued disclaimed opinions on the Council's arrangements for both financial years, including those relating to securing value for money, by the backstop date of 13 December 2024.
- 4.9 In December 2020, the Council's Executive approved the formation of a Local Housing Company. The Company – Milverton Homes Ltd. – is a separate legal entity, wholly-owned by the Council, set up to support the Council's housing development plans and objectives and provide the Council with housing-related commercial opportunities. The Company is 'Teckal-exempt' which means that, because it is wholly-owned by the Council and at least 80% of the work is for the Council, the Council can pass work to the Company without exposing it to competitive tender and the Company will be exempt from corporation tax.
- 4.10 The Teckal exemption is, however, subject to certain critical tests – the control test and the functional test. The control test means that the Council must control all the shares in the Company and exercise effective day-to-day control over its affairs; thus the relationship between the authority and the company is the same as the relationship between the authority and its internal services

departments. The functional test ensures that the essential activities undertaken by the company are controlled by the Council.

- 4.11 Fortus, the External Auditor of Milverton Homes, is responsible for reviewing the accounts and financial systems of the company. The External Auditor supports the presentation of accounts to the shareholders at the Annual General Meeting (AGM), thus providing assurance to Shareholders. During the year, the Deputy Chief Executive and Monitoring Officer undertook the role of Shareholder Representative in liaison between the company and the Council until his retirement in July 2023. The role was subsequently passed to the Head of Finance.
- 4.12 A review of the governance arrangements in respect of Milverton Homes was undertaken by the Audit and Risk Manager and a report was submitted to Cabinet in July 2023 that comprehensively addressed the review's findings.
- 4.13 Cabinet agreed to establish a change management programme to ensure that a co-ordinated approach to service development is in place. A programme has now been established, being launched with a managers workshop on 22 February 2024.

5 Significant Governance Issues

- 5.1 The following governance issues have been identified and will be responded to through the action plan for this year (Appendix 2) which sets out the actions required as well as the current position:
 - 5.1.1 The governance and oversight of property compliance and building safety, as highlighted in the report from Pennington Choices.
 - 5.1.2 The need for the reporting of Performance Data to Councillors and SLT on a regular basis.
 - 5.1.3 The LGA Corporate Peer Challenge report from July 2023 highlighted (amongst other things) the need to 'Build on the existing processes to further strengthen and ensure transparent and robust governance. Ensure that there is a clear politically-led process for identifying and delivering priorities and sufficient capacity and authority to manage the level of risk of the organisation. Review the effectiveness of the Programme Advisory Boards, and replicate good sectoral practice such as establishing formal, regular statutory officer meetings'.
 - 5.1.4 The increased requirement for oversight of procurement in preparation for the new procurement regulations (originally due to be implemented in October 2024 but now due to commence in February 2025).
- 5.2 The significant governance issues raised in last year's annual governance statement have all been addressed. This is set out in Appendix 1, below.

6 Conclusion

- 6.1 The governance framework described in this document has been in place at Warwick District Council for the year ended 31 March 2024 and up to the date of approval of the annual statement of accounts.
- 6.2 We confirm our commitment to implementation of actions to address the governance issues identified in this Statement (and summarised in Section 5, above).

Signed:

Councillor Ian Davison
Leader of the Council

Dated:

Date TBC

Signed:

Christopher Elliott
Chief Executive

Dated:

Date TBC

WDC Annual Governance Statement 2022/23: Action Plan for Governance Issues

AGS Ref.	Governance Issue	Responsibility	Progress to Date:	
			Previously-reported Positions	Latest Position
6.1.1	The breadth and volume of the Overview and Scrutiny Committee's workload.	Senior Leadership Team	With support from officers, the Chairman of the Committee has developed a proposal that he will be sharing with the Committee ahead of the meeting (on 5 December 2023). If the Committee supports this draft proposal, it will be developed into a full report for the Committee to consider at its meeting in January 2024.	The Committee has continued to develop its model and approach with detailed reports considered by the Committee. The Chairman of the Committee is pleased with the progress in all areas but will be seeking further training for the Committee to continue with this development and understanding of the Committees role and responsibilities.
6.1.2	The presentation of Cabinet reports that mitigate effective scrutiny of them.	Senior Leadership Team	As above.	
6.1.3	The range of skills that are required by the Overview and Scrutiny Committee to enable effective scrutiny, particularly in respect of financial expertise.	Senior Leadership Team	As above.	

AGS Ref.	Governance Issue	Responsibility	Progress to Date:	
			Previously-reported Positions	Latest Position
6.1.4	The lack of clarity over the role and operation of Programme Advisory Boards.	Senior Leadership Team	A proposal for revised working parties is set out within the Service Area Plan report to Cabinet on 6 December 2023 and is due to be discussed in more detail by the Leadership Co-ordination group on 4 December 2023.	<p>Programme Boards were established for strategic priorities 1 and 2 (plus part of 3) with support from appropriate officers. The work of the Groups will continue to be monitored as they develop over the coming months, which will continue through discussions by Group Leaders with feedback from Officers.</p> <p>The Cabinet have also sought to establish advisory boards to each of the above Groups which were to be composed of members from each political party.</p>

WDC Annual Governance Statement 2023/24: Action Plan for Governance Issues

AGS Ref	Governance Issue	Responsibility	Action Required / Current Status
5.1.1	The governance and oversight of property compliance and building safety, as highlighted in the report from Pennington Choices.	Head of Housing	A detailed action plan is in place, with monitoring of progress being reported to the Governance Board and the Housing Scrutiny Committee (previously the Asset Compliance Committee). Progress against the plan will continue to be monitored.
5.1.2	The need for the reporting of Performance Data to Councillors and SLT on a regular basis.	Head of Governance	Quarterly reports have started for Overview & Scrutiny Committee
5.1.3	The LGA Corporate Peer Challenge report from July 2023 highlighted (amongst other things) the need to 'Build on the existing processes to further strengthen and ensure transparent and robust governance. Ensure that there is a clear politically-led process for identifying and delivering priorities and sufficient capacity and authority to manage the level of risk of the organisation. Review the effectiveness of the Programme Advisory Boards, and replicate good sectoral practice such as establishing formal, regular statutory officer meetings'.	SLT & Cabinet	The new Corporate Strategy has been implemented and a follow-up peer review meeting has been held during 2024. Progress against the action plan is regularly reported to Cabinet.
5.1.4	The increased requirement for oversight of procurement in preparation for the new procurement regulations (originally due to be implemented in October 2024 but now due to commence in February 2025).	Head of Governance & Head of Finance	Procurement Sub- Group of SLT has been established to support the appropriate procedures and policies coming to Cabinet for consideration. Increased visibility through the Procurement Champions who have asked officers to consider how to promote this further with reporting to public meetings

Agenda Item No 11
Audit & Standards Committee
7 January 2025

Title: Review of 2024 Police and Crime Commissioner (PCC) & UK Parliamentary Election (UKPGE) Elections
Lead Officer: Graham Leach Head of Governance & Monitoring Officer (graham.leach@warwickdc.gov.uk 01926 456114)
Portfolio Holder: Councillor Davison
Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	18/12/2024	Ian Davison
Finance	18/12/2024	Alex Elston
Legal Services		
Chief Executive	18/12/2024	Chris Elliott
Director of Climate Change		
Head of Service(s)	18/12/2024	Graham Leach
Section 151 Officer	18/12/2024	Andrew Rollins
Monitoring Officer	18/12/2024	Graham Leach
Leadership Co-ordination Group	N/A	
Final decision by this Committee or rec to another Cttee / Council?	Yes	
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?	Yes	

Summary

The report provides a summary and learning points from the 2024 Police & Crime Commissioner (PCC) and United Kingdom Parliament General Election (UKPGE) Elections delivery in Warwick District. It also provides an update on the actions following the 2023 Warwick District Elections and highlights key areas for change in the delivery of any future election or referendum within Warwick District.

Recommendation(s)

- (1) That the content of the report, along with the progress made on the Actions from the 2023 elections, be noted.
 - (2) That the action plan from the 2024 elections as set out at appendix 2 to the report be endorsed
-

1 Reasons for the Recommendation

- 1.1 While the Committee is responsible for electoral matters, the delivery of any election is the sole responsibility of the Returning Officer. The Returning Officer for Warwick District is Chris Elliott (who is also the Chief Executive). For the PCC Chris Elliott was a Local Area Returning Officer (LARO) and for the UKPGE he was the Acting Returning Officer, this is because for each set of election there are different titles and responsibilities for the District. However, it is important for this Committee to be aware of the challenges and issues faced in delivering the election for the District Council.
- 1.2 It is important to recognise that each election that is delivered has its own set of challenges and in most cases differences within the legislation or lines of responsibilities.
- 1.3 The report covers the delivery of the elections themselves, from the initial planning through to the closure of the accounts
- 1.4 The review has been broken into themes of Core Staffing, Wider Staffing, Nominations, Polling Stations, the Count, Postal Votes and accounts. Within these there is a cross-cutting theme of phase 1 and phase 2 of the Elections Act 2022 which was implemented prior to May 2024 election.
- 1.5 There was a review of the 2023 elections reported to this committee, in January 2024, including a number of actions. These have all been implemented and the action plan is included in Appendix 1 to this report.

2 Key Election information

- 2.1 The PCC election was held on 2 May 2024. The Police Area Returning Officer (PARO) for this election was the Chief Executive of North Warwickshire Borough Council, with Chris Elliott appointed as Local Returning Officer (LRO, for the Warwick District Area, by the PARO. The PARO is responsible for the overall conduct of the election in the police area and to give notice of elections, conduct the nomination process, encourage participation, administer the candidate address process, calculate the votes given to each candidate and declare the result. The LRO is responsible for the conduct of the poll in their local authority area, the printing of ballot papers, the verification of ballot paper accounts and the counting of the votes in their area.

- 2.2 UKPGE was called on 22 May 2024. The election was held on 4 July 2024. Warwick DC is made up of two parliamentary constituencies, Warwick & Leamington and Kenilworth & Southam. Warwick District Council is a “take on authority” for Rugby Borough Council and Stratford-on-Avon District Council. That is to say, this Council takes on part of the area of these Council’s areas for electoral purposes as the parliamentary constituency of Kenilworth and Southam crosses the administrative boundaries between this Council and those Councils. This election was the first to be held on new boundaries following the revisions approved by Parliament in November 2023.

3 By-elections

- 3.1 Warwick District Council conducted three by elections this year.
- 3.2 The All Saints and Woodloes District & Town by-election was on 18 January 2024. The electorate for the District for this election was 7232 of which 1026 polling station ballot papers and 816 postal voting ballot papers were involved in the count. The electorate for the Parish/Town for this area was 6852, of which 968 polling station ballot papers and 753 postal voting ballot papers were involved in the count giving the election a turnout of 25.5%. The count was held at Saltisford 1 offices.
- 3.3 The Leamington Clarendon District by-election was on 2 May 2024 and ran in conjunction with the PCC Elections. The electorate was 7605, of which 1759 polling station ballot papers and 701 postal voting ballot papers were included in the count giving the election a turnout of 32.3%. The count was held at Stoneleigh Park, Hall 2A.
- 3.4 The Leamington Clarendon Town by-election was on 4 July 2024 and ran in conjunction with the UKPGE Elections. The electorate was 6918, of which 3248 polling station ballot papers and 899 postal voting ballot papers were included in the count giving the election a turnout of 59.65%. The count was held at Stoneleigh Park, Hall 2.

4 Core Staffing

- 4.1 As of November 2023, the Elections Team consisted of the Electoral Services Manager, two Electoral Services Officers and a part time Electoral Services Assistant. The team also includes the role of Electoral Services Support & Annual Canvasser who provides some election support, but whose primary role is regarding electoral registration.
- 4.2 With the increased demand of the workload due to the implementation of Phase 2 of the Elections Act 2022, funding was approved for an additional Electoral Services Officer on a two-year funded contract. However, due to long term sickness and then subsequent retirement of an officer, the team remained with two Officers rather than the intended three.
- 4.3 Recognising the resources challenge, further funding was approved and in March 2024 the team recruited a temporary Elections Assistant via agency to assist with the demanding workload for the PCC election.
- 4.4 However, this was followed by the retirement of the Part Time Elections Assistant in March 2024. Funding was agreed for this role for two years to become a full-time fixed term Elections Assistant.
- 4.5 These changes within the team meant there was a significant loss of knowledge and contacts within Warwick District Council. This was because the whole team were new to the authority, with the longest standing member of the team (excluding the Electoral Services Support & Annual Canvasser Assistant) only

being with the authority for 1 year and 6 months (at the day of the PCC election). The impact of change within the team cannot be underestimated when the team had only a few weeks to recruit all staff for the election, train new starters, deliver requirements of the Elections Act 2022, and deliver against deadlines for running an election in May.

5 Wider Staffing

- 5.1 The team started a recruitment drive in November 2023 to encourage more people to apply to work for the elections. This drive consisted of contacting Local Parish/Town Council's, internal WDC staff, WCC staff and other organisations. This drive saw more than 250 applications received from November 2023 – May 2024.
- 5.2 Those recruited were employed by the Returning Officer, not Warwick District Council, therefore each one was required to have the appropriate right to work (RTW) checks including those who work for WDC. With the demand of staffing applications, the customer service team on Front Line and HR assisted with the RTW checks.

PCC Election

- 5.3 The Electoral Commission (EC) provides guidance/direction to returning officers on the numbers of staff in each polling station depending on the size of the electorate. This was increased to allow for more staff to be available to help with the increased demands of Voter ID checks. This requirement was met in all but one polling station, where it was considered acceptable not to meet the criteria due to the size of electorate for the polling station, expected turn out and number of postal voters for that area.
- 5.4 For this election a total of 523 staff members were employed into 703 roles for the election. This is inclusive of polling staff, count staff and postal vote opening staff.
- 5.5 It was expected early in the year that there would be a shortage of Presiding Officers (PO) so the elections team ran a training course for experienced Poll Clerks (PC) which outlined the duties and responsibilities of a PO to encourage them to apply to be one. This training course saw 9 experienced PC's be appointed as PO's for the PCC election.
- 5.6 In addition, the Department of Leveling Up and Housing (DLUHC) which is now known as the Ministry of Housing, Communities and Local Government (MHCLG) canvassed their civil service staff who lived in the area. The team exercised this option and used two of their staff for the PCC elections.
- 5.7 There were no significant issues when appointing count staff and the count was fully staffed. This was easier to appoint due to the PCC count being held on Friday which meant polling staff could also work the count, therefore utilising the staffing database and appointing staff to multiple roles.
- 5.8 The staffing fees for this election were set out by the PARO in line with the MHCLG). The reason for this is to ensure that costs could be recovered through the Electoral Claims Unit (ECU) without challenge.

UKPGE

- 5.9 703 staff members were appointed into 1008 roles for the election. This is inclusive of polling staff, count staff and postal vote opening staff.
- 5.10 Guidance was provided by the EC for the staff numbers in each of the 183 polling stations depending on the electorate's size. This was increased to allow

for more staff to be available to help with the increased demands for Voter ID checks.

- 5.11 All polling stations within the Warwick District Area were fully staffed. However, on the morning of the election, one of the PC's in Stratford area within the Kenilworth and Southam Constituency became ill and due to the electorate size, it was decided to move a PC from another station in the same constituency to cover the polling station.
- 5.12 Rugby Borough and Stratford District Councils staffed the polling stations within their area of the Kenilworth and Southam Constituency. They provided the team with the details of the staff, and they were then added to the staffing database where the Warwick District team appointed them to relevant roles and sent out their appointment letters.
- 5.13 As the Returning Officer Warwick provided support for Rugby in staffing the polling stations within the Kenilworth & Southam constituency using staff from its reserve list but this meant Warwick District had to reduce the reserve staff to cover.
- 5.14 The Warwick District team managed last minute dropouts of polling station staff meaning there was limited reserves which proposed a risk on Election Day. It should be noted there was no adverse feedback received from polling stations in terms of demand from electors and having to wait significant times to vote.
- 5.15 Count staff were more difficult to appoint for the UKPGE because most of the staff who would normally work on the count, were appointed to polling stations. As the Count was overnight on polling day, it was agreed at Project Board not to appoint polling station staff to the count due to the hours they would be working. This caused disappointment and the staff that were appointed were staff who had potentially not worked on an election previously.
- 5.16 The day after the election was called, all senior managers within the Warwick District Council had a meeting to discuss resources within the Council and how other departments could help the elections team deliver the election. The team sent out internal communications for staff to apply to work additional hours in the office to help assist with ballot box prep, PO folders, paperwork collation and postal vote applications.
- 5.17 The Civic and Committee Services Team worked alongside the Election Team to assist with the influx of postal vote applications which ensured the elections team could focus on other areas of work. The Elections Team received 3706 emails in the Elections inbox from the day the UKPGE was announced, up until election day itself.
- 5.18 The staffing fees for this election were set in line with the MHCLG. The reason for this is to ensure that costs could be recovered through the ECU without challenge.

6 Nominations

- 6.1 The PARO was responsible for the nomination for the PCC elections, so WDC did not have to deal with any for this election.
- 6.2 For UKPGE, the nomination appointments were conducted at the Town Hall due to the handling of the deposits. There were 13 nomination papers handed in.
- 6.3 The team followed the same process as the last parliamentary elections and advised the candidates to submit their nomination papers electronically for informal checking prior to their appointments. This reduced time at the appointments and ensured that all recommended amendments were complete

before formal submission.

7 Polling Stations

- 7.1 The Polling Districts, Polling Places and Polling Stations review was concluded in January 2024. This looked at the suitability of polling stations within the area. Particularly focusing on privacy for voter ID checks, disability access and overall suitability to use as a polling place.
- 7.2 Additional polling districts were created from the review to take into account future developments over the next 5 years. New polling places were also identified in these areas for the electorate to vote. Some of these were implemented for the PCC and UKPGE. There were 127 polling stations for the PCC election.
- 7.3 There were 183 polling stations for the UKPGE which included polling stations from Stratford and Rugby.

8 The Count

PCC

- 8.1 The count took place on Friday 3 May 2024 and was held in Hall 2A at Stoneleigh Park. The electorate was 111178, with a turnout of 25.95%.
- 8.2 WDC was well supported by the venue and their staff, but it is recognised that the venue presented some challenges in respect of temperature changes throughout the day.
- 8.3 Count staff and Candidates/Agents were scanned in with barcode ticket scanners using a new WDC designed IT system. There was a security issue identified during the day in respect to the wristbands being issued which was quickly resolved.
- 8.4 The count was divided up into mini counts for the first time at WDC. The count areas were based on the 14 county divisions as this was an easier divide for the amount of ballot papers expected for each division.
- 8.5 Introducing mini counts at the PCC Election meant the Count Supervisor process changed significantly. General feedback from Count Supervisors and the Central Verification table was that the new process was more streamlined and carried out more efficiently within the time available.
- 8.6 Post PCC elections, the general feedback from staff overall at the election was positive excluding a few operational and layout issues. The operation and layout issues were not unexpected due to the use of a new hall.

UKPGE

- 8.7 The count took place on Thursday 4 July 2024 and was held in Hall 2 at Stoneleigh Park. The electorate for Warwick and Leamington Constituency was 76294, providing a turn out of 64%. The electorate for the Kenilworth and Southam was 74923, with a turn out of 75%.
- 8.8 Having the mini counts meant the Count Supervisor process changed significantly. General feedback from Count Supervisors and Central Verification table was that the new process was more streamlined and carried out more efficiently within the time. This meant there was less pressure on the central verification table to input the ballot paper accounts as count teams started counting postal votes first.
- 8.9 The count took longer than expected which was in essence down to the verification of postal votes. Which is covered in paragraph 9.5 below.

9 Postal Votes

- 9.1 For the UKPGE, media outlets were reporting issues with electors not receiving their postal vote in time for the election. For this election there was an increased expectancy from electors to receive their postal votes immediately after applying. In anticipation of this lack of awareness, of when postal votes were to be delivered, Warwick District Council took a number of proactive steps to promote its postal voting delivery schedule, including publishing it on its website, issuing regular press releases on social media, and the schedule dates were included on the elections email auto response. The new national online postal voting application system has been an improvement in enabling easier applications but it has come with drawbacks by reducing the interaction between electors and the Elections Team. Previously, upon completed applications, which identified electors being away from home, the elections team would look to contact electors to explain postal voting delivery schedules and offer alternatives such as a Proxy Vote if their postal vote would not be seen to arrive in time of the elections. This is a barrier of the new online application portal which has been raised with the Electoral Commission.
- 9.2 The postal vote opening sessions were held in Building 2 of Saltisford. Whilst the venue size was ideal for the postal vote layout, there were challenges on the facilities available due to the building being out of regular use, however these were resolved by the landlord.
- 9.3 A total of 29302 postal votes were issued across both constituencies with a return rate of over 80% for each constituency. The postal votes for the Leamington Clarendon Town by-election were dispatched later in the election timetable due to the date the by-election was announced however this had no implication on the postal vote returns and the by-election still had a return rate, circa 70%, which was greater than the Town Council elections held in May 2023.
- 9.4 The postal vote opening sessions followed a new process and all paperwork was managed electronically rather than the paper forms used in previous elections. A major improvement to the processes was scanning the ballot papers to count the number of ballot papers returned (not the votes cast). All ballot papers that were scanned were always dealt with face down with the barcode facing up ensuring no votes could be seen throughout the process. The scans also checked to ensure the postal vote was valid (i.e. the signature and date of both checked and had been matched correctly by the Deputy Returning Officer). This was an effective double check and will be a step that will continue for future elections.
- 9.5 There were issues with the delivery of the postal votes from Royal Mail which for the PCC saw a few being delivered to the Police HQ rather than this Council. With both the PCC and UKPGE there was a significant number of discussions with Royal Mail around agreed delivery times of completed postal votes to the Council each day, as these were not initially met, but this situation did improve.
- 9.6 The completion of the count overall was delayed due to the significant demand from postal votes being returned from polling stations. A weakness in the spreadsheet used as a control and the Elections Management System, which could lead to different calculations of postal votes returned were identified and is being reviewed to ensure they are more robust. This will be tested ahead of the next election held.

10 Elections Act 2022

- 10.1 In October 2023, the Elections Act 2022 implemented changes to postal voting. These changes introduced the requirement for all postal vote applications to be identity checked prior to approval of application. Electors are now required to provide their National Insurance Number alongside their date of birth.
- 10.2 A limit was introduced as part of the Elections Act 2022 on how many people a person could act as proxy for. A proxy can only be appointed for two people. If they are proxy on behalf of UK voters who live overseas, they can act as a proxy for up to four people (but only two of those can live in the UK).
- 10.3 Postal votes are now only in place for 3 years with the need to re-apply after this time. The Elections Team are required to conduct a write out to all the existing postal voters within the District by January 2026 requesting they re-apply for their postal vote before it expires.
- 10.4 The ability to apply for a postal vote online was another measure that was introduced under the Act, enabling electors to apply for postal votes easier. This saw an increase in the number of applications the elections team received. For the PCC the team received 517 postal vote applications from the Notice of Election to the postal vote application deadline. For the UKPGE the team received 4593 from the date the election was called to the postal vote application deadline.
- 10.5 Postal vote handling restrictions were enforced in polling stations and office buildings. Voters are not allowed to hand in more than five postal ballot packs (in addition to their own). When handing in postal votes, voters are required to complete a form. Postal votes will be rejected if the form is not completed, or they hand in more postal votes than is allowed. Implementing this change required the team to train the town hall staff on how to accept postal votes, how to complete the forms and how to store the received postal votes. It also created addition changes to Presiding Officers in the polling stations and extra processes and paperwork to be in place. Whilst Postal Vote Handling was a big change to implement initially, there was little negative feedback from the changes in polling stations or council offices.
- 10.6 In January 2024 changes to overseas electors were implemented, removing the 15 year rule and allowing overseas electors to have an entitlement to register to vote regardless of how long they have been residing overseas and extending their registration period from 1 year to three years. Warwick DC received 655 overseas applications since January 2024 up until the registration deadline for the UKPGE.
- 10.7 The PCC elections were the first to be conducted since the changes to the voting system for Mayoral and PCC Elections. Previously the election used the Supplementary Vote (SV) system, where voters could choose a first and second choice vote. Now, voters choose a single candidate on the ballot paper. This is the same system as UKPGE and local elections in England.
- 10.8 EU Residents right to register to vote and vote in elections was the latest change to be implemented by the Elections Act 2022. EU citizens now are only eligible to register to vote if they are from a country where the UK Government has negotiated agreements with EU Members States to allow its citizens living in the UK to vote or if they have settled or pre-settled status under the EU Settlement Scheme prior to 31 December 2022. To establish which electors currently on the electoral register had eligibility, the Elections Team were required to write out to all EU electors requesting this information. Failure to respond to this request required a personal visit from a canvasser. The Elections Team started the EU write out shortly after the PCC elections in May,

however had to delay completing due to the announcement of the UKPGE.

11 Public Engagement

PCC

- 11.1 Warwick District Council communicated news of the Police and Crime Commissioner and Leamington Clarendon By Election, to residents using a mixture of online and offline communications to inform them of deadlines and the date.
- 11.2 Six press releases were issued, ranging from a Leamington Clarendon Councillor resignation to reminding residents that the poll letters were sent out to residents, staff recruitment for elections, deadlines, and reminder to bring voter ID.
- 11.3 Polling station staff were issued with posters to put up in the polling stations, informing voters what to bring with them to the polling station and what to do when they arrive.
- 11.4 Posters informing voters what to bring to the polling station and the changes to postal voting was shared by email to our warm hubs contact list, which includes community centres, churches, mosques, and temples.
- 11.5 The website was also updated with the latest information from the Electoral Commission.

UKPGE

- 11.6 Warwick District Council communicated news of the 2024 General Election and Leamington Clarendon Town Ward By Election, to residents using a mixture of online and offline communications to inform them of deadlines and changes to voting legislation, e.g. Postal vote handling changes.
- 11.7 Five press releases were issued covering election deadlines, an update on the number of postal votes that were received before polling day, and a reminder to bring voter ID.
- 11.8 Polling station staff were issued with poster to put up in the polling stations, informing voters what to bring with them to the polling station and what to do when they arrive.
- 11.9 Posters informing voters what to bring to the polling station and the changes to postal voting were emailed to our warm hubs contact list, which includes community centres, churches, mosques, and temples.
- 11.10 For the Voter ID campaign targeting students, Warwick District Council created posters and social media assets with suggested copy to be shared by the Universities of Warwick and Coventry and the sixth forms and colleges in Warwick District. The assets were also shared with Town and Parish Councils to be shared through their channels to reach a wider audience.
- 11.11 The website was also updated with the latest information from the Electoral Commission, notices of poll and Statement of persons nominated.

12 Alternative Options

- 13** The report is presented for information only and therefore no alternative options are provided.

14 Legal Implications

- 14.1 There are 10 pieces of legislative requirements for the delivery of elections, rather than a specific act as well as additional regulations and further guidance from the Electoral Commission. To help ensure that these are complied with the Returning Officer operates an elections project board which meets each month with representatives from all relevant teams across the Council and representatives from the Electoral Commission.

15 Financial Implications

- 15.1 PCC account deadline is February 2025 and the UKPGE is April 2025. Work is progressing well in completing this as a joint piece of work between the Finance Team and Electoral Services Team and they are on schedule for submission in line with the deadlines.

16 Corporate Strategy

- 16.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation. This report does not directly relate to them in that it only sets out the review of 2024 elections.

17 Environmental/Climate Change Implications

- 17.1 There are significant environmental impacts from delivering an election and over the years steps have been taken to try to minimise this through effective procurement for example of printing contracts and the papers/inks used for these. The area being considered next for improvement is the stationery packs purchased and used by Presiding Officers and if these can be produced differently. This is part of the Electoral Services Team Operational Plan for 2026.

18 Analysis of the effects on Equality

- 18.1 This report is just to note but where changes are being implemented the Equality Impact initial screening will be undertaken.

19 Data Protection

- 19.1 There are no specific data protection implications of the proposal.

20 Health and Wellbeing

- 20.1 There are no specific health and wellbeing implications from the report.

21 Risk Assessment

- 21.1 Each election will have its own dedicated risk register managed by the Election Project Board. This register is based on the template from the Electoral Commission.

Background papers:

None

Supporting documents:

[2023 Review of Elections Report – Audit and Standard Committee](#)

[Electoral Commission Report on May 2024 and UKPGE Elections](#)

[WDC website - General Election 2024](#)

[WDC website – PCC elections 2024](#)

Action Plan – May 2023

Action	Why	Status	Notes
Additional Elections Officer within Team	The increased demand from Elections Act 2022 on the team	Implemented	An additional officer was employed within the team in November 2023.
Presentation to all WDC Councillors on Election Act Phase 2	Increase awareness for the changes and challenges that are faced	Implemented	Electoral Services Manager conducted training sessions around the new law.
Advertising campaign for polling staff	Increase in poll staff needed and high turnover in staff	Implemented	Recruitment drive was conducted in November 2023
Training for front line staff on process for nominations and checking election post	The move out of RSH will mean no election staff based at the same venue as reception	Not Required	Nominations were conducted by the Elections Team.
Increased front line staffing during election period for increased demand	The increased demand with the new election laws.	Not met	WDC was unable to recruit to the post available and the UKPGCE was too short notice followed on the back of the PCC to allow for training of a new member of staff. Based on demand though with changes within the Council overall this will not be required at future elections.
RUCIS grants to help polling stations where we can	Polling places with accessibility issues where no alternative venue is available.	Implemented	Promoted the grants and contacted all polling stations to highlight the grant particularly around hearing loops in the polling station
Refine count layout so based on two horseshoes rather than 3	Due to feedback from elections 23.	Implemented	Two horseshoes were implemented for each parliamentary constituency with a separate designated zone for postal votes
Introduce a taped line in front of each count table that all agents and candidates have to stand behind	Due to May 23 elections candidates & agents caused interruptions to the counting process.	Implemented	The tables were doubled up at the elections to create distance.
Work with Electoral Management System supplier for increasing the tickets that can be issued	To provide greater flexibility on Count ticket allocation for candidates and agents in line with regulations	Implemented	Count tickets were reviewed and an internal software was developed by IT for ticket scanning.

Appendix 1

Future elections only scan in staff and have this at point of entry	Less time consuming and easier to calculate payments.	Implemented	Candidates and Agents were still scanned however two separate entrances were implemented.
Security management with staff moving tables to get in and out due to entry point how to stop this?	This helps the venue to run more effectively and provides clear boundary between roles.	Implemented	The tables were doubled up at the elections to create a barrier to this practice.
Green zipper bags to have marked registers in too, so we have control of them	Less time spent after the election searching bags for missing registers.	Implemented	Reviewed the close of poll procedure, removed the green zipper bag and introduced a more efficient system of reconciliation of packets.
Increase initial provisions within stationery box allocated to each count table	There was a lot of time spent by count tables collecting additional materials form a central area, this could be reduced for future elections	Implemented	We did not have enough thimbles for counters however all other items were sufficiently stocked. Going forward, thimbles will not be provided to the polling stations to ensure efficient quantities at the count.
Wire baskets or uses the plastic trays to count into.	For so many elections with significant number of candidates it was identified that insufficient wire baskets were held by the Council. These are used so all can clearly see where ballot papers are and indicatively (by volume) who has the most votes.	Not met	Was met at PCC however due to number of candidates and additional count tables required at UKPGE, there were insufficient wire trays. Officers will review this further on how this issues can be resolved.
Technician support for PA system to ensure it can be heard through the hall	Improved understanding for all on what is happening at the Count	Implemented	PA system were reviewed and no issues were found at both elections.
Complete count instructions basics earlier (easier for PCC)	Count supervisors have more time to familiarise themselves with the instructions.	Implemented	Count instructions were sent out beforehand and online teams training sessions were conducted beforehand. In additional prior to commencement of the count, a huddle recapped the important aspects and the DRO

Appendix 1

			gave a brief on expectations.
Counting sheets liaison with express to ensure unused votes included on templates	Efficient paperwork throughout	Implemented	Meeting with the Electoral Commission and they have supplied a template to include unused
For multi seats wards ensure more calculators are available for use by counters	Each area only had a calculator but some had three members of staff needing to use them. While most people have their phone available appropriate resources should be provided by the Count.	Not Applicable	This is waiting for the next multi seat Ward election.
For all future elections move to counting in 10 rather than 25	This is considered easier for Count staff and while more clips are required it reduces errors.	Implemented	Counting in 10's was implemented for future elections and will remain the process going forward
The returning Officer has to display official notices for elections. The location for this in 2024 is to be determined following the move from Riverside House	This will be reviewed on completion of the works at the Pump Rooms	Implemented	All notices for the elections were published at the Town Hall and online.
Poll card letter to say why two postal packs	Confusion with electors	Implemented	Poll card wording was amended to state this.

Action Plan - 2024

Action	Why	When	Who
Review of postal vote spreadsheet	To ensure accurate recording of postal vote returns	January 2025	Postal Vote Opening Manager and IT
Contingency plan for postal vote opening	In case of faults within IT systems	January 2025	Postal Vote Opening Manager and IT
Write out to all postal voters within the District	Due to legislation changes from Elections Act 2022	January 2026	Elections Team
Review quantities of wire trays at future parliamentary	Not enough at the count for UKPGe	January 2025	Elections Team

Title: Warwick District Council and Parish Election Scale of Fees
Lead Officer: Leanne Marlow, Elections Manager (01926 958847)
Portfolio Holder: Councillor Davison
Wards of the District directly affected: None

Approvals required	Date	Name
Portfolio Holder	17/12/2024	Ian Davison
Finance	16/12/2024	Alex Elston
Legal Services		
Chief Executive	16/12/2024	Chris Elliott
Director of Climate Change		
Head of Service(s)	16/12/2024	Graham Leach
Section 151 Officer	16/12/2024	Andrew Rollins
Monitoring Officer		
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Yes	
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?	Yes	

Summary

The report seeks agreement for the increase in elections fees payable to staff for District & Parish Elections, it aligns the payments with the new pay bands set by Electoral Claims Unit for national elections.

Recommendation(s)

- (1) That the Scale of Fees for Elections staff at District and Parish/Town Council elections as set out in Appendix 1 to the report be approved.
 - (2) Delegated authority to the Head of Governance and Monitoring Officer to revise the fees annually in line with MHCLG (Ministry of Housing, Communities and Local Government) guidance.
 - (3) That Council agrees the recharge amount for an Uncontested Parish/Town ward to increase to £500.
 - (4) That the revised Returning Officer fees, payable to them for District Council and Town/Parish Council elections as set out in Appendix 1 be approved.
 - (5) That delegated authority be given to the Head of Governance & Monitoring Officer to revise the fees, in line with any national pay award of senior officers, payable to the Returning officer each year for the next four years.
 - (6) The Committee approves that the recharge of fees for more than one election on the same day must be proportional to the electorate (e.g. polling stations will be split equally between each election in the station, and count venue will be proportional to staff requirements).
-

1. Reasons for the Recommendation

- 1.1. Changing the fees from set fees to hourly rates for all staff will mean WDC (Warwick District Council) fees align with MHCLG. Matching with MHCLG will streamline national elections fees with local election fees. The fees provide greater transparency on roles for everybody involved and greater consistency between all elections.
- 1.2. The Council is required to establish the fees payable to persons employed by the Returning Officer at its elections, held every four years, and at any by-election held in between. The authority for approving these fees had been delegated by Council to the Audit & Standards Committee.
- 1.3. It was agreed at Audit & Standards Committee in January 2023 that a full review of fees would be undertaken by December 2024. Due to the UKPGE and additional workload due to the Elections Act 2022 the review was delayed.
- 1.4. MHCLG introduced Expenses Guidance for Returning Officers in February 2024 which included pay bands for all election jobs and information on what can be accounted for.
- 1.5. MHCLG have since updated the pay bands for 2025/2026 to reflect changes to local government pay and national living wage. MHCLG believe the pay bands enhance local flexibility; allowing Returning Officers to determine pay rates that work best for their local needs. They also ensure consistency, offering clearer benchmarks for rates eligible for reimbursement from the consolidated fund, reducing delays in claim settlements caused by inconsistent staff payments.

- 1.6. It is recognised that there will be additional demands on polling staff through the introduction of the requirement for voter ID in polling stations. It is reported by the Electoral Commission there is a shortage of individuals who wish to help on elections, and it is an increased challenge at each election to recruit staff of sufficient skills to undertake rolls in delivering elections. Additionally, the new laws around postal votes being handled at polling stations has also created additional documentation and processes at polling stations.
- 1.7. The pay bands included in Appendix 1 set out the main election roles, within their respective pay bands (A-D). It should be noted that individual roles within their pay band commences with the highest paid role, descending to the lowest paid role. The Electoral Claims Unit requires that the Returning Officer structure payments that are aligned to these pay bands. For instance, no role should be paid at a higher rate than any role that appears above it within the pay band.
- 1.8. The rates provided within the table are daytime rates. The Returning Officer can apply an enhanced night rate to count staff for evening counts that is fixed at x1.5hrs.
- 1.9. Some staff payments are subject to holiday payment entitlement. This is referred to in the Expenses Guidance for Returning Officers document. WDC also follow advice from their own HR department at Warwick District Council.
- 1.10. All expenditure incurred for an election is paid for by the Returning Officer in the first instance. Once the nomination deadline has passed, WDC will know which wards/parishes are contested. Uncontested elections will be recharged back to town/parish councils at a rate of £500 per town/parish ward. All recharges will be sent to town/parish councils for scheduled elections by the end of the calendar year. If the election was called due to a casual vacancy, recharges will be sent to town/parish councils within 4 months of the electoral process taking place subject to receiving all the invoices.
- 1.11. Regardless of whether the election is contested or uncontested the Returning Officer is still required to undertake preliminary elections paperwork and tasks. Examples of these tasks are creating and issuing Notice of Elections for each ward/parish, Returning Officers fees, Nominations including the process involved in processing nomination papers, informal checks, formal appointments and a final check after the nomination deadline. This list is not exhaustive of the tasks that would be taken.
- 1.12. Returning Officer fees are recommended to be increased because of recognition of the risk to their post and continuing the fee increase to align with national pay awards for senior officers. It should be noted that since 2022/23 the national pay award for senior officers has seen an increase of 5.9%. The revisions propose take this into consideration but also seek to align the fees for Parish/Town and District Elections due to work involved, for example District elections now require the same number of individuals to support a nomination for election and persons standing for election need to complete the same paperwork. Therefore, the risk has reduced and in doing so the fee as been revised down for District elections, where as Parish/Town has increased due to the pay award increase.
- 1.13. The recharge fees are recommended to make sure each authority have contributed fairly towards their individual election. This is to ensure WDC are not left to carry the cost for all elections national or local.

2. Alternative Options

- 2.1. WDC could set fees based on previous years, but these will not align with the Electoral Claims Unit figures and would prove difficult to create accounts and justify payments to staff allocated on the election.

3. Legal Implications

- 3.1. The proposals within the report are within the legislative framework and associated guidance.

4. Financial Implications

- 4.1. The Electoral Claims Unit have provided clarity to RO's that all costs must be justifiable, accountable, and necessary. More recently the claims unit have moved to a digital system to facilitate the National Audit Office scrutinising the RO's submissions.
- 4.2. A 2022/23 Funding Review identified that payments (by all local authorities) were not as transparent when scrutinised by ECU and NAO. The clear financial implication and risk to WDC is that MHCLG may withhold payment for unaccountable payments and the cost recovery is offset by the RO/WDC.
- 4.3. No two elections are complete replicas, staffing requirements vary to meet the demands of the electorate. It would therefore prove difficult to provide like for like comparisons. For example, in Appendix 1. Many of the roles under the MHCLG pay bands are not accounted for in WDC's 2023/24 fees and charges. These roles are annotated 'not included in the fee schedule'. Although roles were not covered in the 2023/24 fee schedule, the RO did make payments for these essential positions. It is not possible to provide direct comparison on the fees use to the change in structure overall.
- 4.4. It should be noted, where there is ambiguity or vagueness surrounding roles, the Electoral Claims Unit will request the RO to provide further clarity on fees paid. Such delays would incur additional costs in administrative hours spent providing ECU with the clarity they seek and will delay receipt of final settlement payments.
- 4.5. The proposed fees and charge's structure address the RO's time and expense that are incurred when administering an uncontested election. As noted above, the proposed structure provides parishes and towns with greater clarity when setting their annual budgets.
- 4.6. If the costs are not shared proportionately during a combined election i.e. between WDC and a town/parish council, WDC will be left incurring higher costs resulting in in the need for additional resources to be provided by the Council.
- 4.7. The only costs to be incurred by WDC following this change, should be in relation to staff working on the Election of WDC Councillors. All other Elections costs should be reclaimable from the relevant Authority, Parish or ECU.
- 4.8. Within the approved budget growth bids there is an increase to the election reserve which makes allowance for changes in fees, therefore as long as this commitment is made then there should be sufficient budget in place.

5. Corporate Strategy

- 5.1. Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation.
- 5.2. Delivering valued, sustainable services – The intention of the proposal is to create more transparency with the staffing payments issued during an election.

For illustration purposes 23/24 fees have been provided against the proposal in Appendix 1. The proposed fee structure disaggregates the roles and creates greater transparency surrounding payments for all job roles. The proposal facilitates greater budgetary controls and oversight of expected expenditure.

5.3. Low cost, low carbon energy across the district – This report does not have an impact on this value.

5.4. Creating vibrant, safe and healthy communities of the future - This report does not have an impact on this value.

6. Environmental/Climate Change Implications

6.1. The distance of polling staff travelling to polling stations are taken into consideration when they are being allocated on election day, to help decrease mileage costs and carbon footprint.

7. Analysis of the effects on Equality

7.1. There are no direct impacts on equality matters from the recommendations.

8. Data Protection

8.1. There are no specific data protection issues within the report.

9. Health and Wellbeing

9.1. There are no Health and Wellbeing implications from the proposal.

10. Risk Assessment

10.1. Reduction in fees could result in WDC struggling to recruit to election posts. The Elections Team has taken proactive steps to overcome the challenges concerning the recruitment and retention of polling station staff. In January 2024, the Election Team launched a recruitment portal for applicants to complete their application form online. This removed time consuming administrative paper-based tasks, speeding up the onboarding of staff. Prior to the UKPGE, this service was further enhanced by moving the bank details and HMRC paperwork for new starters to an online service.

10.2. The Elections Team approach the recruitment and onboarding of staff as a year-round task that is not limited to pre-election periods. Working closely with WDC Media and Communications, the team access a variety of channels to highlight the roles available during an election. The Media Team have also made contacts with Parish and Town Councils and County Councils, providing media assets to be used for the recruitment of staff.

10.3. In the lead up to the PCC election, the Elections Team launched an initiative to progress experienced Poll Clerks towards working as a Presiding Officer. The team ran a short practical session that was open to all Poll Clerks who had conducted the minimum requirement of at least two poll clerk duties. The course was well attended, and 9 experienced Poll Clerks worked as Presiding Officers for the first time.

10.4. The Recruitment for specific elections has been moved to earlier in the year to assist in early identification of potential staffing shortfalls. For instance, for scheduled May elections, the recruitment availability email is sent mid-December of the previous year.

Background papers: None

Supporting documents:

[Elections Funding Pay Bands 2025 - 2026](#)

[Expenses Guidance for Returning Officers – February 2024](#)

[Appendix 1 – Elections Fee's and Charges 24.25](#)

Election Duties Fee's & Charges

Job Group	Job Role	WDC 23/24 Fees	RO Guidance Pay Band 25	Fee 2025	Explanation
PAY BAND A					
Clerical	Casual Admin Support	Not included in fee schedule		£14.50 ph	
Polling Station	Ballot Box issuing Assistant	Not included in fee schedule		£14.50 ph	
Postal Vote Opening	Postal Vote Opening & Checking Assistant	£37.16 per session or £14.90 per hour		£14.25 ph	
Count	Count take down assistant		£74.32	£14.00 ph	A minimum guarantee of four hours is applied to this role, hourly rate paid thereafter
Count	Ballot Box Receipt		£154.39	£14.00 ph	A minimum guarantee of four hours is applied to this role, hourly rate paid thereafter
Count	Count Set Up	Not included in fee schedule	Pay Band A - £12.21 - £15.50	£14.00 ph	
Polling Station	Poll Clerk		£200	£14.00 ph	£238 based on £14.00 ph for 17 hours
Polling Station	Poll Clerk - Combined		£210.18	£14.00 ph	Poll Clerk fee (as above), plus £15.00 flat payment
Count	Count Assistant	£111.50 per ward or parish. £43.45 for each additional ward or parish		£14.00 ph	A minimum guarantee of four hours is applied to this role, hourly rate thereafter
Clerical	Office/ Count Reception Staff		£74.32	£13.00 ph	
PAY BAND B					
Polling Station	Ballot Box Issuing Supervisor	Not included in fee schedule		£16.00 ph	
Postal Vote Opening	Postal Vote Supervisor	Not included in fee schedule		£15.25 ph	
Postal Vote Opening	Postal Vote IT support	Not included in fee schedule	Pay Band B - £13.78 - £18.37	£14.25 ph	
Count	Count Staff IT support	Not included in fee schedule		£14.25 ph	
Count	Verification of Unused	Not included in fee schedule		£14.00 ph	A minimum guarantee of four hours is applied to this role, hourly paid rate thereafter
PAY BAND C					
Polling Station	Presiding Officer		£275.61	£18.00 ph	£306 based on £18.00ph for 17 hours
Polling Station	Presiding Officer - Combined		£305.33	£18.00 ph	Presiding Officer Fee (as above), plus £30.00 flat payment
Count	Count Supervisor		£154.39	£17.00 ph	
Clerical	Ballot paper checking	Not included in fee schedule	£489.48 for week for full elections. £56.03 per single session	£17.00 ph	This fee does not follow the RO guidance set by MHCLG due to Warwick using DROs to signature adjudicate rather than additional staff.
Postal Vote Opening	DRO - signature adjudicator			£18.00 ph	
Count	Central Verification Team	Not included in fee schedule		£17.00 ph	
Count	Media/Comms	Not included in fee schedule		£16.50 ph	
PAY BAND D					
Polling Station	PSI		£298.58	£18.50 ph	£314.50 based on £18.50 ph for 17 hours
Postal Vote Manager	Postal Vote Manager	Not included in fee schedule	Pay Band D - £17.22 - £29.85	£18.50 ph	
OTHER FEES					
Count	Count Supervisor Training	Not included in fee schedule		£15.00 set fee	
Polling Station	Polling Staff Online Training		£34.85	£30.00 set fee	Maximum up to £43.46
Polling Station	PO Briefing & Ballot Box Collection	Not included in fee schedule		£15.00 set fee	
Polling Station	Polling Staff Mileage		0.45p	0.45p per mile	* Mileage allowance is limited to the following roles: Presiding Officers, Poll Clerks, Polling Station Inspectors
Core Election Team Overtime					
Full time employees who are required to work overtime beyond their working week are entitled to receive the following enhancements:					
Administrative Duties [Core Elections Team]	Monday to Saturday		Time and a half		
	Sundays, Public and Extra Statutory Holidays		Double time. Minimum to be claimed 2 hours (regardless of hours worked) plus, time off in lieu		
Part time employees are entitled to claim at single time up to 37 hours per week, after which they will receive the same enhancements as full-time employees. Employees employed on SCP 24 and above will receive overtime at SCP 24 regardless of their actual SCP/rate of pay. This will apply for part-time employees after 37 hours have been worked					
DISTRICT AND TOWN/PARISH COUNCIL ELECTIONS - SCALE OF ELECTION FEES AND EXPENSES – 2024/25					
PART 1 - Returning Officer's Fee					
(including duly authorised Deputy Returning Officer)					
Fee for conducting the election and generally performing all the duties which a Returning Officer is required to perform under the Local Government Act 1972, or rules of the Secretary of State made there under, including all expenses other than those for which special provision had been made herein:					
CONTESTED ELECTIONS					Fee 24/25
1. DISTRICT ELECTIONS (where election is for District Councillor only - for each ward)					
(a) For the first 1000 local government electors in a Ward:					£130.00
(b) For each 500 electors or fraction thereof, above					£65.00
2. TOWN/PARISH (where the election is for Town/Parish Councillors only - for each Ward or Parish)					
(a) For the first 1000 local government electors in a Ward or Parish:-					£130.00
(b) For each 500 electors or fraction thereof, above:					£65.00
3. DISTRICT AND TOWN/PARISH ELECTIONS (where election is for District & Town/Parish Councillors held on the same day)					
the fee shall be in accordance with the scale at 1 above, plus an additional fee for every 500 local government electors or fraction thereof:					£65.00
UNCONTESTED ELECTIONS					
4. DISTRICT ELECTIONS - for each Ward:					£30.00
5. TOWN/PARISH ELECTIONS - for each Ward or Parish:					£30.00

Audit & Standards Committee
7 January 2025

Title: Work Programme

Lead Officer: Graham Leach, Head of Governance and Monitoring Officer

Portfolio Holder: Not applicable

Public report

Wards of the District directly affected: Not applicable

Summary

This report informs Members of Audit & Standards Committee of the Committee's work programme for 2023/24 (Appendix 1).

Recommendations

That Members consider the work programme (Appendix 1) and agree any change as appropriate.

1 Background/Information

- 1.1 The Audit & Standards Committee has two main purposes: (1) to promote and maintain high standards of conduct and governance within the Council and within the Parish and Town Councils within the District; (2) to act as the Audit Committee for the Council.
- 1.2 The establishment of the Audit & Standards Work Programme will ensure that Members are aware of the workload of the Committee and any changes to upcoming reports.

2 Conclusion/Reasons for the Recommendation

- 2.1 The work programme should be updated at each meeting to accurately reflect the workload of the Committee.

Audit & Standards Committee WORK PROGRAMME

7 January 2025

Title	Purpose	Lead Officer/Councillor
Quarterly IA Progress (Qtr. 2)	To advise on progress in completing the Audit Plan	Ian Davy -Audit and Risk Manager
Treasury Management Activity Report for period 1 April 2024 to 30 September 2024	This report details the Council's Treasury Management performance for the period 1 April 2024 to 30 September 2024	Richard Wilson
Review of Significant Business Risk Register	To provide assurance to Members on the Council's risk environment.	Ian Davy -Audit and Risk Manager
Draft Annual Governance Statement 2023/24	Set out the Council's draft Annual Governance Statement for 2023/24 describing the governance arrangements that were in place during the financial year. The Statement will accompany the Council's Statement of Accounts.	Ian Davy - Audit and Risk Manager Graham Leach
Warwick District Council and Parish Election Scale of Fees		Graham Leach / Leanne Marlow
Review of the PCC Election		Graham Leach / Leanne Marlow
Internal Audit Annual Report 2023/24	Presents a summary of the internal audit work undertaken during 2023/24 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.	Ian Davy - Audit and Risk Manager
Corporate Fraud Investigations Performance Report 2023/24	Provides details of the performance by the Corporate Fraud Investigation team for 2023/24	Ian Davy - Audit and Risk Manager

Amended Internal Audit Plan 2024/25	To set out the amendments required to the audit plan due to the resourcing of the team.	Ian Davy - Audit and Risk Manager
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5 March 2025

Title	Purpose	Lead Officer/Councillor
Quarterly IA Progress Reports (Qtr. 3)	To advise on progress in completing the Audit Plan and on completing the Significant Governance Issues set out in the Annual Governance Statement.	Ian Davy
Strategic Audit Plan		Ian Davy
Internal Audit Charter		Ian Davy
Review of Significant Business Risk Register	To provide assurance to Members on the Council's risk environment.	Ian Davy -Audit and Risk Manager

Without a confirmed date

Title	Purpose	Lead Officer/Councillor