

**DRAFT**  
**Colchester City Council**  
**Annual Governance Statement – Action Plan for 2023/24**  
**Interim Review January 2024**

**Significant Internal Control Issues – Relating to 2022/23 Financial Year**

No.	Issue	Action	Due Date	Responsible Officer	Position Update
1.	<p><b>Implementation of the CBH Independent Review Recommendations</b>            Work is already underway on implementing the recommendations that were made in the external report. However, it is appropriate that the review is highlighted on the AGS action plan for 22/23, to ensure that the momentum of the delivery of the recommendations is maintained</p>	<p>The result of the independent review will continue to be implemented and monitored, with regular reporting to the Governance &amp; Audit Committee during 2023/24.</p>	31/03/24	Executive Director, Place	<p>The Oversight Group agreed at their meeting on 31 August 2023 that all actions in the CBH Independent Review have been completed.</p>
2.	<p><b>The CIPFA Financial Management Code</b>            CCC is facing extreme pressures from the impacts of the external financial climate. A delay in completing the self-assessment could mean that opportunities to strengthen financial arrangements are missed.</p>	<p>Completion of the self-assessment against the code.</p>	31/12/23	Director of Finance	<p>Due to pressures within the team the self-assessment has not yet been completed and will be reviewed as soon as possible, in the first half of 24/25.</p>

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3.	<p><b>Review of the Capital Programme</b> Colchester City Council has an ambitious development programme with significant capital projects planned. External factors such as the financial climate and supply chain issues have had an impact on the ability to deliver the planned projects.</p>	<p>Complete a fundamental review of the Capital Programme as set out in the recommendations of the Peer review, focusing on risks and planning to ensure there is appropriate strategic finance, resources, programme and project capacity to deliver the programme.</p>	31/12/23	Strategic Director	<p>A thorough review of the Councils Capital Programme has taken place over the last 12 months. As a result, The Capital Programme has reduced in size with pause or removal of some projects, resulting in reduced borrowing requirements in year which has supported the budget challenges.</p> <p>A robust gateway process has been put in place overseen by a new Programme Management Office. Our Programme Delivery Group, along with the PMO, now monitors performance along with risks and any new additions to the programme. Improved reporting and transparency of the programme has been implemented including new reporting format for Audit and Governance, and a Members Workshop in the Autumn provided the opportunity to go through projects in detail. A new Northern Gateway Board has been commissioned to review the entire programme and a review of the councils Assets started following initial findings in the early stages of the capital review. This CIPFA led Asset review is ongoing and will result in a new strategic approach and a change to a Corporate Landlord model of delivery.</p> <p>The Capital review will finalise with a reset of the programme alongside the new budget in February 2024.</p>

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4.	<p><b>External Audit Implications – Carried forward from 2021/22</b>            Whilst the Council cannot control the delivery of the external audit of the accounts, The Use of Resources assessment (that provides detail on areas of suggested improvement) for 20/21 has still not been received. The failure of the External Audit contractor to deliver a timely service in assessing the Council’s accounts could potentially mean that a financial governance issue is not resolved, and ultimately may impact on external assessment and partner challenge.</p>	<p>Pressure will continue to be applied on the External Auditors to deliver the reports. This is an issue that is affecting many authorities currently, and the Council will continue to monitor national actions relating to external audit delivery.</p>	<p>On-going</p>	<p>Director of Finance</p>	<p>On-going, the situation continues to be monitored.</p>
5.	<p><b>Company Governance – Carried forward from 2021/22</b>            The Council’s holding company, Colchester Commercial Holdings Ltd, has now been operating for four years. It is therefore appropriate that the governance arrangements for the company are reviewed to ensure that they are operating as anticipated, in particular financial governance processes. This includes systems in place at the company, including financial management and reporting, as well as board responsibilities and skill set.</p>	<p>The results of the independent reviews of CCHL will continue to be implemented by the ‘Shareholder Team’, made up of the Interim Chief Executive of CCHL and senior council officers, and monitored with regular reporting to the Governance and Audit committee during 2023/24.</p>	<p>31/03/24</p>	<p>Executive Director, Place</p>	<p>The recommendations are being implemented, with significant actions such as the hibernation of CAEL and the proposed future strategy for the Amphora companies having been agreed on 22 November 23 by Cabinet. G&amp;A receive regular updates and these are scheduled to continue in to 2024/25.</p>