



Monday, 20 January 2025

Tel: 01285 623226

e-mail: [democratic@cotswold.gov.uk](mailto:democratic@cotswold.gov.uk)

## **AUDIT AND GOVERNANCE COMMITTEE**

A meeting of the Audit and Governance Committee will be held in the Council Chamber - Council Offices, Trinity Road, Cirencester, GL7 1PX on **Tuesday, 28 January 2025 at 4.00 pm.**

Rob Weaver  
Chief Executive

To: Members of the Audit and Governance Committee  
(Councillors Nigel Robbins, Helene Mansilla, Patrick Coleman, Jeremy Theyer, Chris Twells, Michael Vann, Len Wilkins, Christopher Bass and John Chesshire)

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

# AGENDA

1. **Apologies**

To receive any apologies for absence.

The quorum for the Audit and Governance Committee is 3 members.

2. **Substitute Members**

To note details of any substitution arrangements in place for the meeting.

3. **Declarations of Interest**

To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.

4. **Minutes** (Pages 5 - 10)

To confirm the minutes of the meeting of the Committee held on 21 November 2024.

5. **Public Questions**

To deal with questions from the public within the open forum question and answer session of fifteen minutes in total. Questions or supplementary questions from each member of the public should be no longer than two minutes each and relate issues under the Committee's remit.

6. **Member Questions**

To deal with written questions by Members, relating to issues under the Committee's remit, with the maximum length of oral supplementary questions at Committee being no longer than one minute. Responses to any supplementary questions will be dealt with in writing following the meeting

7. **External Auditors Annual report 2023/24**

Purpose

To receive the external auditors Annual Report 2023/2024.

Recommendation

That the external auditors Annual Report is noted.

Report to follow.

8. **Local Code of Corporate Governance** (Pages 11 - 26)

Purpose

To present the latest version of the Local Code of Corporate Governance for Cotswold District Council for adoption.

Recommendations

That the Committee Review and adopt the latest version of the Local Code of Corporate Governance.

9. **Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2025/26**

Report to follow

10. **Internal Audit Progress Report** (Pages 27 - 62)

Purpose

To present a summary of the audit work concluded since the last meeting of this Committee.

Recommendation

That the Audit and Governance Committee resolves to NOTE the report.

11. **Matters Exempt from Publication**

If Audit and Governance wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for Audit and Governance to pass a resolution in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

Audit and Governance may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12. **Cyber Security Report** (Pages 63 - 72)

Purpose

To provide the Audit Committee an update on Cyber Security.

Recommendation

That Audit Committee resolves to NOTE the content of the report.

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# Agenda Item 4



**COTSWOLD**  
District Council

Audit and Governance Committee  
21/November2024

## **Minutes of a meeting of Audit and Governance Committee held on Thursday, 21 November 2024**

Members present:

Nigel Robbins	Patrick Coleman	
Jeremy Theyer	Michael Vann	Christopher Bass (Independent Member)
Chris Twells	Len Wilkins	John Chesshire (Independent Member)

Officers present:

David Stanley, Deputy Chief Executive and Chief Finance Officer	Angela Claridge, Director of Governance and Development (Monitoring Officer)
Andrew Brown, Democratic Services Business Manager	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk
Ana Prelici, Governance Officer	

Observers: Councillor Mike Evely and Joe Harris

### **299 Apologies**

The Chair opened the meeting and thanked Ana Prelici, Governance Officer, who was supporting her last meeting at Cotswold District Council.

Apologies were noted from Councillor Mansilla and Councillor Twells.

### **300 Substitute Members**

There were no substitute members.

The Chair confirmed that the meeting was quorate.

### **301 Declarations of Interest**

There were no declarations of interest.

**302 Minutes**

The minutes of the previous meeting were considered and the following amendments requested:

- Christopher Bass had been in attendance at the previous meeting, not John Chesshire as stated.
- The word satisfied at the bottom of page 7 should read dissatisfied.
- Under item 293 the Committee had requested that the scoping should begin for the no purchase order no payment approach.

The Committee agreed the minutes of the meeting held on 24 October 2024 subject to the above revisions

**303 Public Questions**

There were no public questions.

**304 Member Questions**

There were no Member questions.

**305 Strategic Risk Register**

The Business Manager for Continuity, Governance and Risk introduced the Strategic Risk Register.

The Business Manager highlighted the risk around vacancies in key posts (e.g. Director of Place and Communities, Head of Planning).

The Cyber risk had been reduced but this followed an increase when the Council had been on high alert following a cyber attack at another authority.

In response to a question, the Business Manager confirmed that the risk related to the Publica transition was stable. As a consequence of the transition, there were gaps in the organisational structure and this was reflected in the resourcing risk.

The Deputy Chief Executive provided assurance around oversight of the contract with Freedom Leisure.

The Committee noted that risk around health and safety had been mitigated down to an amber rating and questioned whether there were opportunities to reduce this risk further. The Business Manager explained that there was a health and safety board which met quarterly and lots of mitigation was taking place. There were very few accidents at work. Aggressive behaviour towards Customer Services staff was a concern

which was being addressed through training. Health and safety would always need to be managed.

The Audit and Governance Committee resolved to note the report.

Cllr Wilkins arrived during consideration of this item.

### **306 Customer Complaints Policy and Procedure**

The Business Manager for Continuity, Governance and Risk introduced the Customer Complaints Policy and Procedure.

Following a consultation the Local Government and Social Care Ombudsman had encouraged councils to adopt a new Complaint Handling Code by April 2026. The Council was looking to embed this Code which would involve moving from a 3-stage complaint process to a 2-stage process. Customers would need to exhaust the 2-stage process before escalating their complaint to the Ombudsman. Staff were being made aware of the new process.

The Committee questioned how the process would work. The Business Manager explained that at stage 1 the service area would respond. The customer could then decide whether to escalate their complaint. The second stage went to a complaints team who are independent in considering whether complaints have been dealt with satisfactorily at stage 1.

The Committee queried whether financial remedy should be included in the list of remedies. The Deputy Chief Executive Officer confirmed that any financial remedy would need to be fair and proportionate. The Business Manager confirmed that the list of remedies had been provided by the Ombudsman and that financial remedies were very rare. The Council wouldn't pay the costs of any third parties engaged to act on a complainant's behalf and the Committee suggested that this could be clarified in the Policy and Procedure.

The Committee suggested that Members should be offered a briefing on the new process and that a summary of how people could complain about elected members should be included in the Policy and Procedure document.

In response to a question, the Business Manager confirmed that any complaint about an individual senior officer would most likely be a matter for HR to investigate rather than a matter for the complaints process.

The Chair drew attention to a typographical error at the bottom of page 32.

The Business Manager explained that the Ombudsman recommended that councils adopt an Unreasonable Behaviour Policy (Annex B). The Council would hold a central register with restricted access which would be controlled and monitored by an officer governance group. Information and advice would be made available to officers who were visiting addresses on the list.

The Committee noted that Members would benefit from knowing about specific issues within their wards and suggested that Members should be briefed in confidence on any such issues. The Director of Governance and Development suggested that the Council engages with the police on the safety of elected Members and election candidates more generally.

The Committee questioned whether people would be entitled to know whether they were on the list. The Business Manager confirmed that people would be notified if they were on the list with reasons and details of the appeals process.

The Audit and Governance Committee resolved to:

1. Approve the implementation of the new Customer Complaints Policy and Procedure, subject to the revisions noted above.
2. Note the revised Staff Personal Safety Policy / Unreasonable Behaviour.

### **307 Statement of Accounts and Audit Opinion**

The Deputy Chief Executive Officer introduced the report on the Statement of Accounts and Audit Opinion. There had been steady but relatively slow progress on the development of the audit opinion for 2023/24. The audit opinion was expected to be produced in good time before the backstop date of 28 February 2025. The report sought a delegation to receive and sign off the audit opinion, subject to the papers being circulated to all Members of the Audit and Governance Committee at least a week prior to the delegation being exercised.

In response to a question about Bishop Fleming being the Council's new auditor and new to the public sector, the Deputy Chief Executive stated that each external auditor would take their own approach based on the risks that they identify. While they would have due regard to the approach and findings previous auditors, they would make their own assessment.

The Committee questioned what would happen if the backstop date was missed. The Deputy Chief Executive replied that there would be reputational damage but no financial penalty.

The Audit and Governance Committee resolved to:

1. Note the progress of the audit and the update provided on the receiving the audit findings and opinion.



2. Delegate authority to the Deputy Chief Executive & Section 151 Officer and the Chair of Audit and Governance Committee to receive and sign the audit opinion (subject to a copy of the audit finding report and audit statement of accounts being circulated to all members of the Committee for comment and endorsement).

### **308 Treasury Management Mid-Year Report**

The Deputy Chief Executive Officer introduced the Treasury Management Mid-Year Report and compared the position with the equivalent report from a year ago. Inflation was now lower but was forecast to be above the Bank of England's target of 2% for most of 2025. The average rate of return on the Council's investments was 4.68% compared to 4.78% last year on a broadly similar level of investments. Treasury returns were projected to be above the budgeted level by c. £376,000 on the expectation that the Bank of England's Base Rate would remain unchanged until at least February 2025. The statutory override on unrealised capital losses was due to end on 31 March 2025 and, if it is not renewed by the government, the Council would have to ensure it had adequate reserves and balances in order to finance capital losses whether they were realised or unrealised. The economic forecast in Annex A had been prepared before the recent US election.

The Committee questioned whether returns were being maximised and requested an overview of Treasury Management from the Council's advisors Arlingclose. The Deputy Chief Executive said that the Council had a diversified portfolio of investments and that security and liquidity rather than yield were the primary considerations.

That the Audit and Governance Committee resolved to:

1. Note the Council's Treasury Management performance for the period 1 April 2024 to 30 September 2024 and the Quarter 2 Prudential Indicators
2. Recommend the Treasury Management Mid-Year Report to Council for approval.

### **309 Work Plan**

The Chair commented that the work plan looked to be manageable and noted that there would be a lot of interest in the Cyber Security Update.

The Audit and Governance Committee resolved to note the work plan.

The Meeting commenced at 4.00 pm and closed at 5.33 pm

Chair

(END)

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# Agenda Item 8



**COTSWOLD**  
District Council

Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>AUDIT AND GOVERNANCE COMMITTEE – 28 JANUARY 2025</b>
Subject	<b>LOCAL CODE OF CORPORATE GOVERNANCE</b>
Wards affected	All
Accountable member	Cllr Joe Harris, Leader of the Council Email: <a href="mailto:joe.harris@cotswold.gov.uk">joe.harris@cotswold.gov.uk</a>
Accountable officer	Robert Weaver, Chief Executive Officer (CEO) Email: <a href="mailto:robert.weaver@cotswold.gov.uk">robert.weaver@cotswold.gov.uk</a>
Report author	Cheryl Sloan, Business Services Manager, Governance, Risk & Business Continuity Email: <a href="mailto:Democratic@Cotswold.gov.uk">Democratic@Cotswold.gov.uk</a>
Summary/Purpose	To present the latest version of the Local Code of Corporate Governance for Cotswold District Council for adoption.
Annexes	Annex A – Local Code of Corporate Governance
Recommendation(s)	That the Committee Review and adopt the latest version of the Local Code of Corporate Governance.
Corporate priorities	<ul style="list-style-type: none"><li>• All</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	NA



## **1. EXECUTIVE SUMMARY**

- 1.1** To present to the Audit and Governance Committee the annually reviewed Local Code of Corporate Governance for adoption by the Committee and Council.

## **2. BACKGROUND**

- 2.1** The Local Code of Corporate governance is a document which sets out the framework within which Cotswold District Council (CDC) will conduct its business and affairs. It is best practice for all Local Authorities to develop a Local Code of Corporate Governance.
- 2.2** The Local Code of Corporate Governance should be reviewed annually and presented to the Audit and Governance Committee for adoption.
- 2.3** The Local Code of Corporate Governance sets the overarching principles, which underpin the governance framework for the Council. On an annual basis, the Council will produce a Governance Statement and Action Plan which details how it has delivered against the Code of Corporate Governance and its priorities are for the following financial year to ensure ongoing compliance and continuous improvement. The Annual Governance Statement and Action plan are presented to the Audit and Governance Committee with progress against the Annual Governance Action presented on a quarterly basis.

## **3. OVERVIEW**

- 3.1** Corporate governance is about the systems, processes, and values by which Councils operate and by which they engage with, and are held accountable to, their communities and stakeholders.
- 3.2** Cotswold District Council is committed to the principles of effective corporate governance and has therefore adopted a Code of Corporate Governance which follows the latest guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), entitled "Delivering Good Governance in Local Government (2016)".



**3.3** The guidance defines the seven core principles, each supported by sub-principles that should underpin the governance framework of a local authority.

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

**3.4** Cotswold District Council has a good governance framework in place. The documents and arrangements which comprise the framework demonstrate that the Council continually seeks to ensure it is and remains, well governed, through integration of the core principles of the CIPFA/SOLACE framework into all aspects of the Council's conduct and operation.

**3.5** The Local Code of Corporate Governance has been reviewed and there are no proposed changes.

#### **4. CONCLUSIONS**

**4.1** It is recommended that the Audit and Governance Committee review the Local Code of Corporate Governance and continue to adopt the code.

#### **5. FINANCIAL IMPLICATIONS**



**5.1** There are no financial implications arising from this report.

**6. LEGAL IMPLICATIONS**

**6.1** There are no direct legal implications arising from this report.

**7. RISK ASSESSMENT**

**7.1** If the Council's governance arrangements are weak then the Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council.

**8. EQUALITIES IMPACT**

**8.1** An equalities impact assessment is not required for this report.

**9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**9.1** There are no climate or ecological emergency implications arising directly from this report.

**10. BACKGROUND PAPERS**

**10.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- The Annual Governance Statement 24/25
- The Annual Governance Action Plan 24/25

**10.2** These documents will be available for inspection online at [www.cotswold.gov.uk](http://www.cotswold.gov.uk) or by contacting democratic services [democratic@cotswold.gov.uk](mailto:democratic@cotswold.gov.uk) for a period of up to 4 years from the date of the meeting.



**COTSWOLD**  
District Council

## **Cotswold District Council**

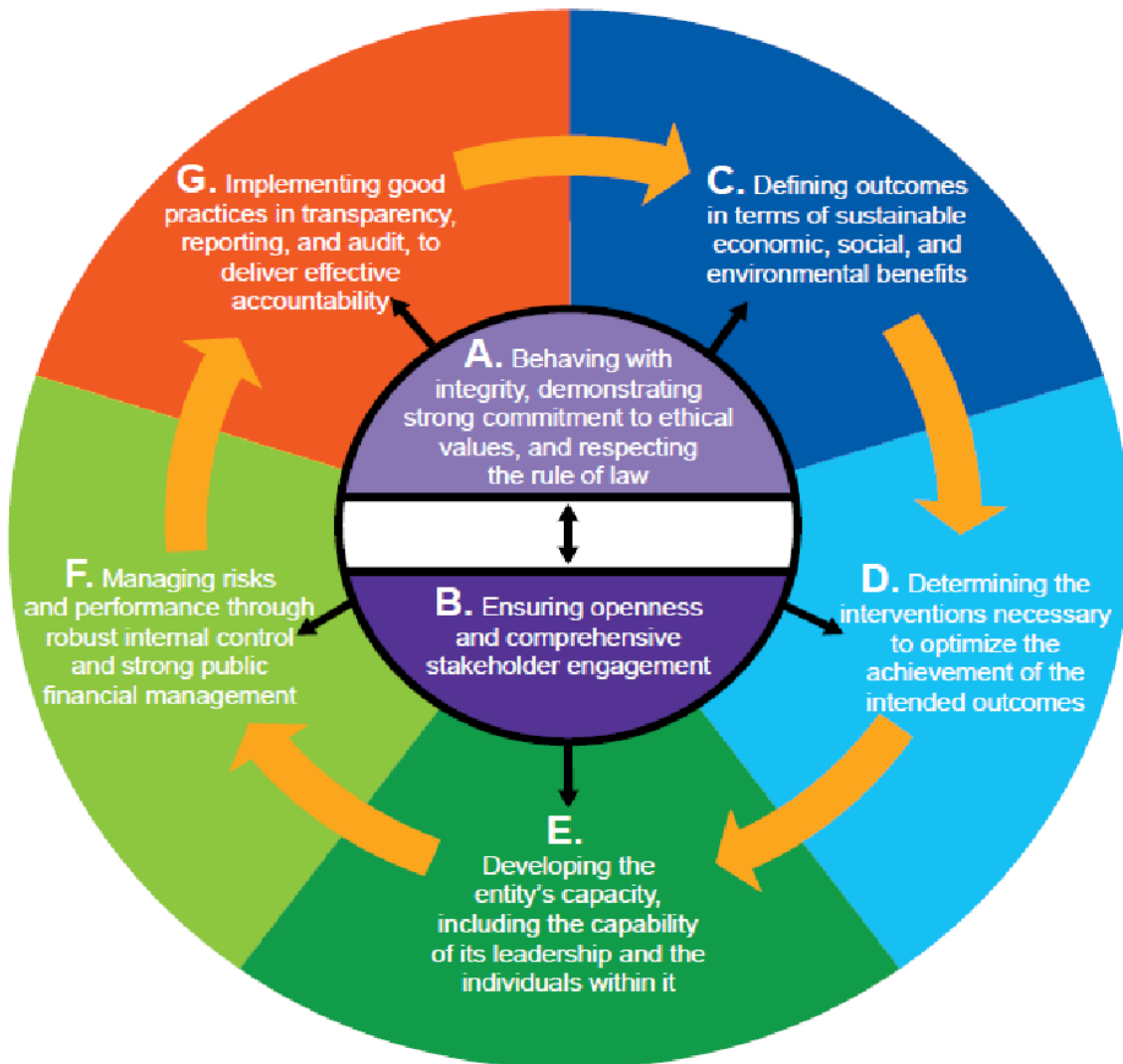
# **Local Code of Corporate Governance Reviewed January 2025**

# 1. Delivering Good Governance

- 1.1** The Delivering Good Governance in Local Government; Framework, published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:
- Resources are directed in accordance with agreed policy and according to priorities
  - There is sound and inclusive decision making
  - There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities
- 1.2** Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 1.3** Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.
- 1.4** The Delivering Good Governance in Local Government Framework, sets out seven core principles of governance as detailed in the diagram below. Cotswold District Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of the document – The Council’s Local Code of Corporate Governance.
- 1.5** Our Local Code is underpinned by the Delivering Good Governance in Local Government; Framework and comprises policies, procedures, behaviours, and values by which the Council is controlled and governed. These key governance areas and how the Council provides assurance that is complying with these are set out in more detail within its Governance Assurance Framework.
- 1.6** The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects members and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.
- 1.7** The term ‘Council’ in this document, will also include its companies/partners that deliver services on behalf of the Council.



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



**1.8** This diagram illustrates how the various principles for good governance in the public sector relate to each other. Principle A and B permeate the implementation of Principles C to G.

**1.9** Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed at Appendix A.

## **2. Status**

**2.1** Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts.

This is known as an Annual Governance Statement.

- 2.2** The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government; Framework (2016) and this section of the Code.

### **3. Monitoring and Review**

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

### **4. Certification**

- 4.1** We hereby certify our commitment to this Code of Corporate Governance and will ensure that the Council continues to review, evaluate and develop the Council's Governance arrangements to ensure continuous improvement of the Council's systems.

**Joe Harris**  
**Leader of the Council**

**Robert Weaver**  
**Chief Executive**

Date:

Date:

Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law</b></p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of the law.</p>	<p><b>Behaving with integrity</b></p>	<ul style="list-style-type: none"> <li>● Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</li> <li>● Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</li> <li>● Leading by example and using the above standard operating principles or values as a framework for decision making and other actions</li> <li>● Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</li> </ul>
	<p><b>Demonstrating strong commitment to ethical values</b></p>	<ul style="list-style-type: none"> <li>● Seeking to establish, monitor and maintain the organisation’s ethical standards and performance</li> <li>● Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation</li> <li>● Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> <li>● Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation</li> </ul>
	<p><b>Respecting the rule of the law</b></p>	<ul style="list-style-type: none"> <li>● Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>● Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</li> <li>● Striving to optimize the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>● Dealing with breaches of legal and regulatory provisions effectively</li> <li>● Ensuring corruption and misuse of power are dealt with effectively</li> </ul>

Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>B. Ensuring openness and comprehensive stakeholder engagement</b></p> <p>Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens, and service users, as well as institutional stakeholders.</p> <p>NB: Institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.</p>	<p><b>Openness</b></p>	<p>Where possible:</p> <ul style="list-style-type: none"> <li>● Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</li> <li>● Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</li> <li>● Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> <li>● Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action</li> </ul>
	<p><b>Engaging comprehensively with institutional stakeholders</b></p>	<p>Where possible:</p> <ul style="list-style-type: none"> <li>● Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcome for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>● Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively                             <ul style="list-style-type: none"> <li>* Ensuring that partnerships are based on trust</li> <li>* A shared commitment to change</li> <li>* A culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</li> </ul> </li> </ul>
	<p><b>Engaging with individual citizens and service users effectively</b></p>	<ul style="list-style-type: none"> <li>● Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individuals, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>● Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</li> <li>● Encouraging, collecting and evaluating the views and experiences of communities, individuals, service users and organisations of different backgrounds including reference to future needs</li> <li>● Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account</li> <li>● Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>● Taking account of the impact of decisions on future generations of tax payers and service users</li> </ul>

Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>C. Defining outcomes in terms of sustainable, economic, social and environmental benefits</b></p> <p>The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	<p><b>Defining outcomes</b></p>	<ul style="list-style-type: none"> <li>● Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning or other decisions</li> <li>● Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>● Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>● Identifying and managing risks to the achievement of outcomes</li> <li>● Managing service users' expectations effectively with regard to determining priorities and make the best use of resources available</li> </ul>
	<p><b>Sustainable, economic, social and environmental benefits</b></p>	<ul style="list-style-type: none"> <li>● Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>● Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>● Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>● Ensuring fair access to services</li> </ul>

Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p> <p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.</p>	<p><b>Determining interventions</b></p>	<ul style="list-style-type: none"> <li>● Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided</li> <li>● Considering feedback from individuals and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</li> </ul>
	<p><b>Planning Interventions</b></p>	<ul style="list-style-type: none"> <li>● Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> <li>● Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>● Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li> <li>● Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li> <li>● Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> <li>● Ensuring capacity exists to generate the information required to review service quality regularly</li> <li>● Preparing budgets in accordance with objectives, strategies and the medium term financial strategy</li> <li>● Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li> </ul>
	<p><b>Optimising achievement of intended outcomes</b></p>	<ul style="list-style-type: none"> <li>● Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</li> <li>● Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and long term</li> <li>● Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> </ul>

Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>E. Developing the Council's capacity, including the capability of its leadership and the individuals within it</b></p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p><b>Developing the Council's capacity</b></p>	<ul style="list-style-type: none"> <li>● Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>● Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>● Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> </ul>
	<p><b>Developing the capability of the entity's leadership and other individuals</b></p>	<ul style="list-style-type: none"> <li>● Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>● Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>● Ensuring the leader and senior management have clearly defined and distinctive leadership roles within a structure whereby the senior management team lead in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</li> <li>● Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged             <ul style="list-style-type: none"> <li>* Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</li> <li>* Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> <li>* Ensuring that there are structures in place to encourage public participation</li> <li>* Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> <li>* Holding staff to account through performance reviews which take account of training and development needs</li> <li>* Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</li> </ul> </li> </ul>

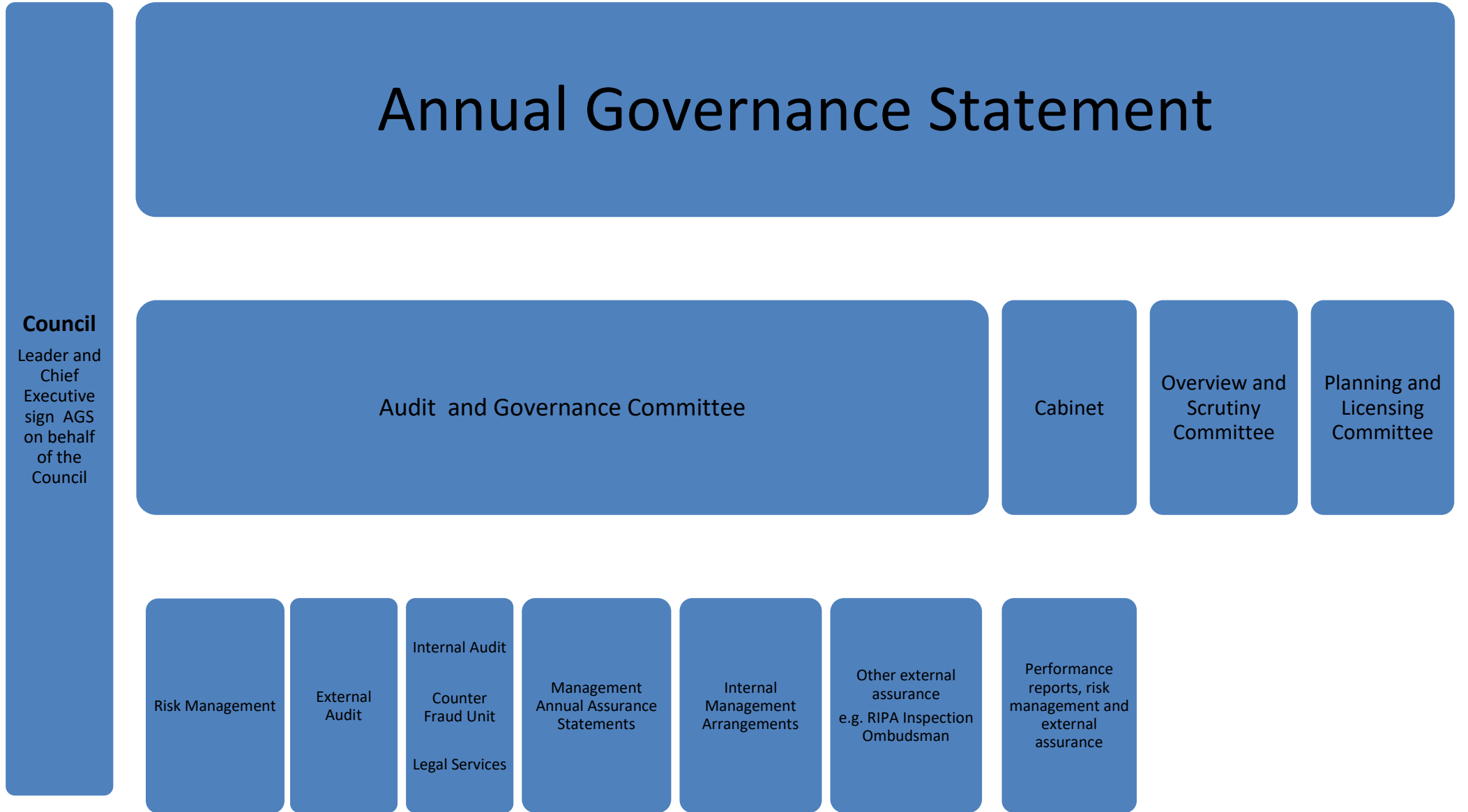
Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>F. Managing risks and performance through robust internal control and strong public financial management</b></p> <p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.</p> <p>A strong system of financial management is essential for the achievement of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.</p> <p>It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>	<p><b>Managing risk</b></p>	<ul style="list-style-type: none"> <li>● Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>● Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> <li>● Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul>
	<p><b>Managing performance</b></p>	<ul style="list-style-type: none"> <li>● Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>● Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</li> <li>● Ensuring an effective scrutiny or/and oversight function (independent of the executive) is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</li> <li>● Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>● Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>
	<p><b>Robust internal control</b></p>	<ul style="list-style-type: none"> <li>● Aligning the risk management strategy and policies on internal control with achieving objectives</li> <li>● Evaluating and monitoring risk management and internal control on a regular basis</li> <li>● Ensuring effective counter fraud and anti-corruption arrangements are in place</li> <li>● Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor                             <ul style="list-style-type: none"> <li>* Ensuring an audit committee which is independent of the executive and accountable to the council: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>* That its recommendations are listened to and acted upon</li> </ul> </li> </ul>
	<p><b>Managing data</b></p>	<ul style="list-style-type: none"> <li>● Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>● Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>● Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul>
	<p><b>Strong public financial management</b></p>	<ul style="list-style-type: none"> <li>● Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>● Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and control</li> </ul>



Principles	Sub-Principles	Behaviour and actions that demonstrate good governance in practice:
Acting in the public interest that requires a commitment to and effective arrangements for:		
<p><b>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p> <p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>	<p><b>Implementing good practice in transparency</b></p>	<ul style="list-style-type: none"> <li>● Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring they are easy to access and interrogate</li> <li>● Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> </ul>
	<p><b>Implementing good practices in reporting</b></p>	<ul style="list-style-type: none"> <li>● Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>● Ensuring members and senior management own the results reports</li> <li>● Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</li> <li>● Ensuring this Framework is applied to jointly managed or shared service organisations</li> <li>● Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations</li> </ul>
	<p><b>Assurance and effective accountability</b></p>	<ul style="list-style-type: none"> <li>● Ensuring that all recommendations for corrective actions made by external audit are acted upon</li> <li>● Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon</li> <li>● Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> <li>● Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> <li>● Ensuring when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met</li> </ul>

# Overview of Corporate Governance Assurance Framework

Page 26





Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>AUDIT AND GOVERNANCE COMMITTEE – 28<sup>TH</sup> JANUARY 2025</b>
Subject	<b>INTERNAL AUDIT PROGRESS REPORT</b>
Wards affected	N/A
Accountable member	Cllr Mike Every, Cabinet Member for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	David Stanley, Chief Finance Officer Email: david.stanley@cotswold.gov.uk
Report author	Lucy Cater, Head of Internal Audit Email: lucy.cater@swapaudit.co.uk
Summary/Purpose	To present a summary of the audit work concluded since the last meeting of this Committee.
Annexes	Annex A – Report of Internal Audit Activity 2024/25 Annex B – Agreed Actions Annex C – Draft Internal Audit Plan 2025/26
Recommendation(s)	That the Audit and Governance Committee resolves to:  1. Note the report
Corporate priorities	<ul style="list-style-type: none"> <li>• Delivering Good Services</li> <li>• Responding to the Climate Emergency</li> <li>• Delivering Housing</li> <li>• Supporting Communities</li> <li>• Supporting the Economy</li> </ul>
Key Decision	NO
Exempt	NO



# COTSWOLD

District Council

Consultees/ Consultation	(N/A)



## **1. EXECUTIVE SUMMARY**

- 1.1** The Council must ensure that it has sound systems of internal control that facilitate the effective management of all the Council's functions. The work delivered by SWAP Internal Audit Services (SWAP), the Council's internal audit service, is one of the control assurance sources available to the Audit, Compliance and Governance Committee, the Executive Leadership Team and Service Leadership Team and supports the work of the external auditor.
- 1.2** The Annual Internal Audit Opinion presented to the Audit, Compliance and Governance Committee provides an overall assurance opinion at the end of the financial year. This Internal Audit Progress Report, however, is designed to give the Audit, Compliance and Governance Committee the opportunity to comment on the work completed by the partnership and provide 'through the year' comment and assurances on the control environment.

## **2. BACKGROUND**

- 2.1** The Internal Audit Service is provided to this Council by SWAP Internal Audit Services (SWAP). SWAP is a local authority-controlled company.
- 2.2** The report attached at Annex A sets out the work undertaken by SWAP for the Council since the last meeting of this Committee. It follows the risk-based auditing principles and, therefore, this is an opportunity for the Committee to be aware of emerging issues which have resulted in SWAP involvement.
- 2.3** Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

## **3. MAIN POINTS**

- 3.1** The progress report enables the Audit Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.
- 3.2** We have finalised 6 audits since the last meeting of this committee
- Emergency Planning – Mid Substantial



- Data Protection and Data Breaches – Advisory
- Community Infrastructure Levy (CIL) – High Reasonable
- Members Allowances and Expenses – Mid Limited
- Levelling Up Funding – Mid Substantial
- Human Resources – Advisory
- Revenues and Benefits (Ctax and NNDR) – High Reasonable
- Revenues and Benefits (Ctax Support and Housing Benefits) – Mid Substantial

**3.3** We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned has been included for Members information.

**3.4** Attached at Annex C is the first draft of an Internal Audit Plan for 2025/26, for the Committee to consider, and feed into. We still need to conduct consultation with service areas for items to include in future plans. The final Internal Audit Plan will be brought to the Committee for approval in April 2025.

#### **4. FINANCIAL IMPLICATIONS**

**4.1** The Internal Audit Service is operating within the contract sum.

#### **5. LEGAL IMPLICATIONS**

**5.1** None directly from this report. Internal Audit reviews consider compliance with legislation relevant to the service area under review.

#### **6. RISK ASSESSMENT**

**6.1** Any weaknesses in the control framework, identified by Internal Audit activity, continues to threaten organisational objectives until recommendations are implemented.

#### **7. EQUALITIES IMPACT**

**7.1** Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and promote equality in relation to:

- Race
- Disability
- Gender, including gender reassignment
- Age



- Sexual Orientation
- Pregnancy and maternity
- Religion or belief

**7.2** The Council also has a duty to foster good relations, and to consider the impact of its decisions on human rights. The law requires that this duty to pay 'due regard' is demonstrated in the decision making process. Therefore your report should contain a statement as to whether the recommendation has a particular impact on any of the above groups

**7.3** Any reports that relate to new policies, procedures or services or changes to policies, procedures or services must be accompanied by an appropriate equalities impact assessment (EIA) which should be included as an annex. You can access further guidance and the EIA template [via the portal](#) and the Council's Equality Policy [on the website.](#))

## **8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**8.1** These will be reported if identified in any of our audits

## **9. BACKGROUND PAPERS**

**9.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Internal Audit Progress Reports

**9.2** These documents will be available for inspection online at [www.cotswold.gov.uk](http://www.cotswold.gov.uk) or by contacting democratic services [democratic@cotswold.gov.uk](mailto:democratic@cotswold.gov.uk) for a period of up to 4 years from the date of the meeting.

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# Cotswold District Council

## Report of Internal Audit Activity

January 2025

## Contents

The contacts at SWAP in connection with this report are:

**Lucy Cater**

Assistant Director

Tel: 01285 623340

[lucy.cater@swapaudit.co.uk](mailto:lucy.cater@swapaudit.co.uk)

**Jaina Mistry**

Principal Auditor

Tel: 01285 623337

[jaina.mistry@swapaudit.co.uk](mailto:jaina.mistry@swapaudit.co.uk)

- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

# Internal Audit Definitions

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

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



## Audit Framework Definitions

### Control Assurance Definitions

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

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

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



## Audit Framework Definitions

### Categorisation of Recommendations

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

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

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

### Definitions of Risk

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

## Summary of Audit Findings

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Appointment of Consultants	Final Report	Mid Reasonable	2	-	1	1	Reported in October
Operational	Accounts Payable – Qtly Review – 2023/24	Final Report	High Substantial	0	-	-	-	Reported in October
Operational	Emergency Planning	Final Report	Mid Substantial	1	-	-	1	Report Included
Governance	Data Protection / Breaches	Final Advisory Report	N/A	0	-	-	-	Report Included
Operational	Community Infrastructure Levy	Final Report	High Reasonable	2	-	1	1	Report Included
Operational	Members Allowances and Expenses	Final Report	Mid Limited	2	1	1	-	Report Included
Operational	Levelling Up Funding – UKSPF and RESF	Final Report	Mid Substantial	0	-	-	-	Report Included
Operational	Human Resources	Final Advisory Report	N/A	0	-	-	-	Report Included
Key Financial Control	Revenues and Benefits – Council Tax and NNDR	Final Report	High Reasonable	2	-	1	1	Report Included
Key Financial Control	Revenues and Benefits – Council Tax Benefit and Housing Benefits	Final Report	Mid Substantial	0	-	-	-	Report Included
Operational	Section 106s	Draft Report						
Follow-Up	Procurement Cards	In Progress						
Follow-Up	Taxi Licensing Safeguarding	In Progress						

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Operational	Planning Fee Obligations	In Progress	
Core Financial	Payroll	In Progress					Transactional Testing in Progress, Controls to be reviewed Quarter 4	
Governance	Data Retention	In Progress					Change review to become a project facilitated by IA	
Operational	CFEU	In Progress						
Operational	Accounts Payable – Qtly Review – 2024/25	In Progress						
Operational	Digital Exclusion	In progress						
Operational	Leisure and Culture Facilities	In Progress						
ICT	3 <sup>rd</sup> Party ICT Outage	Ready to Start						
ICT	Disaster Recovery – Revenues and Benefits	Delayed						
Grant Certification	Carbon Data 2022/23	Complete						
Support / Advisory	Support to Publica Transition Programme. <ul style="list-style-type: none"> <li>- Finance Workstream</li> <li>- HR Workstream</li> <li>- ICT Workstream</li> <li>- OnBoarding Meetings</li> </ul>	On-Going						

# Summary of Audit Findings

# APPENDIX C

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Support	Business Grant Funding – Aged Debt	On-Going	
Advisory	Procurement and Commissioning Group	On Going						
Advisory	Health and Safety Working Group	On Going						
Advisory	Risk Management Group	On Going						
Advisory	Project Management – Active Cotswold	On Going						
Advisory	Co-Ordination Team / Emergency Planning	On Going					Support to CDC’s Rest Centre and Co-Ordination Teams	
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							



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





# Emergency Planning – Final Report – December 2024

## Audit Objective

To provide assurance emergency planning processes are effective and support local communities in an emergency.

## Executive Summary



### Assurance Opinion

A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

### Management Actions

Priority 1	0
Priority 2	0
Priority 3	1
<b>Total</b>	<b>1</b>

### Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

## Key Conclusions



Review of Emergency Planning documentation found most of the links do not work, the Emergency Planning Officer advised this was due to having to move the documents because of migrating to Microsoft 365. All documents will be reviewed to ensure all links work, and the correct file location can be accessed.



- A manual training log is maintained.
- Publica Emergency Planning virtual training sessions are recorded for tactical and operational officers who cannot attend sessions.
- Locality emergency planning meetings are held quarterly and are recorded for officers who cannot attend.
- The Publica Emergency Response Guide (ERG) is on Resilience Direct (RD).
- Emergency planning documentation is held on Teams. Officers are advised they should have the latest version of all relevant documents printed to access in an emergency.
- The Council's Flood Plan is on RD.



- The Council constitution states the emergency planning function shall be sub-delegated to Publica.
- All CDC Gold (Strategic) Officers completed Multi-Agency Gold Incident Command (MAGIC) lite training in 2024.
- Emergency Planning Officers regularly attend the Local Resilience Forum (LRF). Recent emergency response exercises have been undertaken and debriefing and lessons learnt processes are in place.
- The Emergency Planning Contacts directory was last reviewed in October 2024.
- Emergency Planning Officers delivered REST centre team, Co-ordination team, and Duty officer and Duty manager training in March 2024, and Member training in June 2023.
- Training exercises to test Publica's local emergency response arrangements were held at CDC on 23/10/2024.

## Audit Scope

Discussions were held with the Publica Emergency Planning Officer and Publica Emergency Planning Specialist. Documentation and processes in place on behalf of the Council in the following areas were reviewed;

- Emergency plans and procedures - including roles and responsibilities and decision making.
- Training for emergency preparedness.
- Plan testing and training exercises.
- Information sharing with the Local Resilience Forum and communication with the public.
- Debriefing and lessons learnt.

Walkthrough testing of the web-based private network, Resilience Direct was also undertaken, and the Councils Flood Plan was checked to ensure it had been recently reviewed.

#### **Other Relevant Information**

The Terms of Reference's (ToR) with the LRF do not mention Publica officers acting on CDC's behalf, but the Emergency Planning Specialist advised this is in their service specification. The service specification and the agreement between the Council and Publica will need to be reviewed to reflect any changes to Civil contingency roles and responsibilities following the transition of services back into the council.

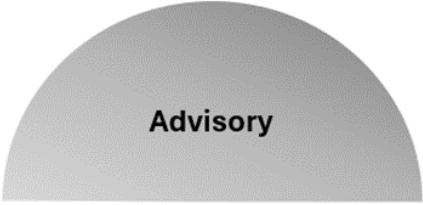
Engagement from Town and Parish councils is still inconsistent. The Emergency Planning Officer confirmed an event was held by the Gloucestershire LRF in September to try to increase the number of Community Emergency Plans.

There is a risk emergency planning services provided by Publica to the Council may be affected by the Publica transition and impact the ability to fulfil the Council's civil contingency role due to the loss of critical staff. This risk is identified in the Council's strategic risk register. The delivery of emergency planning services must continue to be considered throughout the transition process ensuring the service is adequately resourced and complies with the Council's legal responsibilities.

# Data Protection and Data Breaches – Final Report – December 2024

## Audit Objective

An advisory review in respect of Data Protection and the policies and process for Data Breaches.

	Advisory Report	Organisational Risk Assessment	High
	<p>The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations. Please see below for details of why an advisory report has been used.</p>	<p>Our audit work includes areas that we consider have a high organisational risk and potential significant impact.</p>	

## Introduction

This audit was undertaken following a request from Corporate Governance Group and was initially intended to be an assurance piece of work. However, as the Publica transition has the potential for significant changes to the data protection provision and governance arrangements, it was agreed that an assurance report wouldn't be beneficial at this time. We have therefore prepared this advisory report with an overarching agreed action which incorporates all key findings and observations for the Council to consider. We will plan a follow-up audit in 2025/26.

CDC is classed as a 'Data Controller' under UK GDPR, and as such, they have greater responsibilities than 'Data Processors' (e.g. Publica). In addition to the suggestions which address the key findings of this report, we have suggested a brief process for CDC to enhance controls for their Data Controller obligations. Please see the Information Commissioners Office (ICO) website for more details and guidance.

1. Data Processing Impact Assessments (DPIAs) – Complete/review DPIAs for all services to establish and map why and how personal data is processed.
2. Governance arrangements – Establish the specific CDC Data Protection structure and reporting arrangements. The DPIAs should be used to support this.
3. Documentation – Review and update documentation to reflect specific CDC processes. Ensure consideration to shared roles and data sharing agreements, especially in relation to 3<sup>rd</sup> parties.

The Data Protection team is currently 2 part time employees who report to the ICT Audit and Compliance Manager (designated Data Protection Officer (DPO) registered with the ICO for Cotswold District Council, 2 partner Councils and Publica). It is recognised that a greater part of the Data Protection team's work has been focussed on Subject Access Requests (SARs) and Freedom of Information (FoI) requests which makes proactive work on the data breach process and business as usual challenging. Management wants to stress that there have been major improvements to the availability of Data Protection information (UK GDPR) and data breach policies etc. on the Council website.

We have subsequently been advised that Data Protection reporting mechanisms are in the process of being transferred to the Business Manager – Business Continuity, Governance and Risk.

## Audit Scope

The audit included a review of:

- Policies and process for reporting/responding to a data breach
- Training provision for service areas
- The data breach register
- Data breach statistics
- Data breach communications

A data breach survey was issued to Assistant Directors, Business Managers and Heads of Service to provide additional insights.

## Key Findings

### Guidance for the Data Protection Team and Wider Organisation.

Whenever a data breach is reported, the Data Protection team must make assessments on risk, define remedial action and next steps. Decisions include:

- whether the breach should be reported to the ICO,
- which register the breach should be recorded on, and
- if they should be included in reporting statistics.

Our testing shows that there is an inconsistent process for dealing with reported breaches. For example, breaches on the register were not always supported with a completed form, risk assessments, and/or remedial actions noted. How breaches were communicated to stakeholders also varied. Data breach guidance is available to staff, but is in need of review and refresh, as errors and inconsistencies have been identified, these issues have been shared with the Data Protection Officer (DPO) and Chief Technology Officer (CTO).

**Suggestion:** Internal guidance/process notes detailing the steps to be taken when a data breach is reported should be developed for the Data Protection team. Developing this guidance will help to improve consistency and resilience and will support the development of any new team members.

A review and update of data breach guidance for the wider organisation should be undertaken to ensure the most up to date guidance is available to all staff.

**Response:** Data Protection will remain within Publica. An officer will be tasked with drafting guidelines and updating processes.

### Data Breach Register

At the time of testing of the data breach register identified errors and inconsistencies. The register is compiled from data submitted on reporting forms but completed forms or further supporting information was not available for some of the test sample. Full details of the anomalies identified have been provided to the DPO and CTO

Administration of the Data Breach Register has recently transferred to the BM – Business Continuity, Governance and Risk. Planned training (see section below), will help to ensure that all data breaches and near misses are reported through the correct process. IA can confirm that improvements have been made to the data reported in the data breach register.

**Suggestion:** The data breach reporting form and register should be reviewed and updated to ensure alignment with each other and with the Data Breach Policy. Updates to the form should ensure the parts to be completed by the reporter (e.g. description, date of the incident, etc) and the parts to be completed by the Data Protection team (e.g. unique reference, risk assessment, etc) are clearly marked.

Data Breach Registers are in need of review and refresh to ensure all data in respect of breaches, and near misses, are accurate and to allow for improved reporting arrangements.

**Response:** This will be included in the work being undertaken as above.

### **Data Breach Communication Arrangements**

There is no formal arrangement in place for reporting data breaches to Publica and/or Council Officers. Corporate Governance Group (CGG) had raised concerns about the number of data breaches, quality and lack of associated information provided.

**Suggestion:** To ensure that expectations for reporting data breaches are clear for the Data Protection team and the organisations they serve, the BM – Business Continuity, Governance and Risk should agree data breach communication requirements with the Monitoring Officer and other key stakeholders (e.g. AD's, Business Managers/Heads of Service). Agreed data breach communication arrangements, should be reflected within relevant documentation. A review and approval process should be established for data breach communication agreements.

**Response:** This will be included in the work being undertaken as above. Furthermore, a written report will be created, and presented, at Corporate Governance Group.

### **Senior Information Risk Owner (SIRO)**

The Data Breach Policy and related documentation references the SIRO and DPO as separate positions. But the DPO provided evidence to suggest that they currently have SIRO responsibilities, current ICO guidance suggests that these roles should be separate positions. With the transition of Publica services back into the Council, it may be appropriate to appoint a member of Senior Management to the SIRO role.

**Suggestion:** The Administration of Data Protection has been transferred to the BM – Business Continuity and Risk. The CDC CEO is now the designated SIRO, all associated documentation and public facing information should be updated to reflect this change.

### **Data Breach Training**

The Reporting of Personal Data Breaches Policy and Procedure states employees will be trained annually. Training is available on 2 separate platforms (Business Compliance Essentials and is included in some modules in Cyber Ninjas) and it is also included as part of induction training. But there is no requirement for annual completion for these courses. Survey results have highlighted that further data protection training would be beneficial. A respondent advised that when they feel it is a minor issue (for example when they need to redact a phone number or signature) they do not report it to the DPO. However, this approach breaches guidance that states a register of all breaches must be maintained. We have provided full details, to the DPO and CTO, of where improvements could be made to the Data Breach Training provision, to ensure a consistent approach/reporting is understood and followed by all. Cyber Ninjas refresher training has recently been rolled out to all staff for completion, elements of Data Protection are included in this training.

**Suggestion:** The Data Protection training provision should be reviewed and updated with consideration to the following:

1. Process for administering training.
2. Formal acknowledgement (e.g. electronic signature) of the Data Breach Policy.
3. Defining the action for follow-up of non-completion of training. The consequences for non-compliance should be clear.
4. Guidance for sharing information with 3rd parties including requirements for sharing with non-Publica/gov.uk email addresses.
5. Establishing a process for Identifying roles where additional data breach training is required.
6. Training provision communication process.
7. Any specific requirements for Councillors.
8. Alignment with relevant data protection policies.

### **Councillor's Training Completion**

Councillors are Data Controllers and have specific data protection responsibilities. Failing to understand these responsibilities significantly increases the risk of data breaches.

**Suggestion:** Councillors should be contacted and reminded of their responsibilities as Data Controllers. The Local Government Association has created specific Data Protection guidance for Councillors which could be used to support explaining responsibilities.

### **Summary**

Internal governance had not been sufficiently established for data breaches, therefore we provided suggestions which, if implemented, will support the creation of a solid foundation of accessible and accurate information, processes and procedures. This report has been updated to reflect the actions that have been implemented during the course of this audit. But if not all actions are implemented the Council risks financial penalties and reputational damage to both the Council (and Publica) from non-compliance with ICO reporting requirements.

# Community Infrastructure Levy– Final Report – October 2024

## Audit Objective

To provide assurance on the application of Community Infrastructure Levy legislation and the operational practices.

## Executive Summary



### Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

### Management Actions

Priority 1	0
Priority 2	1
Priority 3	1
<b>Total</b>	<b>2</b>

### Organisational Risk Assessment

Medium

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

## Key Conclusions



All staff are aware of their roles and responsibilities in respect of CIL, but these are not formalised in guidance. Documented roles and responsibilities would ensure the service continues to be provided during absence / staff changes.



The current method for requesting payment is through a Demand Notice which is legislated. However, a Demand Notice is not an adequate form of invoicing because it bypasses the financial system, preventing proper processing and oversight. The question still remains as to whether the Exacom IT System can formally track and monitor debt in the same manner as Accounts Receivable on Business World. Quarterly reconciliations mitigate some risk, but these should be formally approved by the Section 151 Officer.



The Planning Department has fully implemented processes to ensure the Community Infrastructure Levy is administered in compliance with legislation. Our audit review confirmed adequate procedures for liability identification, appeals, reconciliations, and reporting.

## Audit Scope

We reviewed the following areas:

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

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

## Additional Information

Extensive guidance is provided for staff and the public for CIL which is overseen by the Infrastructure Delivery Lead. Reporting occurs annually through the Infrastructure Funding Statement. To date, no CIL funds have been spent, though proposals have been submitted. Ongoing efforts ensure these proposals will meet CIL Funding criteria. Parish Councils are required to submit annual reports, detailing the CIL expenditures within their Parishes to the Council for publication on the website. While this process is generally being followed, the CIL Monitoring team is assisting some Parishes to ensure compliance with this requirement.

## Transition Advice

As the structure for Development Management and Forward Planning is confirmed in Phase One of the Transition, we would advise formally defining and documenting the Roles and Responsibilities concurrently to ensure the service is in accordance with the Council's requirements.

# Members Allowances and Expenses – Final Report – October 2024

## Audit Objective

To provide assurance that allowances and expenses claimed by Members are in accordance with Cotswold District Council’s Constitution and HMRC guidelines.

## Executive Summary

	<b>Assurance Opinion</b> The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.	<b>Management Actions</b>	<b>Organisational Risk Assessment</b>	<b>Medium</b>
		<b>Priority 1</b>	1	Our audit work includes areas that we consider have a medium organisational risk and potential impact.
		<b>Priority 2</b>	1	
		<b>Priority 3</b>	0	
		<b>Total</b>	2	

## Key Conclusions

	Budget monitoring is insufficient. One Member was paid an additional Special Responsibility Allowance for the 2023/24 financial year. This discrepancy was identified at the end of the year, necessitating repayment of £3,926.08. Although handled correctly, implementing regular budget monitoring and exception reporting would prevent future overpayments and ensure compliance with Financial Rules.
	Our expenses testing identified a significant lack of recorded evidence and proper authorisation by Council staff. This lack of oversight raises the risk of members overclaiming mileage, submitting claims for non-permissible journeys, or claiming for alcohol and non-compliant meals. It also prevents the accurate coding and reclaiming of VAT as per HMRC Guidance (VIT55400). Members should be reminded to attach all receipts to support their mileage and expenses claims, claims should not be approved without supporting evidence.
	The Members Allowances Scheme is appropriately approved, reviewed by an Independent Remuneration Committee and is up to date. It is also appropriately published on the Public Facing Website and is in line with Government Guidance.

## Audit Scope

Throughout this audit review, we covered the following key areas:

- Review of Members Allowances Scheme content.
- Approval of Members Allowances Scheme.
- Administration of Members Allowances and Expenses.
- Sample testing to confirm Allowances and Expenses are administered in line with Scheme.
- Budget Monitoring including Setting of Allowances, Authorisation of Changes and Main Accounting System monitoring.
- Governance surrounding Tithes.
- Coding and reclaiming of VAT on Members Expenses.

## Additional Information

Cotswold District Council comprises 34 members, of whom 17 receive a Special Responsibility Allowance (SRA). The total expenditure on Members' Allowances amounts to £324,733.05 annually, with an additional £4,427.70 spent on Member Expenses in the 2023/24 fiscal year.

At the recommendation of the Independent Remuneration Committee, an uplift of 5.84% (rounded upward from 5.74%) was implemented for Cotswold District Council members. This rise was worked out to be in line with the Local Government Pay Award 2023/24.

Given the potential for reputational damage, especially when issues arise that attract media attention, it is vital to maintain robust controls in this area. Please note, we were unable to test Carers or Childcare allowances as none are claimed. However, the arrangements for this are outlined in the Scheme.



# Government Grant Funding (UKSPF and REPF) – Final Report – December 2024

## Audit Objective

To provide assurance that Publica has processes in place that ensure proper administration of financial affairs relating to the UKSPF and REPF allocation awarded to Cotswold District Council.

## Executive Summary



### Assurance Opinion

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

### Management Actions

**Priority 1**

-

**Priority 2**

-

**Priority 3**

-

**Total**

**0**

### Organisational Risk Assessment

**Medium**

Our audit work includes areas that we consider have a medium organisational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level

## Key Conclusions



CDC's allocation and subsequent governance processes are sound and well documented, with Delivery Group meetings minuted to evidence this.



Expenditure is well monitored with evidence of regular and effective management oversight. Examples were seen of projects being proactively managed and reallocations made where necessary (in accordance with UKSPF/REPF criteria) to ensure funds were utilised for maximum benefit to businesses and communities.



We note that in respect of the RAU Growth Hub project, there remains £71,430 unspent out of an original allocation of £190,650. Failure to fully utilise this allocation by the deadline of March 2025 may necessitate the repayment of unused funds back to the Government. However, management are aware of the situation and are closely monitoring both expenditure and outputs/outcomes for this project. Therefore, no formal recommendation has been made.

## Audit Scope

We have reviewed the following processes:

- Allocating UKSPF and REPF funding, including approval of applications and decision-making processes at the Panel.
- Controls in place for making payments, including the checks made to ensure funds have been spent in accordance with the Investment Plan and UKSPF/REPF conditions.
- Processes in place to monitor expenditure.
- Management oversight of the administration of the fund.

We have undertaken data analysis on the reports requested below and undertaken walkthrough and sample testing to form an opinion on the effectiveness of the controls in operation.

## Other Relevant Information

Outputs and outcomes agreed with projects at the outset have been achieved for those initiatives which have completed already, whilst those in progress are making satisfactory progress which is monitored and reported upon monthly.


It is clear that allocations made in respect of both the UKSPF and REPF schemes have been utilised to great benefit to the community by local businesses and organisations. We noted that some projects were referred to by different names and would suggest that clarity may be improved by allocating reference numbers to projects.

# Human Resources – Final Report – December 2024

## Audit Objective

To provide assurance that staff absence management is operated in accordance with agreed policy/procedure and statutory regulations.


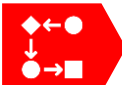


## Executive Summary

	<b>Assurance Opinion</b>	<b>Management Actions</b>		<b>Organisational Risk Assessment</b>	<b>Medium</b>
	The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations. Please see the conclusions box for details of why an advisory report has been used.	<b>Priority 1</b>	2	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
		<b>Priority 2</b>	1		
		<b>Priority 3</b>	1		
		<b>Total</b>	<b>4</b>		

**NB: The Key Conclusions below are a reflection of the audit at the time of fieldwork: April-June 2024.**

Since the audit, we have been advised that work has been undertaken to mitigate against the risks identified below. These areas have been addressed since the draft report was issued, and therefore have not been tested, but will be followed up as part of our standard follow up process.

## Key Conclusions

	There was no clear corporate monitoring of sickness absence reporting undertaken by HR at the time of the audit. Reliance was placed on managers recording absence data in the BW system correctly. As an HR system BW is limited, and there are a number of workarounds required to make it work as needed. Internal reporting may be based on unreliable data and could lead to flawed decision making.
	There are different approaches across Publica for the management and reporting of sickness absence. We have made some suggestions / observations which the Council could adopt for their management of sickness reporting. As well as risking reporting unreliable data, there is a risk of inaccurate sick pay, employees being treated unfairly, and reputational damage. Also, managers risk failing in their duty of care towards their team members.
	The Sickness Absence Policy and Procedure (2023) states that a self-certification form should be completed for sickness of seven calendar days or less. At the time of the audit this form had not been created, but it has since been finalised and introduced. Also, the form could be used as a basis for the return to work meeting allowing opportunity to discuss wellbeing and any concerns which may arise. And if there is challenge by an employee for example, reasons for/length of absences, etc, the form could be used as evidence.
	The guidance on the 'Managers Support' webpage of the Publica Portal requires updating. This risks managers following out of date guidance which may / may not agree with the 2023 approved policies and procedures.

## Audit Scope

The audit included a review of:

- Absence Management Roles and Responsibilities
- Absence Monitoring and Reporting
- Data Analytics to identify anomalies and/or confirm reporting is based on sound data.
- Sickness absence between September 2022 – February 2024 was analysed/tested.

A survey was issued to a sample of Assistant Directors, Business Managers and Heads of Service to provide additional insights on management, recording and monitoring of absences.



Training on administering both Sickness Absence policies was delivered to Managers in December 2023 following the wider review of all HR policies. All new managers will receive training on these policies and how to record absence in BW as part of their induction. All Managers we spoke to knew where to find relevant policies. Since the audit, a reminder has been issued to managers on the current process of sickness reporting.

## Summary

This audit was requested by the HR Manager and was initially undertaken as an assurance piece of work. However, as the Publica transition has the potential for significant changes to HR arrangements, it was agreed that an assurance report would not add value at this time.

Instead, we have prepared this advisory report and have agreed actions with the HR Manager for employees remaining in Publica.

Going forward each Council will need to consider arrangements for their own staff and so the findings from this review should help inform future arrangements for each of the Council's staff.

We suggest that the following observations are explored with a view to making the absence reporting and monitoring process more effective:

- Consideration could be given to amalgamating the Publica Sickness Absence Policy and Procedure (2023) with the Publica Long Term Sickness Absence Policy and Procedure (2023), so all sickness absence guidance is contained in one place and limits unnecessary duplication. This will help to ensure that there is no confusion over how sickness absence is managed. We have been advised that this is in progress, and a new (combined) policy will be available shortly to Publica and Council Officers.
- We accept that the BW system is not an intuitive HR system and that work arounds have had to be introduced, but if managers were given additional training and HR support to ensure everyone operates a consistent process, then perhaps an alternative system (Resident Services absence line) may not be required.
- But, if, in the future, a new management system is implemented, then it is essential that BW data is robust so as not to transfer inaccurate data into a new system.

Additional observations regarding employee welfare were identified as follows:

- There is no guidance available on the expectations surrounding how Managers should keep track of their team's whereabouts whilst hybrid working (working from home). Not knowing their whereabouts could have a detrimental impact on more than just the accuracy of sickness reporting.
- There is no standard way of ensuring that the whereabouts of Officers out in the field is accounted for, e.g., clocking in and out and using a check in/check out system between site visits. There is a risk that lone workers could be in danger during work time, and Publica would not know or be able to help. We have made the H&S Business Partner aware of this.

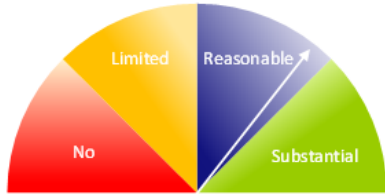
If the actions to address the key findings above are implemented, then this will help introduce a stronger control environment and improve the accuracy of data being reported. We will revisit this area to undertake a follow up review in due course.

# Revenues and Benefits (Ctax and NNDR) – Final Report – January 2025

## Audit Objective

To ensure key financial system controls are operating effectively for Council Tax and Business Rates and that opportunities for error, fraud or corruption are minimised.

## Executive Summary



### Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives.

### Management Actions

Priority 1	0
Priority 2	1
Priority 3	1
Total	2

### Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

## Key Conclusions



There are values in the Suspense Account dating back to 2020. Revenues and Benefits Officers will liaise with the S151 Officer to decide what action should be taken with historical suspense account entries.



Review of the 2024 Suspense Account found 2 negative values where corresponding positive values could not be identified. The Assurance Manager will liaise with colleagues in Finance to ensure all suspense account entries have an audit trail to support they have been transferred to the correct account.



1 agreed action from last year's audit is still outstanding. The Revenues Manager advised basic procedure guidance is being drafted and officer training will be completed by the end of 2024.



- There is no separation of duties when adding or removing a property in Civica, but evidence was supplied to support Revenues Officers reconcile properties in Civica to Valuation Office Agency (VOA) records.
- We received satisfactory responses to our testing queries.
- Evidence was supplied to support CTax discounts and exemptions are reviewed.
- Regular cash reconciliations are undertaken.

## Audit Scope

Discussions were held with Publica Revenues and Benefits Officers and evidence sought to support statements made. We reviewed the following.

- CTax/NNDR – Valuation process, and discounts and exemptions.
- Key control testing – financial reconciliations and variance reporting.
- Follow up of previously agreed actions.

Sample testing was undertaken on a random sample of CTax and NNDR accounts to ensure they had been applied in accordance with procedure.

### Other Relevant Information

The assurance we have given is specific to the areas we have reviewed this year.

There are a large number of closed accounts in credit at the Council, but evidence has been supplied to support work is being done to trace account holders and refund them. Analysis of closed Council Tax accounts in credit was undertaken in November 2022, and comparing this to the data provided for our 2024 audit we can report a 40% reduction of the number of closed accounts in credit. Consideration should be given to how long these credits remain on the system and how long officers spend trying to trace account holders before credits are written on, to ensure the benefits outweigh costs to the service area.

The Assurance Manager advised there are currently no quality assurance checks undertaken on valuations or discounts and exemptions due to how Civica is configured, but they plan to introduce these soon.

All NNDR discounts and exemptions are not reviewed at the Council; the Revenues Manager advised this is because they felt very few of them would change. Evidence was supplied to support Discretionary Rate Relief is approved by Members. And the Retail, Hospitality and Leisure Relief Scheme and Small Business Rate Relief are managed using Civica system parameters.

Sample testing found VOA wait times are impacting the time it takes for valuations to be confirmed in the Council systems.

# Revenues and Benefits (Ctax Support and Housing Benefit) – Final Report – January 2025

## Audit Objective

To ensure key financial system controls are operating effectively for Housing Benefits and Council Tax Support and that opportunities for error, fraud or corruption are minimised.

## Executive Summary



### Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives.

### Management Actions

Priority 1	0
Priority 2	0
Priority 3	0
<b>Total</b>	<b>0</b>

### Organisational Risk Assessment

Low

A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

## Key Conclusions



- Members have approved the 2024/25 CTS scheme.
- Quality Assurance checks are undertaken on HB and CTS claims.
- We received satisfactory responses to our testing queries.
- Evidence has been supplied to support reconciliations are undertaken.
- Evidence has been supplied to support HB overpayments are monitored.

## Audit Scope

Discussions were held with Publica Revenues and Benefits Officers and evidence sought to support statements made. We reviewed the following.

- HB & CTS – Application process, passported claims and evidence verification.
- Key control testing – financial reconciliations and variance reporting.
- Follow up of previously agreed actions.

Sample testing was undertaken on a random sample of HB and CTS claims to ensure they had been applied in accordance with procedure.

## Other Relevant Information

The assurance we have given is specific to the areas we have reviewed this year.

At the time of audit work (October 2024) there was an unexplained difference of £308.81 on the CTS reconciliation, and the Assurance Manager confirmed this would be discussed with the Publica Business Partner Accountant to identify and explain the discrepancy. At the time of report writing (December 2024) the Assurance Manager advised the account has been identified and a call has been raised with OpenRevenues.

During testing of housing benefit overpayments, we identified a few small values which had not been written off as expected. We were advised by the Benefits Team Leader these had been included in the next write offs to go to the S151 officer for approval.



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# Agreed Actions – January 2025

SWAP Action Tracker - Cotswold and Cheltenham Team

Analytics DB Access



## Open Management Actions

### Organisation

- Cotswold District Council
- Cheltenham Borough Council
- Cheltenham Borough Homes
- Cotswold District Council
- Forest of Dean District Cou...
- Publica
- West Oxfordshire District C...

Not yet due	Due within 30 days	1-30 days overdue	31-60 days overdue	61-90 days overdue	91+ days overdue	Total Actions
12	3	2	(Blank)	(Blank)	(Blank)	17

### Open Actions by Organisation

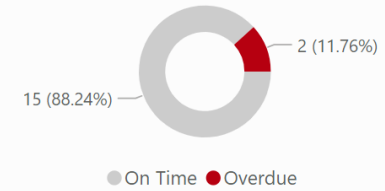
Priority ● 1 ● 2 ● 3



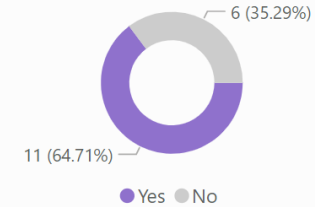
### Open/Closed Actions



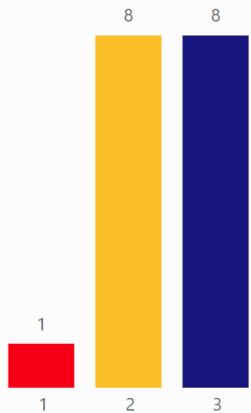
### Overdue Open Actions



### Open Actions with Extended Dates



### Open Actions by Priority



Open Agreed Actions - January 2025										
AP ID	ID	Audit Title	Issue Title	Issue Status	Period	Priority Score	AP Status	Original Timescale	Timescale	Follow-Up Assessment
3512	3291	CDC - Bank Reconciliation - 2023/24	Review of Suspense Accounts	Pending Remediation	2023/24	3	In Progress	31/03/2024	31/12/2024	Oct 2024: Timescale extended due to change in responsible officer Review or w/o has not been confirmed for CDC, but is hoping to have this in time for 2023/24 y/e accounts.
2984	2786	CDC - Property Services - Compliance and Health & Safety - March 2023	Central Property Database Accuracy	Pending Remediation	2023/24	3	In Progress	30/09/2024	31/05/2025	Dec 2024: The BM - Assets & Council Priorities advised that this action is in progress. An officer has been assigned to update the property management system with information for all properties. Timescale updated to reflect anticipated task completion and follow-up audit.
2987	2789	CDC - Property Services - Compliance and Health & Safety - March 2023	Risk Assessment (RA) for All Council Owned Properties	Pending Remediation	2023/24	2	In Progress	30/06/2024	31/05/2025	Dec 2024: The BM - Assets & Council Priorities advised that this action is in progress. An officer has been assigned to update the property management system with information for all properties. Timescale updated to reflect anticipated task completion and follow-up audit.
3545	3322	CDC - Revenues and Benefits - Council Tax and NDR - July 2023	Council Tax and NDR: Procedure Notes Require Review to Ensure Consistency	Pending Remediation	2023/24	3	In Progress	31/03/2024	31/12/2024	Oct 2024: The Business Manager - Environmental, Welfare & Revenue Service confirmed this is still ongoing due to work levels and resourcing. However, this will be progressed now that a Senior Revs Officer is in post.
3175	2968	PUB - ICT Business Continuity/Disaster Recovery 2023/24	ICT and Emergency Planning Formal Engagement and Alignment	Pending Remediation	2023/24	2	In Progress	31/03/2024	31/01/2025	July 2024: The CTO advised that this action has progressed but will not be completed until after the first phase of the Publica transition. The detailed Publica transition plan alludes to the fact that a long-term decision on managing emergency planning is required. Further alignment won't happen until this decision has been made. Timescale extended to January 2025 to check after the phase one transition has settled.
3854	3611	PUB - Risk Management 2023/24	Risk Maturity Self-Assessment has not been conducted.	Pending Remediation	2023/24	3	In Progress	31/03/2025	-	
3855	3612	PUB - Risk Management 2023/24	Improvements are required to Member scrutiny and reporting.	Pending Remediation	2023/24	2	In Progress	31/05/2024	31/03/2025	Oct 2024: Extended due to transition pressures.
3856	3613	PUB - Risk Management 2023/24	Risk Management Training is inadequate.	Pending Remediation	2023/24	2	In Progress	31/05/2024	31/03/2025	Oct 2024: Extended due to transition pressures on service.
3536	3313	PUB - Use of Waivers - 2023/24	Contract Waiver Report Templates	Pending Remediation	2023/24	3	In Progress	31/12/2024	31/03/2025	Dec 2024: The contract waiver report template will be updated to align with the new Procurement Act which is due to go live on 24th February 2025. Timescale updated.
3537	3314	PUB - Use of Waivers - 2023/24	Use of Waivers Training	Pending Remediation	2023/24	3	In Progress	31/12/2024	31/03/2025	Dec 2024: Training will be updated to align with the new Procurement Act which is due to go live on 24th February 2025. Timescale updated.
4447	4167	CDC - Appointment of Consultants - 2023/24	There is no induction or regular refresher training on Procurement for staff.	Pending Remediation	2024/25	3	In Progress	31/10/2024	31/03/2025	
4448	4168	CDC - Appointment of Consultants - 2023/24	There is no oversight or proactive reporting of consultants.	Pending Remediation	2024/25	2	In Progress	31/10/2024	31/03/2025	Nov 2024: The Contracts Register will be updated to comply with the new Procurement Act which is going live on 24/02/25. Therefore target date extended to 31/03/25.
5348	5005	CDC - Community Infrastructure Levy 2023/24	Roles and responsibilities are not formally defined in guidance.	Pending Remediation	2024/25	2	In Progress	31/01/2025	-	
5349	5006	CDC - Community Infrastructure Levy 2023/24	CIL Payment Requests.	Pending Remediation	2024/25	3	In Progress	31/01/2025	-	
5749	5389	CDC - Data Breaches - 2023/24	CDC Data Protection Suggestions	Pending Remediation	2024/25	2	In Progress	30/06/2025	-	
5346	5003	CDC - Members Allowances and Expenses 2024/25	Budget Monitoring.	Pending Remediation	2024/25	1	In Progress	28/02/2025	-	
5347	5004	CDC - Members Allowances and Expenses 2024/25	Evidence of Expense Claims	Pending Remediation	2024/25	2	In Progress	28/02/2025	-	

## Draft Internal Audit Plan 2025/26 – For Consultation

*It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.*

Core Audit Areas – Areas of Coverage and Brief Scope	Directorate
<b>Publica Controls and Transactional Testing – Annual Audits</b>	
<b>Core Financials – Publica Controls and Transactional Testing</b> <i>A review of the controls operating within Publica in respect of the Core Financial systems:</i> <ul style="list-style-type: none"> <li>• <i>Accounts Payable (Creditors)</i></li> <li>• <i>Accounts Receivable (Debtors)</i></li> <li>• <i>Treasury Management</i></li> <li>• <i>Bank Reconciliation</i></li> <li>• <i>Payroll</i></li> <li>• <i>Procurement</i></li> </ul>	<b>Business Services</b>
<b>Human Resources</b> <ul style="list-style-type: none"> <li>• <i>Human Resources</i></li> </ul>	<b>Organisational Effectiveness</b>
<b>Revenues and Benefits</b> <i>A review of the controls operating in respect of:</i> <ul style="list-style-type: none"> <li>• <i>Council Tax</i></li> <li>• <i>National Non-Domestic Rates</i></li> <li>• <i>Housing Benefit and Council Tax Support</i></li> </ul> <i>Scope to be confirmed</i>	<b>Residents’ Services</b>
<b>ICT Audits</b> <i>Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager</i>	<b>ICT</b>
<b>Governance</b> <i>Risk Management</i> <i>Emergency Planning and Business Continuity</i> <i>Freedom of Information and Complaints</i> <i>Equality and Diversity</i> <i>Performance Management</i>	<b>Risk Management and Governance</b>
<b>Regulatory Services</b> <i>A review of either Licensing / Environmental Health</i> <ul style="list-style-type: none"> <li>- <i>Public Protection Income Streams, budget monitoring, reconciliations</i></li> </ul>	

<b>Proposed Audit Areas – Areas of Coverage and Brief Scope</b>	
<b>Council Audits</b>	
<b>Core Financials</b> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Strategic Finance</li> </ul>	
<b>Business Grant Post Payment</b> <i>Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS</i>	
<b>Wellbeing Support Available to Staff</b> <i>Assessment of support available to staff during transition to Council</i>	
<b>Data Maturity Assessment</b> <i>Assessment of how the Council manages its data against the Data Maturity Framework</i>	
<b>Climate Change</b> <i>Follow-Up of 2023/24 audit and assessment of the Councils' commitment to Carbon Reduction targets / Climate Emergency</i>	
<b>Carbon Reduction</b> <i>Review to assess how carbon data is measured ensuring the Council continues to meet its commitment to carbon reduction.</i>	
<b>Planning Performance Agreements</b> <i>Review control and transparency of Planning Performance Agreements</i>	
<b>Planning Guarantee Data</b> <i>Scope TBC</i>	
<b>Compliance with Building Control Safety Regulations</b> <i>Scope TBC – but meeting arranged with HSE for information gathering</i>	
<b>Biodiversity – Compliance for Councils</b> <i>Review to ensure the Council is meeting its obligations in respect of Biodiversity Legislation. Biodiversity Net Gain</i>	
<b>Section 106s</b> <i>Follow-Up of 2023/24 Audits to include review of fess and charges and declarations of interest</i>	
<b>Forward Planning</b>	
<b>Planning and Enforcement</b>	
<b>Housing Strategy and Enabling</b>	
<b>Household Support Grants</b> <i>Ensure payments made from Government Funding have been allocated / spent in accordance with guidance (Foodbank / Baby Account)</i>	
<b>Community Alarms</b>	
<b>Preparedness for the switch from Analogue to Digital</b>	

Ensure preparedness of the Council for services the switch from analogue to digital will affect e.g. lift telephones, fax machines etc	
<b>Property and Estates (Compliance and Health and Safety)</b> <i>Follow-Up of 2023/24 Audits</i>	
<b>S106 Agreements</b> <i>Follow-Up of 2024/25 Audit</i>	
<b>Data Protection / Breaches</b> <i>Follow-Up of 2024/25 Audit</i>	
<b>Human Resources</b> <i>Follow-Up of 2024/25 Audit</i>	
<b>Publica Transition Programme</b> <i>Time allocated to support the Publica Transition Programme and Workstreams</i>	
<b>Programmes and Projects</b> <i>Time allocated to support Council Specific Programmes and Projects</i>	
<b>Proposed audits will be considered, during the year, and discussed with Council Managers and Directors, Publica Business Managers, and Council Statutory Officers to confirm scope, timing and if it remains appropriate to undertake the audit. Liaison meetings will also identify any further areas (not included above) that would benefit from an Internal Audit Review. The Audit Plan will be updated, and agreed with the CFO as necessary.</b>	
<b>Further requested assurance / advisory / support work</b>	

## Other Audit Involvement

### **Management**

*Preparation of IA Monitoring Reports and preparation and attendance at Audit Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFO and Management Team. IA Team Liaison Meetings.*

### **Follow-Up Audits**

*Follow-Up of Previous Year's Agreed Actions*

### **Programmes and Projects**

*IA support to programmes and projects as appropriate (to include Environmental Services Improvement Programme ESIP)*

### **Specialist Groups**

*IA attendance at specialist groups e.g. Health and Safety Working Group, Procurement and Commissioning Board*

### **Grant Certification**

*Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)*

### **Working with the Counter Fraud and Enforcement Unit**

*Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings*

### **Contingency**

*Provision for new work based on emerging risks and Investigations.*

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

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