



# Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ  
Tuesday, 16 January 2024 at 18:00**

**The Governance and Audit Committee** considers and approves the Council's Statement of Accounts and reviews the Council's annual audit letter. The Committee also deals with the Council's governance, risk management and audit arrangements. To make recommendations to the Council on functions such as Elections and bye laws, and determine Community Governance Reviews.

## Information for Members of the Public

### Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

### Have Your Say!

The Council welcomes contributions and representations from members of the public at most public meetings. If you would like to speak at a meeting and need to find out more, please refer to the Have Your Say! arrangements here: <http://www.colchester.gov.uk/haveyoursay>.

### Audio Recording, Mobile phones and other devices

The Council audio records public meetings for live broadcast over the internet and the recordings are available to listen to afterwards on the Council's website. Audio recording, photography and filming of meetings by members of the public is also welcomed. Phones, tablets, laptops, cameras and other devices can be used at all meetings of the Council so long as this doesn't cause a disturbance. It is not permitted to use voice or camera flash functions and devices must be set to silent. Councillors can use devices to receive messages, to access meeting papers and information via the internet. Looking at or posting on social media by Committee members is at the discretion of the Chairman / Mayor who may choose to require all devices to be switched off at any time.

### Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, using the contact details below and we will try to provide a reading service, translation or other formats you may need.

### Facilities

Toilets with lift access, if required, are on each floor of the Town Hall. A water dispenser is available on the first floor.

### Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,

## **Governance and Audit Committee - Terms of Reference (but not limited to)**

### **Accounts, Audit, Risk and Counter Fraud**

To consider and approve the Council's Statement of Accounts and the Council's financial accounts, and review the Council's external auditor's annual audit letter.

To consider the findings of the annual review of governance including the effectiveness of the system of internal audit and approve the signing of the Annual Governance Statement.

To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan and work programme, and to approve the policies contained in the Council's Ethical Governance Framework.

### **Miscellaneous regulatory matters**

To make recommendations to Council on functions such as elections, the name and status of areas and individuals, and byelaws.

To determine and approve Community Governance Reviews.

An overview of the Council's complaint handling procedure and Local Government and Social Care Ombudsman investigations.

### **Shareholder Committee for Council owned companies**

To consider, review and make recommendations to Cabinet regarding the activities and financial performance of Colchester Commercial (Holdings) Limited, its subsidiary companies and Colchester Borough Homes Limited.

Consider an annual review of the business plans of Colchester Commercial (Holdings) Limited (including its subsidiary companies) and performance of the companies including delivery of the dividend; and the Annual Report, Governance Statement and performance of Colchester Borough Homes Limited.

The creation of any arrangements for any future Council owned company including activities and performance.

### **Standards**

To consider reports from the Monitoring Officer on the effectiveness of the Members' Code of Conduct, and to advise the Council on the adoption or revision of the Code.

To receive referrals from the Monitoring Officer into allegations of misconduct and to create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.

To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor.

To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.

To grant dispensations, and to hear and determine appeals against refusal to grant dispensations by the Monitoring Officer.

To make recommendations to Council regarding the appointment of Independent Persons.

### **General**

To review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

**The complete Terms of Reference of the Governance and Audit Committee are contained within the Council's Constitution.**

**COLCHESTER CITY COUNCIL**  
**Governance and Audit Committee**  
**Tuesday, 16 January 2024 at 18:00**

**The Governance and Audit Committee Members are:**

Councillor Chris Pearson	Chair
Councillor Paul Smith	Deputy Chair
Councillor Paul Dundas	
Councillor Dave Harris	
Councillor Alison Jay	
Councillor Sara Naylor	
Councillor William Sunnucks	

**The Governance and Audit Committee Substitute Members are:**

All members of the Council who are not Cabinet members or members of this Panel.

**AGENDA**  
**THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING**  
**(Part A - open to the public)**

**Please note that Agenda items 1 to 6 are normally dealt with briefly.**

**1 Welcome and Announcements**

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

**2 Substitutions**

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

**3 Urgent Items**

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

**4 Declarations of Interest**

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other registerable interest or non-registerable interest.

**5 Minutes of Previous Meeting**

The Councillors will be invited to confirm that the minutes of the meeting held on 28 November 2023 are a correct record.

**Draft Governance and Audit minutes - 28 November 2023**

9 - 18

**6 Have Your Say! (Hybrid Council meetings)**

Members of the public may make representations to the meeting. This can be made either in person at the meeting or by joining the meeting remotely and addressing the Committee via Zoom. Each representation may be no longer than three minutes. Members of the public wishing to address the Committee remotely may register their wish to address the meeting by e-mailing [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk) by 12.00 noon on the working day before the meeting date. In addition, a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.

There is no requirement to pre-register for those attending the meeting in person.

**7 Verbal update from the Council's S151 Officer with regard to the Council's statement of accounts.**

The Committee will receive a verbal update from the Council's S151 Officer with regard to the Council's statement of accounts.

**8 Interim Review of the Annual Governance Statement 22/23 Action Plan**

19 - 24

The Committee will consider a report which reviews the implementation of the actions highlighted on the 2022/23 Annual Governance Statement (AGS), which was reported to the Governance and Audit Committee in June 2023.

**9 Risk Management Progress Report**

25 - 36

The Committee will consider a report providing members with an overview of the Council's risk management activity during the period from 01 April to 30 September 2023.

**10 Annual Review of Business Continuity**

37 - 50

The Committee will consider a report providing Members with an overview of the of the Council's business continuity activity for the period from 01 January 2023 to 31 December 2023

- 11 **Mid-Year Internal Audit Assurance Report 2023/24** 51 - 90  
The Committee will consider a report summarising the performance of Internal Audit, and details the audits undertaken, between 1 April and 30 November 2023.
- 12 **Work Programme 2023-2024** 91 - 94  
The Committee will consider a report setting out its work programme for the current municipal year.
- 13 **Exclusion of the Public (not Scrutiny or Executive)**  
In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

**Part B**  
**(not open to the public including the press)**





## GOVERNANCE AND AUDIT COMMITTEE

28 November 2023

*Present:-* Councillor Chris Pearson (Chair)  
Councillor Dave Harris, Councillor Alison Jay, Councillor William Sunnucks

*Substitutions:* Councillor Carl Powling for Councillor Paul Dundas  
Councillor Dennis Willetts for Councillor Sara Naylor

*Also Present:-* Councillor David King, Councillor Mark Cory

### **390. Review of Polling Districts and Polling Places**

The Committee considered a report requesting that it recommended to Full Council a revised schedule of polling districts and polling places within the City of Colchester area.

The Committee were advised that the Chair of the Committee had decided to deal with item 9 on the agenda at the start of the meeting due to time pressures on the Officers involved in these items.

Andrew Weavers, Head of Governance and Monitoring Officer attended the meeting to present the report and assist the Committee with its enquiries. The Committee heard that each Local Authority was required to undertake periodic reviews of its polling districts and polling places districts for parliamentary elections, and that these reviews took place every 5 years. Accordingly, the Council should be commencing a review at the present time, however, an electoral review by the Local Government Boundary Commission was currently in its early stages for Colchester, and the Commission had advised that it was not appropriate to undertake a full review of polling districts and polling places at this time. A full review of polling districts and polling places would be conducted in 2026. The Council had, however, taken the opportunity to undertake a public consultation in respect of polling districts and polling places, and as a result of this some changes were proposed to a number of polling places to ensure that each polling place was suitable and as accessible as possible for voters. The proposed changes which had been consulted on were listed in the Officer's report, and the Committee was requested to commend these to Full Council.

Councillor Sam Mclean attended the meeting and addressed the Committee in accordance with the Council's Have Your Say! procedures. He considered that

democracy was priceless and any disruption to day-to-day life in the interests of democracy was worth it. Where disruption could be avoided, however, then it should be, particularly in relation not the use of schools as polling stations. It was considered that a school should not be used as a polling station when other suitable venues were available nearby. Hamilton Primary School was situated in his ward, and the Head Teacher, pupils and parents of pupils at the school did not want it to be used as a polling station, and its' proposed replacement as a polling station was fully supported by Councillor Mclean.

A Committee member supported the comments of Councillor Mclean in respect of the use of schools as polling stations, and was pleased to note that a polling station in his ward had been moved from a school to a local croquet club. The contents of the Officer's report were welcomed.

A Committee member considered that the reference in the Officer's report to Willows & Monkwick and Barnhall Polling Districts was a typographical error, and requested clarification on this point. Although he considered it sensible for Rainsborowe Road and Shrub End constituents to vote at the C3 Centre, he did not support the proposal to move AA Berechurch voters to this location. The Officer's report stated that the C3 Centre had adequate parking but he disputed this, pointing out that the Abbey Field Medical Centre shared this car park, and was very busy during the daytime. The proposed move would now require AA Berechurch voters to cross the busy Berechurch Road to vote at the C3 Centre as opposed to their previous polling station at Plum Hall, which would make it much more difficult for them to vote in person. He had been approached by a number of his constituents who had indicated that they did not wish to use a postal vote, but due to mobility issues would find it very difficult to vote at the new location of the C3 Centre. He noted that Plum Hall was owned by Colchester Borough Homes, and queried the wisdom of incurring the expense of moving to another polling station when voters were happy with the current arrangements, particularly those who would struggle to cross the busy main road to vote. Although supportive of the other proposals in the Officer's report, he could not support this particular change, and would be voting against the suggestions for this reason. Commenting on another polling station, St Margaret's Church Hall Stansted Road, it was suggested that this building needed to have disabled access at the front, and requested that consideration be given to installing a ramp to address this issue as this was an old building with limited access.

The Chair of the Committee did share some of the concerns which had been raised, but considered that, on balance, there were advantages to moving the polling station away from Plum Hall. Parking was limited at this venue as well, and he had concerns about the safety of residents there with strangers appearing throughout the day to vote. A member of his political group had requested that the proposed move of a polling station in Greenstead to the Hythe Community Centre be reconsidered, as it was thought that this move would lower voter turnout. Could a portacabin situated in the carpark of a local supermarket be used instead?

In response to the questions from the Committee James Bennett, Electoral Services Team Leader, confirmed that the reference to Barnhall alongside Monkwick in the

Officer's report was a mistake, and the entry should simply read 'Willows & Monkwick'. With regard to the suggestion that a ramp be installed at St Margaret's Church Hall, it was unlikely that the Council would be able to fund the installation of a permanent ramp, however, the possibility of obtaining a temporary ramp to assist on polling day would be investigated. The Committee heard that it was recognised that the proposed change of polling station from Plum Hall to the C3 Centre had advantages and disadvantages. One of the principal concerns about the continued use of Plum Hall was the poor access to the polling station, which was through a residential corridor onto which peoples' front doors opened, to a communal area on the residential site. Although the problems with parking and crossing the road to the C3 Centre were recognised, it was considered that on balance the use of the C3 Centre was the more preferable option. The suggestion that a portacabin be used as a polling station in Greenstead had been considered, but this was not thought to be suitable from a safety point of view, or as a suitable venue to run an effective polling station from. The use of such a polling station would only be considered in an emergency, and not for routine use.

*RECOMMENDED TO COUNCIL* that:

- The revised schedule of polling places set out in Appendix A, and the explanation of changes contained at Appendix B of the Officer's report be approved.

*RESOLVED* that:

- The Returning Officer be granted delegated authority to approve an alternative polling place if any polling place becomes unavailable or found to be unsuitable in the run up to an election.

### **391. Colchester Commercial (Holdings) Limited Annual Report**

The Committee considered a report presenting to it Colchester Commercial (Holdings) Limited (CCHL)'s Annual Report.

Richard Carr, Interim Managing Director- Amphora, attended the meeting to introduce the report and assist the Committee with its enquiries. The report which was before the Committee sought to go beyond the specific requirement for CCHL to share its Annual Report with the Committee, although this Report was contained at Appendix 1 to the report. Audited accounts for the period 2022/2023 were also appended to the report, and the report also sought to provide a picture of the current financial position of CCHL in the first 6 months of the financial year. The Committee was reminded, however, that as part of the strategy for the Amphora companies which had been approved by Cabinet in the previous week, the appraisal of options for Colchester Fibre was an important piece of work which had yet to be completed, and which could have an impact on income figures. A 1 year budget had also been proposed for the forthcoming financial year, and it was explained to the Committee

that the reason for this as opposed to a full business plan was linked to the need to carry out a fundamental review of the options for Colchester Fibre.

The Committee was advised that the approach which was being taken towards income in the forthcoming financial year was cautious, to ensure that figures were realistic and not the subject of conjecture. The opportunity had been taken to rebase the proposed management fee, which was the fee paid by the Council to Amphora, to ensure that it was based on cost recovery in a way which was open and transparent to all. Adjustments were also proposed to the way that Amphora collected an overhead charge from the Council.

A Committee member voiced his support for the decisions which had been made in respect of Colchester Amphora Energy Limited (CAEL), but had the Council understood all the implications of placing this company into hibernation? The decision to carry out this action had been made at the meeting of Cabinet the preceding week, and it was considered that there could be some big impacts on the General Fund. It was noted that £1.7m had been lent to CAEL, and although there had been hopes that the company would be successful, consideration now needed to be given to the potential recovery of this money, possibly through the sales of assets which were on CAEL's balance sheet. It was noted that a grant had been received, would this need to be repaid once the company had been made dormant? It was pointed out that the biggest assets were sitting on the Council's balance sheet and it was essential to consider the financial implications of decisions which were taken in relation to the Amphora companies.

The Chair of the Committee noted that detailed information had been provided in response to a number of questions which had been asked of the Deputy S151 Officer prior to the meeting, and these questions and answers would be shared with the whole Committee after the meeting.

Andrew Small, S151 Officer, advised the Committee that the hibernation of CAEL was an unusual activity, and concerned assets which were difficult to value. Technical advice was being sought to allow the proper accounting entries to be made. In terms of the grant which had been received, the current position was that the repayment of this grant was not being sought, but it was recognised that this did represent a risk. It was hoped that it would be possible to retain the grant and the work which had been carried out could be offset against this to maintain a neutral cash position.

The Committee considered that it had been forensic in its analysis of CCHL and had ensured that reports had been regularly presented to it for oversight and review. An oversight group had also been established, with the Interim Managing Director of CCHL steering this. There had been a recognition that additional work was needed on the Amphora Group companies and CCHL, and the responsibility for this oversight had been undertaken by the Committee, with the support of the Leader of the Council and the Chief Executive. There had been a recognition that decisions had needed to be taken quickly to reduce the risk posed to the Council as quickly as possible. The Committee would maintain its level of oversight as events progressed.

The level of improvement in reporting to the Committee over the previous year was appreciated, with accounts now being provided to the Committee for analysis. It was requested that an additional report be presented to the Committee once the impact on the General Fund had been determined, as the Council had limited reserves to draw upon.

The Committee enquired how quickly the company which had been placed into hibernation could be re-activated to take advantage of any advantageous changes in the market, and the Interim Managing Director confirmed that taking the company itself out of hibernation could be achieved very quickly. The slowest part of the process would be decision making which preceded such a re-activation.

A Committee member asked why a hefty management fee was paid to the Amphora companies, which then paid a dividend back to the Council. Why not pay a smaller management fee, and receive no dividend? The Interim Managing Director of Amphora believed that this was a fundamental issue. He believed that when the Council's wholly owned companies were originally set up, the intention had been to sell on expertise which was contained within the companies to other parties, but in practice this had not happened due to capacity issues. In terms of future arrangements, the intention was to apply the principle that where Amphora was involved in activities exclusively delivered back to the Council, there was some merit in thinking about the arrangement which generating a dividend because this would constitute income which would not otherwise have been available.

A member of the Committee indicated that he had a large number of questions for the Officers, and at the Chair's suggestion agreed to email these to Officers and the Committee after the meeting.

In discussion, the Committee noted that the average pay of Amphora employees appeared to be low based on the figures contained in the Officer's report, what was the reason for this? The Interim Managing Director – Amphora, considered that pay levels reflected the varied nature of services which CCHL had historically delivered. With some services, the intention had been to recruit very highly qualified individuals, whereas other services were more dependent on casual workers, for example within the Events function. The overall salary levels were impacted by more casual staff working within the CCTV and Helpline functions. It was clarified to the Committee that across Helpline and CCTV there were 36 employees and others in the Event Business were paid on an hourly rate when they worked.

In response to a question from the Committee, Pam Donnelly, Chief Executive, confirmed that the Council had recruited a member of staff to provide interim support who had specialist expertise, and who had the responsibility of bringing in staff from Amphora and Colchester Borough Homes into the Council's new, more centralised model, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) report which had been provided earlier in the year. This would grant the Council control of its assets and the ability to make decisions about future investment, and the disposal of, or alternative use of, these assets. Updates would be provided to the Committee as this work progressed through the year.

The Committee noted that a lot of work had been undertaken in respect of CCHL over the preceding 12 months, and this work was ongoing. The control and oversight of the Council's assets would sit within the Council itself under leadership and management arrangements which were currently being determined.

*RESOLVED* that:

- The Colchester Commercial (Holdings) Limited Annual Report 2022-23 be noted.
- The Colchester Commercial (Holdings) Limited Group Final Accounts for 2022-23 be noted.
- The half year financial position of Colchester Commercial (Holdings) Limited and its subsidiary companies be noted.
- The Amphora budget proposals for 2024-25, submitted on behalf of the Colchester Commercial (Holdings) Limited Board be noted.

### **392. Quarter 2 Budget Monitoring Report**

The Committee considered a report setting out the 2023/24 General Fund and Housing Revenue Account positions, for both revenue and capital, as of 30 September 2023.

Chris Hartgrove, Deputy S151 Officer, attended the meeting to introduce the report and assist the Committee with its enquiries. The report before the Committee set out the financial position for Quarter 2 of the financial year 2023/2024, based on information available as at 30 September 2023, and covered the position for both the General Fund (GF) and the Housing Revenue Account (HRA). In common with other local authorities, the City Council was facing a number of financial challenges, and a GF net revenue overspend of £1.447m was forecast. The Quarter 2 forecast overspend reflected a projected overspend of £3.266m on Service Budgets, however, this was offset by a projected underspend of £1.81m on Capital Financing costs. Following the recent pay award negotiations which had been undertaken, if a pay award was settled in accordance with the offer which had been made, this would add a further £600,000 to the GF revenue budget pressure.

A range of challenges had been identified within Corporate Services, with a forecast overspend of £1.123M which was attributable to a number of factors including a shortfall in Amphora dividends of £289,000. The biggest single spending pressure related to the Council's homelessness service which had experienced a surge in demand which was driving a projected overspend of £860,000. There was also a projected shortfall of £551,000 in relation to garden waste income which was due to technical accounting requirements which required income received late in 2023/2024 to be spread over more than 1 financial year.

The GF funding position for 2023/2024 was summarised in the Officer's report, and the Committee was asked to note that that the Council had received £204,000 in Revenue Support Grant, which had not been assumed in the original budget.

Itemised forecasts for all reserves were now included in the information which was before the Committee, and the £3.943m use of reserves was also reconciled. Opening and closing balances were, however, withheld at this stage, pending the finalisation of the statement of accounts for 2022/2023. The HRA budget was projected to be on course to protect the HRA balance of approximately £4.6m, as illustrated in the Officer's report.

Capital spending continued to be subdued, with an underspend of £33.52m forecast, and Officers from the Council and Colchester Borough Homes were carrying out an in-depth review of the HRA Capital Programme, and a full update on this position would be included in the Quarter 3 update report which would be presented to the Committee.

The Committee praised the clarity of the information which was presented in the Officer's report, and considered that the Council's financial position was accordingly set out in a manner which made it easier to comprehend.

A Committee member considered that it was of critical importance that the Council's deficit spending was understood in detail, and in particular how long the Council could continue to operate in this way before it ran out of reserves. It was noted that the Council was deficit spending at £3.943m in the current financial year, and an additional £600,000 would be added to this figure as a result of the agreed pay award. It was essential that the amount of Council reserves which were to be used to support deficit spending were identified over the coming months.

Andrew Small, S151 Officer, attended the meeting and advised the Committee that the objective was to bring forward a balanced budget which did not necessarily rely on the use of reserves, unless this was appropriate. The fact that there was an overspend in the current financial year did not necessarily mean that reserves would continue to be used at this rate in future years.

Councillor Cory, Portfolio Holder for Resources, attended the meeting and addressed the Committee. He assured the Committee that the Council's current use of reserves was not normal, and it was not intended that this be continued in the future. The Council had faced a number of one-off financial pressures in the current financial year, such as the garden waste revenue being accounted for in the budget for the forthcoming financial year. The Council also faced medium term, longer term and recurring pressures, and the requirement to spend more would be reflected in forthcoming budgets allowing these pressures to be addressed. A programme of transformation was underway which would focus on making savings where possible, and streamlining the activities of the Council. In the past the Council had been prudent with its reserves, and this enabled their use at the current time.

In discussion around the forthcoming budget proposal, an opposition Committee member raised his concerns that it would not be possible to propose a feasible alternative budget as access to Council Officers was being denied to the opposition.

Councillor King, Leader of the Council, attended the meeting and at the invitation of the Chair, addressed the Committee. Fundamental decision making was underway to reduce the costs of the Council, and every Councillor would have the opportunity

to attend a briefing with the Chief Executive and Senior Management of the Council in the near future at which current information on this process would be shared. The work which had been carried out was concerned with understanding the wide variety of tests and challenges faced by the Council, determining the costs associated with the provision of some services and then reaching decisions about how to deliver those services in the future. It was intended that all Councillors would be given the opportunity to participate in this process and provide input into what it was considered that the Council's priorities should be.

Pam Donnelly, Chief Executive, attended the meeting and addressed the Committee. She was concerned to note that access to Council Officers had been denied to opposition Councillors, but did consider that there had to be some restrictions on access to staff which was provided to opposition Councillors due to the political nature of the organisation. If sufficient access had not been provided then this would be addressed following the meeting. She assured the Committee that the Senior Leadership Team of the Council was committed to addressing the medium term financial position of the Council, which was deteriorating. Time was needed to fully document the Council's plan for dealing with the financial issues which were faced, and the operating costs of the organisation would be reduced by 25% over the medium term. This would require fundamental reform of the activities of the Council and how these were carried out, to ensure that the Council was able to operate within its budget, and continuing to offer a community leadership role in the future.

A Committee member spoke about the practicalities of the presentation of an alternative budget proposal by opposition Councillors. In the past an alternative budget had been prepared, but Council procedures during Full Council meetings prevented the presentation of this budget, as time during the meeting was limited. It was suggested to the Committee that the Conservative Group had been provided with insufficient support, insufficient time and a procedural system which did not allow the effective presentation of an alternative budget.

It was suggested by a Committee member that an overspend of £1.447m was not catastrophic, and that the Council would always face challenges. Cuts were made to the budget every year, however, there was a limit to the extent to which it was possible to reduce the number of staff and the improvements which could be made to the efficiency of the Council's activities. It was necessary to focus on conducting the Council's mandatory activities superbly well to generate the necessary financial leeway to carry out some more discretionary activities.

The S151 Officer considered that local government as a whole had performed very well over the last decade, given the level of challenge which had been presented to it by reductions in grant funding from central government. He considered that it was important to consider both the statutory functions and non-statutory functions of the Council together to ensure that the greatest efficiency possible was achieved.

The Committee discussed the extent to which opposition Councillors were involved in the budget preparation process, and it was suggested that there was potential for greater cross-party involvement to seek a solution to the issue facing the Council.



The Committee noted that budget workshops were already being held for all Councillors, and financial information was shared widely.

The Leader of the Council advised the Committee that the Council was faced with limited time to meet huge challenges, and radical change would be needed in the coming months which would require difficult choices to be made. The administration of the Council would share all the information which it had. The Portfolio Holder for Resources, considered that the administration was as open as it could be, and that financial Officers did spend a significant amount of time responding to questions which were asked of them. There were many briefings for Councillors on the Council's Capital Programme, together with budget briefings, and the diligence and hard work of Officers was appreciated.

*RESOLVED that:*

- The General Fund revenue position at the end of Quarter 2 (30 September 2023) for 2023/24, including actions being undertaken or proposed to ameliorate the position, where significant variances have been identified, be noted.
- The General Fund capital position at the end of Quarter 2 (30 September 2023) for 2023/24 be noted.
- The Housing Revenue Account revenue position at the end of Quarter 2 (30 September 2023) for 2023/24, including actions proposed to ameliorate the position, where significant variances have been identified, be noted.

### **393. Work programme**

The Committee considered a report setting out its work programme for the current municipal year.

A Committee member expressed his concerns about some issues which had been experienced with Councillors receiving emails sent to their official Colchester City Council email accounts. He believed that it was essential that the Council email system was used to its fullest capacity, and that when residents and Members send emails to Councillors, then these emails had to be received. On 16 November, a report had been received from the Council's email provider that 17 emails which had been sent to a Councillor had been quarantined for unstated reasons before being forwarded on as a block. Emails were only quarantined for 21 days before being deleted. Some emails which had been subject to quarantine had dated from 24 and 25 October 2023, and had been delivered on 16 November meaning that they were subsequently unable to be retrieved, which was totally unacceptable. It was concerning that the emails which had been quarantined had been awarded a score which assessed the relative harm that they posed, and this score had been zero, indicating that they posed no issues at all.

It was suggested that such delays posed a serious governance issue, and it was not known how many other Councillors had had their emails interfered with in this way. It

was essential that Councillor emails were not blocked or interfered with in this way as it was of fundamental importance that Councillors were able to be contacted by their constituents and other Councillors. It was suggested that this issue was so serious that it merited formal investigation by a Committee.

The Chair of the Committee shared the concerns that had been raised that emails had been quarantined in this manner. The Democratic Services Officer was asked to investigate the extent of the issues which had been experienced before the Chair took the decision on whether or not to commission a report investigating the position.

Andrew Weavers, Head of Governance and Monitoring Officer, advised the Committee that emails which were deemed to contain an attachment which was hostile to the Council would be subject to quarantine. Although he was not aware of the circumstances behind the incident which had been described, the Committee was reminded that the Council's systems did come under attack, and Officer emails were also subject to quarantine.

The Committee noted that an additional meeting had been scheduled for 7 February 2024, which would allow the accommodation of items which were due to be considered by the Committee.

A Committee member requested that an update on the progress which was being made with the Council's statement of accounts was provided at every future meeting, until such time as the Council's statutory obligations had been met in this regard.

The Chair of the Committee would consider the order in which items on the work programme were presented to the Committee. It was clarified that the proposed budget would not be presented to this Committee, but would be presented to the Council's Scrutiny Panel, Cabinet and Full Council.

*RESOLVED* that:

- An update on the progress which had been made with regard to the Council's statement of accounts be provided at every future meeting of the Committee
- The contents of the work programme, subject to any changes in the order in which items were to be presented, be noted.



# Governance & Audit Committee

16 January 2024

Item

8

<b>Report of</b>	<b>Head of Governance &amp; The Monitoring Officer</b>	<b>Author</b>	<b>Hayley McGrath</b> 📞 508902
<b>Title</b>	<b>Interim Review of the Annual Governance Statement 22/23 Action Plan</b>		
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 This report reviews the implementation of the actions highlighted on the 2022/23 Annual Governance Statement (AGS), which was reported to the Governance and Audit Committee in June 2023. The report included an action plan for issues to be resolved during the current financial year (2023/24).
- 1.2 The annual governance review should be an ongoing process, therefore it is essential to ensure that issues identified in the AGS are monitored. Accordingly, these issues have been discussed with the relevant lead officers, and the action plan has been updated with the progress made. The updated action plan is included at appendix A.
- 1.3 The key messages are that there has been progress against all of the issues identified in the action plan, and, so far, the external audit of the final accounts for previous years has not raised any concerns with the Annual Governance Statements or action plans.

## 2. Recommended Decision

- 2.1 Consider and comment on the work undertaken to implement the current Annual Governance Statement action plan.

## 3. Reason for Recommended Decision

- 3.1 Part 2 (3 & 6) of the Accounts and Audit Regulations 2015 requires the Council to ensure that it operates a sound system of internal control and to conduct an annual review of the effectiveness of its governance and internal control arrangements. The findings from this review, the Annual Governance Statement, must be reported to and approved by committee before being signed by the Leader of the Council and the Chief Executive, and then published for public inspection.
- 3.2 The regulations require the statement to be accompanied by an action plan for improving any issues identified. The CIPFA/SOLACE 'Good Governance' guidance highlights that the annual governance review should be a robust ongoing assessment, not just an annual year end exercise. Therefore, it is essential to ensure that governance issues are considered during the year, and it was agreed that an interim report regarding progress against the action plan would be provided to this committee

## 4. Alternative Options

- 4.1 There are no alternative options to consider

## **5. Equality, Diversity and Human Rights implications**

5.1 There are no equality, diversity or Human Rights implications as a result of this report.

## **6. Strategic Plan References**

6.1 The achievement of the strategic plan requires a sound system of governance to ensure the effective delivery of services. Therefore, improving on existing governance arrangements will help to ensure that the strategic plan objectives can be achieved.

## **7. Risk Management Implications**

7.1 Risk Management is a fundamental part of the Governance process and a failure to implement the action plan may have an effect on the ability of the Council to control its risks.

## **8. Environmental and Sustainability Implications**

8.1 There are no environmental or sustainability implications as a result of this report.

## **9.1 Other Standard References**

9.1 There are no particular references to consultation, publicity considerations or financial; community safety or health and safety implications.

## **10. Appendices**

10.1 Appendix A – Annual Governance Statement Action Plan for 2023/24, updated Jan 24.

**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>

No.	Issue	Action	Due Date	Responsible Officer	Position Update
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>

No.	Issue	Action	Due Date	Responsible Officer	Position Update
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>





16 January 2024

<b>Report of</b>	<b>Head of Governance and Monitoring Officer</b>	<b>Author</b>	<b>Hayley McGrath</b> ☎ 508902
<b>Title</b>	<b>Risk Management Progress Report</b>		
<b>Wards affected</b>	Not applicable		

**1. Executive Summary**

- 1.1 Effective management of risk is essential to ensuring that the Council's aims and objectives are achieved. This report provides members with an overview of the Council's risk management activity during the period from 01 April to 30 September 2023.
- 1.2 The Council has a comprehensive risk management process that is embedded across the organisation. This includes a strategic risk register, which is the responsibility of the Senior Leadership Board, operational risk registers which are produced by each service and specific risk mitigation initiatives.
- 1.3 The key strategic risks are:
  - Organisational Resilience
  - Budget Strategy
  - Economic Climate
  - Cyber & Data Security
  - Workforce wellbeing.
  - Financial Inequality

**2. Recommended Decisions**

- 2.1 Consider and comment on the Council's progress and performance in managing risk during the period from April to September 2023.
- 2.2 Consider and comment on the current strategic risk register.

**3. Reason for Recommended Decisions**

- 3.1 The Risk Management Strategy, which forms part of the Council's Policy Framework, identifies the Governance and Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to Cabinet as necessary.
- 3.2 Six monthly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

**4. Alternative Options**

- 4.1 There are no alternative options to consider.

## **5. Background Information**

- 5.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes, to ensure that risks are properly considered and reduced as far as practicable.
- 5.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long-term goals of the Council
  - Operational – risks related to the day-to-day operation of services
  - Project – the delivery risks of specific initiatives.
- 5.3 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. A high score does not mean that a risk has, or will definitely, occur.
- 5.4 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise, there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore, some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

## **6. Work undertaken during the period**

- 6.1 A considerable amount of the work undertaken during the period concentrated on the governance and risk control of the Council's subsidiary companies. This included:
- 6.1.1 Continued development and implementation of the governance recommendations contained in the external reviews of Colchester Borough Homes (CBH) and Colchester Commercial (Holdings) Ltd (CCHL). Full Council at its meeting in July 2023 agreed changes to the Articles in the Constitution which included a new Article 16 which strengthened the governance and reporting arrangements for the companies.
- 6.1.2 Amending the procedural rules for the Governance and Audit Committee to reflect the fact that it is the designated shareholder committee for all Council's subsidiary companies, strengthening the Council's oversight and governance of the companies objectives.
- 6.1.3 Creation of an Oversight Group which brought together senior officers of the Council, CCHL and CBH and the chair of Governance and Audit Committee together with cabinet members, to consider the direction and overview of the companies.
- 6.2 A streamlined process to manage and resolve housing disrepair claims was developed and implemented which brings regularly together senior CBH, Council Governance and Legal officers in order to triage and resolve potential issues at an early stage.
- 6.3 The reporting programme for the Strategic Risk Register to Senior Leadership Board has been revised. The register is now a standing item at every monthly meeting and the risks are reviewed, and updated, each month. Previously the register was reported to senior management every quarter. The Heads of Service also now have a greater input in to the strategic risks and the necessary controls.

6.4 Following on from the changes to the reporting cycle for the Strategic Risk Register, work has been undertaken to develop a more comprehensive SharePoint site for Risk Management that will allow easier, and real time, access to all registers, including information relating to project risks.

6.5 Following on from the last report to this committee in July 2023, the revised Risk Management Strategy has been agreed by Cabinet and Full Council, without amendment, and the Policy Framework has been updated accordingly.

## **7 Strategic Risk Register**

7.1 The current Strategic Risk Register is attached at Appendix A with the score matrix attached at Appendix B. The register was last reviewed by Senior Leadership Board in December 2023.

7.2 Risk H, Corporate Assets was amended as a result of the review – with the inclusion of the impacts of climate change on the Council’s assets. The initial risk score increased from 12 (probability 4, impact 3) to 16 (probability 4, impact 4) with the residual risk score, after mitigations, increasing from 9 (probability 3, impact 3) to 12 (probability 3, impact 4).

7.3 A new risk, K – External Funding, was added to the register. This recognises the increasing reliance by the Council on externally provided funding and grants to deliver key services and projects.

## **8. Equality, Diversity and Human Rights implications**

8.1 There are no equality, diversity or Human Rights implications as a result of this report.

## **9. Strategic Plan References**

9.1 The Strategic Risk Register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore, the risk process supports the achievement of the strategic objectives.

## **10. Risk Management Implications**

10.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **11. Environmental and Sustainability Implications**

11.1 There are no environmental or sustainability implications as a result of this report.

## **12. Other Standard References**

12.1 There are no particular references to consultation or publicity considerations or financial, community safety or health and safety implications.

## **Appendices**

Appendix A – Strategic Risk Register @ 13 December 2023

Appendix B – Strategic Risk Register score matrix



## Colchester City Council Strategic Risk Register

Reviewed by Senior Leadership Board 13 December 2023

**Strategic Plan 2023-26 Outcomes**

1. Respond to the climate emergency
2. Develop modern services for a modern city
3. Improve health, well-being, and happiness
4. Deliver homes for those most in need
5. Grow our economy so everyone benefits
6. Celebrate our city and our heritage and culture

Ref	Risk Title	Strategic Plan link	Description	Potential Consequences	Initial Score			RATING	Lead	Mitigation	Residual Score			RATING
					P	I	O				P	I	O	
A	Organisational Resilience	1 - 6	Following the prolonged period of austerity, coupled with the Covid -19 pandemic, the Council, and its companies, are already in a position where the workforce is weakened, finances are reduced and organisational resilience is low	The Council does not have the resources, or resilience, to be able to make the changes required to deliver the strategic plan outcomes.	5	4	20	Very High	Chief Executive	<ul style="list-style-type: none"> <li>• Continue to develop the health and wellbeing programme, including regular monitoring and reporting.</li> <li>• Promote personal development and resilience options.</li> <li>• The creation of a flatter, more transparent management culture.</li> </ul> Clear strategic plan delivery plan linked to available resources Ensure the Fit for the Future and Workforce for the Future programmes maintains momentum and delivers their objectives. <ul style="list-style-type: none"> <li>• Use of the Medium Term Financial Forecasting to plan for future challenges.</li> </ul>	4	3	12	High
B	Budget Strategy	1 - 6	The budget strategy does not accurately reflect the unprecedented level of savings required. The new S151 officer is also reviewing all elements and assumptions underpinning the budget which creates an additional element of risk.	<ul style="list-style-type: none"> <li>•Inability to deliver the budget strategy as planned.</li> <li>•Requirement for in-year budget and service adjustments.</li> <li>•Unplanned additional use of balances / reserves</li> <li>•insufficient cashflow to meet liabilities</li> </ul>	4	5	20	Very High	Chief Operating Officer	<ul style="list-style-type: none"> <li>• Ensure effective use of the controls built into the annual budget strategy, to enable the Council to respond quickly to changes.</li> <li>• Regular monitoring of actual spend/income and sensitivity analysis to consider the impact on income streams and the capacity of the Council to deliver services.</li> <li>• Regular and open reporting and updating of the budget position through Cabinet,</li> <li>• Prudent use of reserves where necessary to mitigate in-year losses.</li> <li>• Monitor and refine the Fit for the Future agenda to ensure it contributes savings to balance future budgets.</li> <li>•Confirmation of budgetary and reserves position by the S151 Officer</li> </ul>	3	4	12	High

Ref	Risk Title	Strategic Plan link	Description	Potential Consequences	Initial Score			RATING	Lead	Mitigation	Residual Score			RATING
					P	I	O				P	I	O	
C	Economic Climate	1 - 6	The national economic climate continues to be challenging resulting in increases in demand on Council services exceeding capacity, unavoidable operating costs exceeding budgets and income expectations not being met.	<ul style="list-style-type: none"> <li>The Council is unable to deliver the outcomes and priorities of the Strategic Plan.</li> <li>Reduction in levels of service provision and potential cessation of services.</li> <li>Inability to create opportunities to develop and boost the local economy.</li> <li>Depletion of Council's reserves, potentially leading to a S114 notice</li> </ul>	4	4	16	Very High	Chief Operating Officer	<ul style="list-style-type: none"> <li>Maintain a constant review of the Council's budget situation, including the impact of decisions from central government.</li> <li>Identify additional actions and areas for increasing income and reducing costs as necessary, including through the Council's Fit for the Future Programme.</li> <li>Reduce reliance on New Homes Bonus to support the base budget.</li> <li>Lobby Government for a fair, multi-year funding settlement.</li> </ul>	4	3	12	High
D	Cyber & Data Security	2 & 5	Sensitive data, in any format, is not correctly managed, processed or protected from loss or theft (including as a result of a cyber attack) in line with GDPR and Data Protection Act requirements, including council data managed and handled by third parties. The ever increasing sophistication of phishing attacks increases the likelihood of officers and members inadvertently opening malware emails.	<ul style="list-style-type: none"> <li>Severe disruption to core services</li> <li>Financial, legal and reputational impacts for the Council, including ICO fines.</li> <li>Significant harm caused to residents with release of their personal details.</li> <li>Potential ransomware events</li> </ul>	4	4	16	Very High	Service Director (shared) ICT & Transformation	<ul style="list-style-type: none"> <li>Ongoing review of IT policies and protocols to ensure that they are fit for purpose.</li> <li>Implement a training program for all staff and members.</li> <li>Implement defined action plans to rapidly respond to any attacks on systems to help minimise any potential damage.</li> <li>Ongoing review of data security policies and protocols to ensure that they are fit for purpose and implement a training programme for all staff and members as required.</li> <li>Provision of secure Council devices to staff and Members.</li> </ul>	4	3	12	High
E	Workforce Wellbeing	1 - 6	Workforce wellbeing is affected by the increase in demand for services and requirement to achieve savings, coupled with difficulty in recruiting into specialist roles.	<ul style="list-style-type: none"> <li>An unwarranted sense of 'personal failure' for some staff who put pressure on themselves to perform at a certain level, that is not sustainable.</li> <li>Decline in service performance. <ul style="list-style-type: none"> <li>Reduction in efficiency and productivity.</li> <li>Inability to meet changing requirements and needs.</li> <li>Insufficient capacity to deliver the Fit for the Future agenda.</li> </ul> </li> <li>Customer perceptions decline as less is delivered.</li> <li>Loss of key staff and or increase in absence including levels of sickness. <ul style="list-style-type: none"> <li>Staff who would be considered as some of the Council's vulnerable residents (in terms of financial resilience), thereby increasing the pressure on them from both work and personal perspectives.</li> </ul> </li> </ul>	4	4	16	Very High	Head of People	<ul style="list-style-type: none"> <li>Monitor staff morale and trends using staff surveys and by monitoring the People Dashboard.</li> <li>Ensure good communications with staff, exploiting new technologies such as Yammer.</li> <li>Shared Services programme to recruit and retain staff and share skills in hard to recruit roles</li> <li>Implement the action plan for the People Strategy; ensuring that performance is regularly monitored.</li> <li>Regularly report the progress of the learning and development strategy, including financial considerations and business behaviours, and exploring training alternatives. Use it as an opportunity to review individuals in the community who could be retrained and reskilled, using processes such as supported internships.</li> <li>Ensure that all staff are reminded of the Employee Assistance Programme on a regular basis and are enabled to have 'safe conversations' with managers or other designated officers about concerns and issues.</li> </ul>	4	3	12	High

Ref	Risk Title	Strategic Plan link	Description	Potential Consequences	Initial Score			RATING	Lead	Mitigation	Residual Score			RATING
					P	I	O				P	I	O	
F	Financial Inequality	3 & 4	The current, and future, impacts of the costs of living and housing crisis are likely to increase the number of vulnerable residents, leading to greater financial inequality and increasing the number of residents seeking support from the Council, especially for housing and temporary accommodation.	<ul style="list-style-type: none"> <li>The support available for the most vulnerable residents is not sufficient, leading to an increase in crisis intervention.</li> <li>Housing supply is depleted leading to increased demand for temporary accommodation and rising costs.</li> </ul>	4	4	16	Very High	Deputy Chief Executive	<ul style="list-style-type: none"> <li>Regularly monitor the impact of the resources allocated to supporting customers to ensure that they are signposted to appropriate providers/partners.</li> <li>Ensure welfare support service are targeting customers who may not be aware of the service, working with other council services to identify residents who may benefit from the support.</li> </ul>	4	3	12	High
G	Service Innovation	1 - 6	The Fit the for the Future agenda and budget savings programme, including the review of the council's companies, does not deliver the changes required to meet the council's budgetary pressures and Strategic Plan priorities.	<ul style="list-style-type: none"> <li>Loss of opportunity to innovate.</li> <li>Adverse impact on local residents / resources.</li> <li>Missed opportunities to boost local economy.</li> <li>Conflict between Council / Government agendas.</li> <li>Reduction in levels of service provision and potential cessation of services.</li> </ul>	4	3	12	High	Deputy Chief Executive	<ul style="list-style-type: none"> <li>Have a clear approach and 'roadmap' for transforming the Council and delivering budget savings monitored by the Senior Leadership Board and reported to Cabinet as part of the budget process.</li> </ul>	3	3	9	Medium
H	Corporate Assets	1, 2 & 6	Failure to develop a comprehensive management plan and delivery model for the Council's corporate assets, encompassing compliance, utilisation and future development. Alongside consideration of the impacts of climate change on the fabric and structure of assets.	<ul style="list-style-type: none"> <li>Assets are not maximised to their full potential</li> <li>statutory building procedures are breached resulting in fines and liability claims</li> <li>The repairs and maintenance programme for the assets is insufficient to respond to issues, especially in connection with heritage sites.</li> <li>Deterioration of condition of assets leading to integral failure</li> </ul>	4	4	16	Very High	Chief Operating Officer	<ul style="list-style-type: none"> <li>Develop a Corporate Landlord Model to enable better management of assets</li> <li>Develop a comprehensive asset management plan.</li> <li>Ensure that a suitable repairs and maintenance programme is developed with fully costed budget allocations.</li> <li>Establish clear facilities management processes with named responsibilities, reporting lines and escalation procedures.</li> <li>Updated stock condition survey and subsequent prioritisation of repair and maintenance programme</li> </ul>	3	4	12	High
I	ICT	2	The increasing reliance on IT to continue normal business leaves the Council potentially vulnerable to any major system failure, across all service areas.	<ul style="list-style-type: none"> <li>Severe disruption to core services</li> <li>Financial, legal and reputational impacts for the Council, including fines and lost income.</li> <li>Inability to respond to customer requirements including benefit processing and housing repairs.</li> </ul>	2	5	10	High	Service Director (shared) ICT & Transformation	<ul style="list-style-type: none"> <li>Continue to shift any remaining legacy systems into more resilient, cloud-based solutions in line with ICT strategy.</li> <li>Ensure that the IT Disaster Recovery plan, and service plans, adequately reflect the organisation's requirements and provide an effective framework for maintaining service provision.</li> <li>Regularly review the IT development strategy to ensure it continues to support the organisations ambitions and provides appropriate safeguards for IT service delivery.</li> </ul>	2	4	8	Medium
J	Capacity	2,4 & 5	The continuing high level of inflation, coupled with the reduced availability of specialist staff, impacts on the ability to deliver the planned Capital programme.	<ul style="list-style-type: none"> <li>Key projects are delayed or withdrawn</li> <li>Increase in expenditure</li> <li>Inability to attract future investment</li> <li>Failure to deliver benefits to residents</li> </ul>	4	3	12	High	Chief Operating Officer	<ul style="list-style-type: none"> <li>Manage the recruitment and development processes to ensure that the organisation has the appropriate skills and expertise, including exploring the use of shared services to provide expertise and resilience.</li> <li>Frequently review the Capital Programme to ensure that programmes are realistic and deliverable with available resources and / or identify any additional resources required to deliver key projects.</li> <li>Agile methodology enables project scopes to be adjusted through effective governance processes.</li> <li>Establishment of the Capital Programme Steering Group (informal Cabinet) to oversee the entire capital programme and address any capacity and other risks before they become issues.</li> <li>Use of specialist external expert advice</li> </ul>	3	2	6	Medium

Ref	Risk Title	Strategic Plan link	Description	Potential Consequences	Initial Score			RATING	Lead	Mitigation	Residual Score			RATING
					P	I	O				P	I	O	
K	External Funding	1-6	Increasing reliance by the Council on externally provided funding and grants to deliver key services and projects	<ul style="list-style-type: none"> <li>•Key projects are delayed or withdrawn leading to funding potentially having to be repaid</li> <li>•Services no longer able to be delivered</li> </ul>	3	4	12	High	Chief Operating Officer	<ul style="list-style-type: none"> <li>• that there is appropriate project management and review of funding requirements to ensure that the Council satisfy the relevant criteria</li> <li>• Heads of Service to manage services reliant on external funding and to continually assess the viability of future funding streams</li> </ul>	2	3	6	Medium



<b>SCORE DEFINITIONS</b>	<b>1</b>	<b>2</b>
Probability	10% May happen – unlikely	10 -25% Possible
Impact	Very Low Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives.	Low Minor interruption to service delivery or minimal effect on Corporate Objectives.

3	4	5
<p>26 – 50%</p> <p>Could easily happen</p>	<p>51 – 75%</p> <p>Very likely to happen</p>	<p>Over 75%</p> <p>Consider as certain</p>
<p>Medium</p> <p>Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service.</p>	<p>High</p> <p>Major interruption to overall service delivery or severe effect on Corporate Objectives.</p>	<p>Very High</p> <p>Inability to provide services or failure to meet Corporate Objectives</p>

RISK MATRIX  
G&A January 2024

Low Risks	Medium Risks	High Risks
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Initial Score Matrix

Scoring 1-5

Risk Tolerance Line

Probability of Occurrence	5 Very High			A		
	4 High		G J	C E D F H	B	
	3 Medium			K		
	2 Low				I	
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
<b>Severity of Impact</b>						

Residual Score Matrix

Scoring 1-5

Risk Tolerance Line

Probability of Occurrence	5 Very High					
	4 High			A C D E F		
	3 Medium		J	G	B H	
	2 Low			K	I	
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
<b>Severity of Impact</b>						



16 January 2024

<b>Report of</b>	<b>Head of Governance and Monitoring Officer</b>	<b>Author</b>	<b>Hayley McGrath</b>
<b>Title</b>	<b>Annual Review of Business Continuity</b>		<b>☎ 508902</b>
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 Colchester City Council provides a wide range of services to the local community. Any unexpected interruption to those services can have a negative impact on both the community and the authority. As such, the Council has established a business continuity process to minimise, as far as possible, the likelihood of an incident occurring and the potential impact if it does happen.
- 1.2 This report provides Members with an overview of the of the Council's business continuity activity for the period from 01 January 2023 to 31 December 2023.

## 2. Recommended Decision

- 2.1 Consider and comment on the business continuity work undertaken during the period.
- 2.2 Endorse the Business Continuity Strategy for 2024.

## 3. Reason for Recommended Decision

- 3.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance & Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to Cabinet as necessary. Business continuity is an integral part of the risk management process and it is appropriate that a detailed progress report is provided to this Committee.

## 4. Alternative Options

- 4.1 There are no alternative options to consider.

## 5. Background Information

- 5.1 Whilst business continuity primarily relates to the delivery of the Council's own services, it sits alongside the Council's responsibilities for Emergency Planning, where the Council is required to assist the emergency services in dealing with events in the city (such as flooding) as set out in the Civil Contingencies Act 2004. Under the act there are two duties relating specifically to business continuity:
  1. To be able to carry on providing its own services in the event of a disruption
  2. To provide advice and guidance relating to business continuity to local businesses and voluntary organisations.

- 5.2 The responsibility for ensuring that the Council has effective business continuity plans rests with the Chief Operating Officer and the function is delivered by the Corporate Governance Team. The role is to provide advice and guidance to services including the co-ordination of individual service plans as well as the overall Council plan. Issue specific plans, such as responding to a flu pandemic, are also required.
- 5.3 Business continuity issues are primarily reported to the 'First Call Officer' group, this consists of managers and key staff. The primary role of this group is to provide the strategic management of any emergency – either internal or external. The group meets every two months to review plans and consider emergency planning and business continuity issues.

## **6. Summary of Work Undertaken**

- 6.1 Following the restructure of Council services the Resilience Officer has been working with the new Heads of Service to produce revised Business Impact Assessments (BISs) and Business Continuity Plans (BCPs).
- 6.2 A programme of testing the revised BCP's has been deployed during the year. The responsibility to test a plan rests with the relevant Head of Service, but the Resilience Officer provides support with the testing and oversees the programme to ensure that the testing is completed.
- 6.3 Following the restructure of the Senior Management Team it was decided that the membership of the First Call Officer (FCO) group should be revised. Members of the Senior Leadership Board previously acted as FCO's, however it was felt that the initial response to an incident would be better undertaken by managers within relevant services, ensuring that SLB members were able to undertake a more strategic role during a major incident. This is also in line with other Essex authorities.
- 6.4 There are seven new FCO's and all have received Tactical Command training. They operate on a two-week rota basis, acting as the first point of contact for any Emergency Planning and Business Continuity issues.
- 6.5 There have been several Emergency Planning/ Business Continuity issues that the Council has had to respond to during the year, including:
- Support to Essex Police during the Royal visit in March, with overseeing emergency evacuation plans and working alongside the Police Silver officer on the day.
  - Arrival of over 1000 evacuees from Sudan at Stanstead Airport in May, where mutual aid was requested to be able to process the evacuees and offer housing and support.
  - Emergency evacuation of tenants from flats in the Hythe in June, where Essex Fire and Rescue has issued an immediate prohibition notice following a fire inspection.
  - Several Essex wide teleconferences relating to weather impacts including flooding and wind.
- All of these issues had significant impacts on Council service delivery from officers not being able to perform their normal role, as they were required to provide emergency support, through to services not being delivered due to the impacts of the event, such as closing parks due to severe weather issues.
- 6.6 The Business Continuity function was audited in September 2023, it achieved a reasonable assurance rating and two recommendations were made - completion of the remaining BCP's, following the reorganisation, and, the Resilience Officer to follow up on the four areas where testing of plans was due to take place. Both recommendations have been accepted and implemented.

## **7.0 Business Continuity Strategy for 2024**

- 7.1 The Business Continuity Strategy was agreed for the first time in 2009. A requirement within the strategy, and also of the regular internal audit assessment, is that it is reviewed annually to ensure that it is still appropriate to the Council's needs.
- 7.2 Therefore a review has been undertaken and the strategy has been updated for 2024. The revised strategy is attached at appendix A. It is considered that the strategy continues to meet the needs of the organisation and therefore there are no changes to the strategy or the business continuity process.

## **8. Equality, Diversity and Human Rights implications**

- 8.1 There are no equality, diversity or Human Rights implications as a result of this report.

## **9. Strategic Plan References**

- 9.1 The ability of the Council to carry on providing critical services, even when dealing with a major disruption, is fundamental to ensuring the achievement of the strategic plan objectives.

## **10. Risk Management Implications**

- 10.1 The failure to adequately manage a business interruption may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **11 Environmental and Sustainability Implications**

- 11.1 There are no environmental or sustainability implications as a result of this report.

## **12. Other Standard References**

- 12.1 There are no particular references to consultation or publicity considerations or financial; community safety or health and safety implications.

## **Appendices**

Appendix A – Business Continuity Strategy for 2024.







# Business Continuity Strategy 2024

A programme for developing plans to minimise disruption when unplanned events significantly interrupt normal business.

[www.colchester.gov.uk](http://www.colchester.gov.uk)

Jan 2024

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## **BUSINESS CONTINUITY STRATEGY – 2024/25**

### **1.0 Introduction**

Colchester City Council provides a wide range of services to the local community, many of which are statutory functions. Any failure, actual or perceived, to deliver the full range of services will have a negative impact on both the community and the authority. As such, all reasonable measures should be adopted to minimise the likelihood of business or service interruption.

The Civil Contingencies Act 2004 places a specific duty on local authorities to ensure that they have prepared, as far as reasonably practical, to continue to provide critical functions during any disruptive incident.

However, the Civil Contingencies Act is just one of the key drivers for business continuity. External assessments, such as the benefits inspection and the Lexcel accreditation, require robust business continuity arrangements to provide assurance that quality services will always continue to be provided. But above all, business continuity is critical to the Council in its ability to survive an incident with as little disruption to services and reputation as possible.

This Business Continuity Strategy provides the programme for developing plans that will prevent or mitigate the severity of potential disruptions and enable the Council to effectively respond to incidents.

The policy will identify the mitigation measures, specific recovery objectives, the structure for implementation and the communication process to keep staff, partners and the public informed of necessary changes to service delivery.

### **2.0 Overview**

The policy adopted for development of the business continuity plans can be summarised as follows:

- **The Corporate Incident Management Plan and the Emergency Response Plan** will form the basis of the Council's response. These are operational documents designed to assist the authority in the event of a disruption occurring. The plan sets priorities and communications to ensure an appropriate response to any disruption.
- **The Emergency Response Plan** is the overall tool for the Council and event controllers. However, this is supported by service specific business continuity plans which ensure that each service can respond appropriately to an incident whether it is a corporate or service specific interruption.
- Incident specific plans are also developed for corporate issues where the risk indicates sufficient likelihood of occurrence and the impact is seen to be severe, such as pandemics, power failures and technology failure.
- Business Impact Analyses (B.I.A.s) are undertaken to be able to develop the plans. B.I.A.s assess the key risks and key services at both corporate and service level, and their maximum tolerable period of disruption (MTPD), which will help to identify preventative measures that can be undertaken.

### **3.0 Aim and Objectives**

The aim of the strategy is:

- To support the Council in anticipating risks for the purpose of mitigating them and having flexible plans in place, which are already tested, to minimise disruption when unplanned events significantly interrupt normal business.

The objectives are:

- To identify preventative measures that can be carried out to minimise the likelihood of an incident occurring.
- To ensure the Council can continue to exercise its functions in the event of an emergency, ensuring that statutory requirements are maintained.
- To integrate the Business Continuity requirements with the Emergency Planning responsibilities of the Authority to ensure that in the event of a major disruption the Authority can respond appropriately both internally and externally.
- To identify the essential services, to determine overall priorities for recovery of functions if disruption takes place.
- To ensure all Council service areas are involved in the preparation of the Plan, so that there is an effective and consistent response to service continuity.
- To develop a process to review and update the plan and develop service area, functional or specific plans where necessary, to protect the services and reputation of the Council.
- To undertake training and awareness programmes for staff, suppliers, and partners.
- To carry out regular tests of the Plan to validate the arrangements.

### **4.0 Governance**

Establishing Governance for business continuity provides a central point of accountability for implementation and continuous monitoring of the Councils activities in accordance with the business continuity policy.

CCC is committed to ensuring we have an effective business continuity programme by providing oversight and support, including provision of adequate resources and approval of budget. The Business continuity Programme will be monitored and reviewed regularly to ensure the requirements are being met.

*Richard Block, Chief Operating Officer at Colchester City Council.*

*“Colchester City Council recognises that whatever disruption or emergency might affect the Council, the continuity of our services to our community is essential, and that effective Business Continuity Management is fundamental to ensuring that resources are directed to where they are most needed.*

*This Business Continuity Strategy underpins the Councils commitment to the delivery of services, along with a framework for delivering a robust and effective Business Continuity process. Whilst all Councillors and officers have a responsibility in ensuring effective delivery of services, the strategy sets out the specific roles of the Governance and Audit Committee, who oversee and endorse the strategy, the Chief Operating Officer, who is responsible for ensuring that there is an effective business continuity framework and the Senior Management team, who are responsible for ensuring that the business continuity risks to their services are appropriately managed”*

## **5.0 The Business Continuity Process**

Irrespective of an unusual or disruptive event, occurring internally or externally, the capabilities of the Council to provide its statutory and legal duties, services to the community and income generation must be maintained. This process aims to address the issues likely to arise, and to identify measures to mitigate them.

The Business Continuity process aims to address the issues likely to arise, and potential solutions, grouped in the following three areas:

- MITIGATION - Identify and select proactive measures to reduce likelihood of disruption
- CONTINUITY AND RECOVERY - Maintenance of essential services and set timescales for recovery, returning to normality
- INCIDENT RESPONSE STRUCTURE - Provide a mechanism for responding to an incident

Business Continuity is an on-going cyclical process of risk assessment, management, and review with the purpose of ensuring that the business can continue if risks materialise.

The effective implementation of business continuity has 6 stages:

- Policy and Programme Management
- Embedding business continuity
- Analysis
- Design
- Implementation
- Validation

## 6.0 Responsibility for Business Continuity

To be effective Business Continuity should be fully endorsed and actively promoted by senior management and there should be a clearly defined responsibility for co-ordination of Business Continuity. However, it does not belong to one person, or role, and every service has a responsibility for ensuring that they can respond to an interruption.

There are three levels of responsibility for managing the business continuity process:

1. Co-ordinator
2. Corporate Response Team
3. Service Teams

There is a core role of co-ordinating the process and ensuring that services have access to information and assistance when building their own plans. The co-ordinator also has responsibility for ensuring that key partners are involved in the process.

If there is a disruption, there should be a defined corporate response team who will have overall control of the situation. The co-ordinator is responsible for maintaining details of this team ensuring that they are fully briefed on executing the plan and are informed of any potential issues that may arise.

There are also individual service action teams who are responsible for ensuring that their service has its own response plan and can manage the continuity and recovery for the functions within that service. The team is likely to consist of one person for the process of defining the response plans and day to day co-ordination of Business Continuity but will call upon other senior managers when the plan needs to be put into practice.

**Appendix 1** sets out the roles and responsibilities for Business Continuity at all levels.

## 7.0 Links

To be an effective management tool and to truly embed the process throughout the organisation the plan should recognise and be influenced by the Council's operational and strategic risk registers, this will lead automatically to the plan linking into the Internal Audit plan, the strategic plan, and the budget process. The plan should also recognise the Community Risk Register, maintained by the Essex Resilience Forum, to ensure that external impacts are recognised and allowed for.

The Business Continuity process must also be closely linked to the Emergency Planning process. In any major scenario it is likely that other organisations in the City will be impacted as well, and it is essential for the Council to be able to respond to their requirements as well as its own. Due to the nature of the response required

from Emergency Planning it is likely that they will be the first service to receive external information regarding potential issues and it is imperative that there is a system for incorporating these issues in the Business Continuity process.

The Plan should also be aligned to the international standard for Business Continuity ISO 22301 – 2012 and the BCI 'Good Practice Guidelines 2018'.

## **8.0 Training**

All members of the Corporate Response Team and the Service Teams need to be trained, and exercised, on an annual basis to ensure that they are fully aware of how to implement the plan. All staff should be informed of the process and further training should be available if required.

All training given and undertaken externally will be recorded and kept up to date by the Resilience Officer.

## **9.0 Review Process**

The Plan will be reviewed annually to ensure that it is still relevant to the Council's needs. However, the individual plans for the services will be subject to review every six months to ensure that information on service functions and contact details are kept up to date. All plans require sign off from a member of Senior Leadership Team.

## **10.0 Scope**

The Council has ensured there is a clear definition of which areas of the organisation should be included in the scope and which are excluded. This enables us to focus the business continuity programme and associated activities on the Council's priorities and ensures the programme makes the best use of available resources.

The scope has been agreed by our Business Continuity Steering Group which is made up of our Senior Leadership Team who all have a great understanding of the Council's Strategy, Objectives, Culture, operating environment, and our approach to risk which is essential when considering the scope of the programme.

Taking this organisational view and collaborating with others at this stage will be key to the Council implementing the business continuity policy and programme and the overall resilience of the Council.

**Appendix 2** lists our critical and supporting services which will be included in our scope. These services make a significant contribution to the Council's reputation, income, and success.

**Appendix 3** lists our services which will not be included in our scope, but each service will have their own departmental plans and will be covered by other specific plans such as our ICT Failure, Power failure and the Council's Pandemic Flu Plan.

## Roles & Responsibilities for Business Continuity

	<b>Strategy and Plan</b>	<b>Defence</b>	<b>Continuity</b>	<b>Recovery</b>
<b>Members</b>	Agreeing the policy and plan determined by Officers.	Endorsing the defence plans and ensuring that political decisions are taken with due regard for business continuity.	Political will to ensure that there is a united approach to business continuity.	Political will to ensure that there is a united approach to Recovery.
<b>Corporate Governance Manager &amp; Resilience Officer</b>	Devising and co-ordinating the policy and plan.	Ensuring that the defence actions are appropriately implemented, regularly reviewed and services have developed their own plans.	Co-ordination of the Corporate Response Team and the Service Action Teams. Guidance on the plan and mitigating actions during the incident.	Co-ordination of the Service Action Teams. Guidance on the plan and reporting progress of Recovery to senior management.
<b>Senior Leadership Team</b>	Approval and support of the policy and Plan. Completion of Service plans.	Critical review and approval of the Defence actions.	Support of the actions of the Corporate Response Team During the incident.	Support the actions of the Service Action Teams, endorse Recovery priority for services.
<b>Corporate Response Team (Designated Managers acting in First Call Officer Capacity)</b>	Overview of policy and Plan. Review of new issues.	Critical review of The defence plans. Ensuring that the information contained within The plan is accurate. Annual testing of the plan.	Control the response to the incident until such time as the organisation enters The Recovery stages. Ensuring that priority services are afforded The proper support. Ensuring information available to Members and staff. Keeping SLT informed.	Review the actions of the Service Action Teams. Facilitate full Recovery and ensure that Recovery follows the correct priority. Liaison with external agencies. Ensuring information is available. Keeping SLT informed.
<b>Service Action Teams</b>	Input into the formulation of the policy and plan.	Development of Defence plans and implementation of control actions. Ensure that checklists of key information is compiled. Identification of Service priorities.	Co-ordinate their Service's response. Act as a liaison between Corporate Response Team and Service. Respond to Corporate Response Teams' requests during an incident.	Implement their own team recovery plan whilst maintaining the link with the Corporate Response Team. Briefing staff. Overseeing alternative accommodation.
<b>Employees, contractors and partners</b>	Knowledge of the policy and plan, and awareness of impact on own Job / service.	Knowledge of the Defence plans and awareness of impact on own job / service	Assist with the incident where required. Know how to / who to contact in emergency	Assist with Recovery where required. Understand how they fit into the Recovery of their Service.



## Appendix 2

### **Colchester City Council Critical Front-Line Services**

- Waste Collection and Recycling
- Call handling
- Bereavement
- Community response & enabling
- Environmental health
- Website and Online services
- Building Control
- Helpline/CCTV

### **Colchester City Council Critical Supporting Services**

- ICT
- Finance Including payments process (Accounts Payable, Accounts Receivable, Benefits)
- Communications
- Payroll
- Human Resources
- Emergency Planning and Business Continuity
- Democratic Services (Member support)

### **Colchester Borough Homes Critical Services**

- Emergency Response
- Homelessness services and support for sheltered housing residents
- Contact with vulnerable tenants
- Operations Customer contact centre

Note: These specific risks to Colchester Borough Homes are covered in their own Business Continuity Plan so they will not be detailed within the Colchester City Council business continuity programme

**Colchester City Council Departmental Plans**

- NEPP
- Client Services
- Sustainability and Climate change
- Economic Growth
- Planning
- Housing
- Parks, open spaces, and waterways
- Museums and Arts
- Benefits – new claim processing
- Elections
- Estates
- Systems Development
- Debt Recovery
- Land Charges
- Cleaning
- Animal services
- Health and Safety
- Legal Services
- Civic
- Internal Audit
- Insurance



# Governance and Audit Committee

Item

11

16 January 2024

Report of

The Monitoring Officer

Author

Hayley McGrath  
508902

Title

Mid-Year Internal Audit Assurance Report 2023/24

Wards  
affected

Not applicable

## 1.0 Executive Summary

1.1 The report set out in Appendix 1 summarises the performance of Internal Audit, and details the audits undertaken, between 1 April and 30 November 2023.

1.2 The key messages from the report are:

- The Internal Audit contractor provided an effective internal audit service during the first half of the 2023/24 financial year.
- Seven out of the sixteen audits completed have achieved a Substantial Assurance rating.
- Seven out of the sixteen audits achieved a Reasonable Assurance.
- Two of the audits completed achieved a Limited Assurance rating.
- None of the audits completed were rated as No Assurance
- Two priority 1, sixteen priority 2 and ten priority 3 recommendations have been made.
- Five of the audits are awaiting agreement by management. However, all recommendations from the finalised audits have been accepted, with management action plans in place and being monitored.

## 2.0 Recommended Decision

2.1 To review and comment on:

- Internal audit activity for the period 1 April – 30 November 2023.

## 3.0 Reason for Recommended Decision

3.1. The Accounts and Audit Regulations 2015 require that 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. Internal audit is a key element of the Council's corporate governance framework. Robust implementation of audit recommendations gives assurance to members and management that services are operating effectively, efficiently and economically and in accordance with legislative requirements and professional standards.

## 4.0 Alternative Options

4.1 None.

## 5.0 Background Information

- 5.1 The Council's Internal Audit provider, TIAA, have provided a comprehensive mid-year report attached at appendix 1. This details the audits that have been carried out and a summary of work completed against the plan for the year. The report also includes a section highlighting current key issues in the general auditing environment for information.
- 5.2 The definition of the assurance levels and recommendations are set out in the tables below:

<b>Assurance Level</b>	
<b>TIAA Definition</b>	
Substantial	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

<b>Recommendation Priority Gradings</b>	
<b>TIAA Definition</b>	
1	Urgent. Fundamental control issue on which action should be taken immediately.
2	Important. Control issue on which action should be taken at the earliest opportunity.
3	Routine. Control issue on which action should be taken.
OEM	Operational Effectiveness Matter. Items that would be best practise / improvements but do not impact on the effectiveness of the controls.

## **6.0 Strategic Plan Implications**

- 6.1 The audit plan has been set with due regard to the identified key strategic risks to the Council and the objectives of the strategic plan to be vibrant, prosperous, thriving and welcoming. Therefore, the audit work ensures the effectiveness of the processes required to achieve the strategic objectives.

## **7.0 Risk Management Implications**

- 7.1 The failure to implement recommendations may have an effect on the ability of the Council to control its risks and therefore the recommendations that are still outstanding should be incorporated into the risk management process.

## **8.0 Environmental and Sustainability Implications**

- 8.1 There are no environmental or sustainability implications as a result of this report.

## **9.0 Other Standard References**

- 9.1 There are no direct Publicity, Financial, Consultation, Equality, Diversity, Human Rights, Community Safety or Health and Safety implications as a result of this report.





Internal Audit

FINAL

## Colchester City Council

Summary Internal Controls Assurance (SICA) Report  
(Half year report)

**2023/24**

December 2023

## Summary Internal Controls Assurance

### Introduction

1. This summary controls assurance report provides the Finance and Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Colchester City Council as at December 2023.

#### **Whistleblowing - driving the conversation.**

2. **The importance of a healthy culture.**

We have seen, over the last few months, the publication of several high-profile reports such as the Metropolitan Police (Casey Review March 2023), University Hospitals Birmingham (Bewick Report March 2023) and Plaid Cymru's review (conducted by Nerys Evans May 2023) where a common theme for each organisation was reported around the treatment of whistleblowers as well as 'poor' organisational culture, failures in leadership and poor whistleblowing reporting mechanisms.

There are so many high-profile incidents that have arisen over the last few years across many sectors and industries, perhaps most notably the #METOO campaign which highlighted sexual abuse in the entertainment industry spanning decades, where, despite there being many reported incidents, the individuals were ignored, ostracised, or simply closed down and the matter covered up.

There is a real drive within government to look at the Whistleblowing Laws in the UK to drive through change. It is anticipated that there will be greater onus on organisations to improve their culture and to provide greater support and protection for whistleblowers. The outcome of the government's research is due for completion by the Autumn 2023.

In anticipation of the key messages coming out from the government, we in TIAA are using our expertise and knowledge to support organisations by:

1. Working with organisations to 'health check' organisational culture in respect of whistleblowing.
2. Providing a platform for those responsible for governance, raising concerns, whistleblowing, and freedom to speak up guardians to share knowledge expertise, good practice in a forum event.
3. Examining poor practice and looking at the lessons to be learnt from recent incidents in webinar events and through consultation exercises such as online surveys.
4. Sharing the information through benchmarking reports and roundtable events.

Please use this link to keep up to date with our campaign and/or to be part of the conversation and drive through real change and improvement in this important area.

<https://www.ttaa.co.uk/publications/ttaa-organisational-culture-and-whistleblowing-webinar/>

#### **Audits completed since the last SICA report to the Audit Committee**

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.



*Audits completed since previous SICA report.*

Review	Evaluation	Draft issued	Final issued	1	2	3	OEM
Budgetary Control	Reasonable	08/06/2023	21/06/2023	0	1	0	0
Human Resources and Payroll	Substantial	11/07/2023	13/07/2023	0	1	0	0
Procurement	Limited	19/07/2023	-	1	1	0	0
Council Tax and NNDR	Substantial	16/08/2023	-	0	0	1	0
Business Continuity	Reasonable	07/09/2023	-	0	1	1	0
Health Alliance Arrangements and Benefits to residents	Reasonable	14/08/2023	26/09/2023	0	2	0	0
CCHL Procurement	Limited	22/09/2023	22/11/2023	1	3	0	1
Safeguarding	Reasonable	29/09/2023	25/10/2023	0	2	0	0
LAD Grant Review	Substantial	05/10/2023	25/10/2023	0	0	1	0
Delivery of Housing Strategy and Outcomes	Substantial	10/10/2023	23/10/2023	0	0	1	0
Complaints Management (Waste Mgt)	Substantial	11/10/2023	-	0	0	1	0
Staff wellbeing and Sickness absence	Reasonable	10/10/2023	26/10/2023	0	2	0	0
Data protection (Supplier GDPR Compliance)	Reasonable	10/11/2023	18/12/2023	0	2	1	0
CCHL Colchester Fibre	Substantial	10/11/2023	-	0	0	1	0
Housing Rent (Joint with CBH)	Substantial	13/12/2023	02/01/2024	0	0	2	0
Fleet Management and Fuel Usage	Reasonable	30/11/2023	-	0	1	1	0

4. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

**Progress against the 2023/24 Annual Plan**

5. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

**Changes to the Annual Plan 2023/24**

- A reconciliation of audit days carried forward was carried out by Internal Audit and the Corporate Governance Manager and 54 additional days were identified. 34 days audit were added to annual plan (three additional audits were added as follows: LAD Grant review, Supplier GDPR Compliance (Data protection) and S106 Developer Contribution) and remaining 20 days were added to the CCHL allocation to make 38 days for three audits.

### Audits completed between 1 April and 30 November 2023

- TIAA completed 16 audits in the period to 30 November 2023 with one audit in progress and audit scope issued for the remaining eight Audits in the 2023/24 annual plan. The audits were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Colchester Borough Council's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key risks was provided.

### Summary of audits completed in the period

Assurance Assessments	Number of Reviews
Substantial Assurance	7
Reasonable Assurance	7
Limited Assurance	2
No Assurance	0

### Summary of recommendations raised in the period.

Urgent	Important	Routine	OEM
2	16	10	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

### Progress in actioning priority 1 & 2 recommendations

- We have made two Priority 1 recommendations (i.e., fundamental control issue on which action should be taken immediately) since the previous SICA.

### Frauds/Irregularities

- We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

### Other Matters

- We have issued the briefing note shown in Appendix C, since the previous SICA report:

[Briefing Note](#)

**Responsibility/Disclaimer**

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage, or expense of whatsoever nature, which is caused by their reliance on our report.

**Release of Report**

12. The table below sets out the date of this Mid-Year Report.







<b>Date Report issued:</b>	<b>January 2024</b>
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## Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request.

### Executive Summary – Budgetary Control

<p><b>OVERALL ASSESSMENT</b></p>	<p><b>KEY STRATEGIC FINDINGS</b></p>
 <p>The diagram shows a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring with the text 'Adequate &amp; effective governance, risk and control processes'. To the right is a legend with four colored bars: green for 'SUBSTANTIAL ASSURANCE', yellow for 'REASONABLE ASSURANCE', orange for 'LIMITED ASSURANCE', and red for 'NO ASSURANCE'.</p>	<ul style="list-style-type: none"> <li data-bbox="1144 584 2119 703">  <p>The Council's original Budget was agreed by the Cabinet in January 2023 and the Full Council approved the Budget in February 2023.</p> </li> <li data-bbox="1144 703 2119 863">  <p>As at period 9, the General Fund showed actual net overspend position of £17,058k compared with budgeted overspend position of £16,369k resulting in a net overspend variance of £689k. There are reserves in place to fund the shortfall.</p> </li> <li data-bbox="1144 863 2119 983">  <p>The Council has the Budget and Policy Framework Procedure Rules document in place. It was issued in November 2022 and accessible via the Council's website.</p> </li> <li data-bbox="1144 983 2119 1118">  <p>Finance Business partners are allocated to budget holders by services and support from the Finance Business Partners is readily available to budget holders.</p> </li> </ul>
<p><b>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</b></p>	<p><b>GOOD PRACTICE IDENTIFIED</b></p>
<p>Risk PR1 - Inability to deliver the budget strategy as planned.</p>	<ul style="list-style-type: none"> <li data-bbox="1144 1182 2119 1302">  <p>The budget is reviewed and monitored by the Performance Management and Delivery Board/Senior Board on a quarterly basis and by the Governance and Audit Committee.</p> </li> </ul>
<p><b>SCOPE</b></p>	<p><b>ACTION POINTS</b></p>

The audit focussed on the Budgetary control processes in place as well as reporting/monitoring of the budget position reports by the relevant groups/committees in the Council.


Urgent	Important	Routine	Operational
0	1	0	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	At the time of the audit, the budget monitoring position report for the end of year 2022/23 (as at March 2023) was yet to be prepared.	Processes be put in place to bring up to date the monthly budget monitoring reports so that costs versus income can be reported on a timely basis and actions taken to address variances and any potential issues.	2	<i>When all the entries for the 22/23 accounts have been posted to the general ledger, a draft outturn report will be produced and reported to Senior Management and Members accordingly.</i>	September 2023	Deputy S151 Officer / Finance Manager (Business Partners)

## Executive Summary – Human Resources and Payroll

**OVERALL ASSESSMENT**







**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

SP5 - The sustained response to the pandemic to ensure continued (and additional) service delivery, results in staff reaching their personal resilience levels, leading to physical impacts on individual officers and organisational fatigue.


**SCOPE**

The audit reviewed a sample of starters, leavers, changes to the payroll and accuracy of monthly payroll. *(The staff appraisals will be reviewed in January 2024 when the new appraisal process has been fully implemented.)*

**KEY STRATEGIC FINDINGS**

-  The Council have 63 policies and procedures on Human Resources and Payroll on their SharePoint, many of which are due for review.
-  Sample testing of 20 starter, 20 leaver and 15 payroll changes found appropriate authorisation of the leaver, starters and changes.
-  Written contracts are in place for all 20 starters tested and the contracts were signed by the HR Manager and the Staff members.
-  Appropriate checks are carried out on the monthly payroll via the Error and warning reports which are generated on a monthly basis as part of the payroll process.

**GOOD PRACTICE IDENTIFIED**

-  The HR metrics dashboard on PowerBI include all key data on relevant HR metrics such as staff absence, staff wellbeing, starters, leavers, turnover and other HR metrics. This report is run on a monthly basis and made available to senior staff members from Heads of services upwards.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	0	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Council have 63 policies and procedures on Human Resources and Payroll. The policies are available on the Council's SharePoint. Majority (51 of the 63) of the policies and procedures on the SharePoint are dated from 2017 to 2020.	In order to ensure timely updates of all HR policies due for review, a dashboard or log of all the HR policies, including dates each policy is due for review, be maintained. This will ensure that all policies are reviewed and updated on time.	2	<i>A spreadsheet is already in place which lists our policies, this can be adapted to meet the needs of this recommendation. There are a number of policies which we have already planned to review this year but will ensure all policies are looked at.</i>	To be completed by 31 December 2023	HR Service Centre Manager



## Executive Summary – Health Alliance Arrangements and Benefits to Residents

**OVERALL ASSESSMENT**







**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

There are no specific risks relating to the Alliance in the Strategic risk register.


**SCOPE**

The review focused on the arrangement in place within the Council to implement the Health Alliance arrangements.

**KEY STRATEGIC FINDINGS**

-  The North East Essex Alliance Delivery plan 2023 – 2026 is in place and the process is at early stages.
-  The Council’s Strategic Director in partnership with a staff of NHS Suffolk and North East Essex ICB, carried out an Alliance Review Update in June 2023.
-  The Alliance review update report includes the approach to be taken by Colchester City Council however smart action plans to implement the plan have not been agreed and documented by the Council.
-  Issues affecting the Alliance includes a lack of understanding of the Alliance, shared challenges and addressing the drivers of health outcomes and health inequalities.

**GOOD PRACTICE IDENTIFIED**

-  An advert for the joint post with the Council and the Alliance has been put out to recruit a staff member to implement the process in the Council

**ACTION POINTS**







Urgent	Important	Routine	Operational
0	2	0	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The North East Essex Alliance Delivery plan 2023 - 2026 include high level priorities that will be focused on during the life of the plan, to deliver the six Live Well domain.</p> <p>The Council's Alliance review update report includes the approach to be taken by Colchester City Council. However, it is noted that the only specific smart action listed in the Alliance review report is to prepare the Place plan for Colchester from April 2024. Remaining listed actions are not SMART actions and are vague.</p>	<p>The Council to put in place a plan to adopt the priorities allocated to the Council as detailed in the NEE Alliance Delivery Plan 2023 - 2026. The plan to include how the council will achieve the goals with SMART objectives defined and responsibility be allocated to specific staff or services in the Council.</p>	2	<p><i>The Alliance Delivery Plan priorities are shared priorities, rather than priorities allocated to the Council. The Council is the Alliance alongside our partners. The work underway to develop place plans will provide more detail and will identify the Council as the lead where they are accountable for delivery of specific objectives and will clearly identify outcomes and how success will be measured.</i></p> <p><i>Alongside a refreshed governance structure within the Alliance the Council will have a new Memorandum of Understanding confirming joint priorities and the Council's role and contribution as an Alliance partner.</i></p>	31/3/24	Michelle Tarbun & Laura Taylor-Green

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Council carried out an Alliance review update in June 2023. The review documents the issues affecting Alliance such as blockers, lack of understanding of the Alliance, shared challenges and addressing the drivers of health outcomes and health inequalities.	Actions to address issues affecting the alliance be documented and implemented. Awareness programmes to educate, smart actions to address drivers of health outcomes and health inequalities be considered and documented for action.	2	<i>The Alliance Delivery Plan and the Place plan for Colchester will set out actions to deliver against agreed priorities. Progress, performance, risk escalation and mitigation will all be reported and documented through the Alliance governance process through the respective delivery group, executive groups and the Alliance Committee where required.</i>	31/3/24	Michelle Tarbun & Laura Taylor-Green

## Executive Summary – CCHL Procurement

<p><b>OVERALL ASSESSMENT</b></p> 	<p><b>KEY STRATEGIC FINDINGS</b></p> <ul style="list-style-type: none"> <li> CCHL use the Council’s Contract Procedure rules document for the Group’s procurement process.</li> <li> Training on procurement has not been received by the Finance Team in CCHL.</li> <li> Testing of orders within the tender and quotes threshold found noncompliance with the Contract Procedure rules and waivers were not raised for these orders as required.</li> <li> The Group does not have a contract register in place neither is there a register/list of waivers raised to date. Other findings are noted in the MAP.</li> </ul>								
<p><b>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</b></p> <p>CCC BAF risk PR 1 - Inability to deliver the budget strategy as planned.</p>	<p><b>GOOD PRACTICE IDENTIFIED</b></p> <ul style="list-style-type: none"> <li> Sample testing of 20 purchases under £9,000 noted that all the orders were independently raised and approved by signatories in line with their delegated limits.</li> </ul>								
<p><b>SCOPE</b></p> <p>The audit focussed on reviewing the procurement process including tenders, quotes and waivers within the CCHL Group.</p>	<p><b>ACTION POINTS</b></p> <table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>3</td> <td>0</td> <td>1</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	1	3	0	1
Urgent	Important	Routine	Operational						
1	3	0	1						

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A list of purchase orders raised between the period July 2022 and July 2023 for the CCHL group was reviewed and three of the orders are over £50,000.</p> <p>Testing of the sample of three expenditure over £50,000 found the following:                      Legrand care - £102,697.68 - This was for an upgrade to the Helpline system. It was noted that a tender was not required as it was an update to the currents system, however, a waiver could have been raised in line with the Procurement Contract rules. A waiver was however not seen for this transaction.</p> <p>Scruton Bland LLP - £70,050. The external audit company was contracted years back and the contract was renewed and approved by the Board of CCHL in November 2022. However, a waiver was not raised.</p> <p>The Contract Procedure rules require that for expenditure between £10,000 and £49,999, three quotes must be obtained before the supplier is selected. Testing of a sample five expenditure ranging from £16,000 to £36,000 found no evidence of receiving the requisite number of quotes, in line with the Council's Contract procedure rules was provided.</p>	Where services/contracts cannot be procured via the tender process (over £50k) as required by the Council's Contract Procedure rules, a waiver be raised and approved by the relevant signatories in line with the procedure rules.	1	<i>The Council's procurement policy allows for waivers to be raised in the event that following the tender/quotation process is not appropriate for various reasons. Going forwards, the Amphora group will complete waivers in all instances where this is deemed appropriate to do so. The Amphora group will produce a supplementary procurement guidance policy to set out the ways in which the Council's policy shall be implemented by Amphora.</i>	30/05/23	Finance Manager

PRIORITY GRADINGS

1	<b>URGENT</b>	Fundamental control issue on which action should be taken immediately.
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2	<b>IMPORTANT</b>	Control issue on which action should be taken at the earliest opportunity.
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3	<b>ROUTINE</b>	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<u>Council recommendation</u> The Finance Manager and Company Secretary noted that no training on procurement has been received by the Finance Team in CCHL.	The Council's procurement team to provide the relevant training on procurement to the Finance Team in CCHL as the Council's Contract Procedure Rules are used by CCHL.	2	<i>The Council's procurement team to be contacted and a meeting to be arranged.</i>	31/12/23	Finance Manager
3	Directed	A waiver register is not in place. Only a sample of waiver was provided for review as there is no central system in place for filing waivers raised across the Group. The waiver tested was correctly approved by a delegated signatory and the reason for the waiver was recorded in the form which was completed by a staff independent of the approving authority.	A waivers list should also be centrally maintained by the finance team, for recording all waivers raised by the CCHL group.	2	<i>A register of waivers applied going forwards to be maintained within the Amphora Group.</i>	31/12/23	Finance Manager
4	Directed	It was confirmed that the CCHL Group does not have a contract register in place. A waiver register is also not in place.	The CCHL Finance team to liaise with the Council's Procurement team to create a Contracts Register so that all the contracts by the group are documented on a SharePoint.	2	<i>The Council's procurement team to be contacted and a meeting to be arranged.</i>	31/12/23	Finance Manager

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.


**3** **ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	Noncompliance with procurement rules noted as seen in the procurements over £10,000 as noted in the MAP above.	In order to ensure that procurement rules are followed in future, a system report of expenditure in each period is produced to verify that procurements in each threshold are checked and rules followed.	<p><i>Some instances relate to suppliers and services where it would be inappropriate to capture under a contract due to the nature of the business areas concerned. The Council's procurement policy allows for waivers to be raised in the event that following the tender/quotation process is not appropriate for various reasons. Going forwards, the Amphora group will complete waivers in all instances where this is deemed appropriate to do so. The Amphora group will produce a supplementary procurement guidance policy to set out the ways in which the Council's policy shall be implemented by Amphora.</i></p> <p><i>Ongoing checks to ensure procurement rules are adhered to, or waivers are sought, shall be undertaken.</i></p>

## Executive Summary - Safeguarding

**OVERALL ASSESSMENT**







**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

CO2 - The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision.



**SCOPE**

To review the Council's compliance with the Safeguarding Policy and confirm if the council is meeting its legal duty to 'safeguard and promote the welfare of children and adults with needs for care and support.'

**KEY STRATEGIC FINDINGS**

-  The Council has an up-to-date Safeguarding Policy in place. In addition to the policy, procedures and guideline used by the Council includes Southend Essex Thurrock (SET) Safeguarding and child protection procedures.
-  Testing of the 32 adult referral cases in the current year to date found some exceptions noted in the MAP below.
-  Safeguarding Level 1 compliance data increased from 52.09% to 58% on introduction of the Learning Pool.
-  Testing of the two Children referral to date found that sufficient documentation of referral actions and outcome are in place.

**GOOD PRACTICE IDENTIFIED**

-  The Council has recently introduced a Safeguarding App for adult referrals.
-  Quarterly Safeguarding report is now being prepared by the Safeguarding officer.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	0	0




## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>A review of the training data found that the latest mandatory training figures, prior to transition to Learning Pool were:</p> <ul style="list-style-type: none"> <li>Safeguarding Level 1: 52.09%</li> <li>Suicide Awareness Level 1: 41%</li> <li>Prevent 1: 36.6%</li> </ul> <p>Compliance figures are still low. however, progress has been made since the Learning pool was introduced. Safeguarding Level 1 training completion has gone up from <b>52.09%</b> to <b>58.3%</b>.</p>	<p>Process be put in place to encourage staff members to complete the safeguarding training, to further improve compliance within the Councils training requirements.</p>	2	<p><i>Learning Pool has made the courses much more accessible to Colchester City Council's large body of staff and is already having an impact after just one month although it is still in its infancy.</i></p> <p><i>It is worth noting that some staff are opting out of the Suicide Awareness due to the triggering nature of the training but we are not yet able to monitor this due to the newness of the system.</i></p> <p><i>The pilot scheme of in person training for frontline services has also been successful in reaching staff who do not have access to IT systems. This has contributed to a reduction in numbers who were overdue and going forward should provide a manageable way to maintain training completions.</i></p> <p><i>CCC intends to build on the pilot scheme and the courses available on LP to ensure they are appropriate and accessible to all staff over the course of the next year.</i></p> <p><i>CCC is looking to raise the profile of safeguarding within the organisation both online and in its physical environment-this should help to boost awareness of the importance and</i></p>	<p>01/08/24</p> <p><i>Over the course of the next year we will:</i></p> <p><i>Continue to improve our mandatory courses on LP using feedback and advice from service areas</i></p> <p><i>Continue to deliver in person training opportunities</i></p> <p><i>Create and monitor courses on learning pool that meet the needs of all service areas especially frontline services where uptake is historically the lowest.</i></p> <p><i>25/11/23 – Internal newsletter to be launched to coincide with adult safeguarding week. In addition, a pilot scheme of safeguarding site walks will begin to ascertain the</i></p>	Safeguarding Officer

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<i>training and encourage staff to complete.</i>	<i>promotion of safeguarding in areas designated for staff e.g. posters/information available in team rooms</i>	
2	Directed	<p>There are thirty-two adult referral cases in the current year to date. A review of the thirty-two cases found the following:</p> <ul style="list-style-type: none"> <li>• The dates of incidents were recorded, and reporting was done within 3 days of the incident.</li> <li>• Eighteen referrals show the actions taken to resolve the safeguarding issues.</li> <li>• Seven cases indicated that assessments would be done but outcome of assessment is not documented in the spreadsheet.</li> <li>• Seven cases were poorly documented and not conclusive.</li> </ul>	Outcome of safeguarding cases be documented, and safeguarding cases be properly and fully documented in the safeguarding spreadsheet.	2	<p><i>Safeguarding officer will provide opportunities for training in raising the standard of record keeping in meetings and via updates.</i></p> <p><i>Outcome updates will be monitored closely by the safeguarding officer and monthly reminders will be sent for outcome updates to be completed. In the case of outcomes not being received, the safeguarding officer will also make attempts to obtain these.</i></p>	<p><i>DSO Update meeting 30/10/23</i></p> <p><i>DSO Update Meeting 30/10/23 and email reminders 31/10/23 12/10/23</i></p> <p><i>Safeguarding officer already chasing outcomes on behalf of officers</i></p>	<i>Safeguarding Officer</i>

## Executive Summary – LAD3 Grant review

**OVERALL ASSESSMENT**







**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

SP4 - Failure to protect public funds and resources – ineffective probity / monitoring systems/legislative breaches.


**SCOPE**

The audit reviewed how the LAD3 grant received by the Council was expended and verified if adequate records were maintained.

**KEY STRATEGIC FINDINGS**

-  A call off contract and data share agreement were signed by the Council and the contractor on 27th October 2022.
-  A memorandum of understanding and data sharing agreement was signed by the Council and the Government for the grant received on 25th November 2022.
-  The Council received a total grant of £689,823.23 for the project, from which total sum of £392,767.35 was expended, resulting in an of underspend of £297,055.88. £277,584.12 from the underspend has been remitted to the Department for Business, Energy & Industrial Strategy.
-  Twelve invoices raised during the project were all approved by authorised signatories of the Council in line with the scheme of delegation.

**GOOD PRACTICE IDENTIFIED**

-  Total invoices raised, amount refunded to the Government and balance with the Council were reconciled to the grant received.







**ACTION POINTS**

Urgent	Important	Routine	Operational
0	0	1	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The Accounts payable team maintained an account on the finance system for the project. However, at the time of the audit, the records maintained by the Sustainable, Transport and Climate change team were yet to be reconciled and agreed with the Accounts payable record.</p> <p>However, Internal audit was able to agree the total invoices raised and amount refunded to the Government, to the grant received. The balance left with the council was also agreed with the project lead within the Sustainable, Transport and Climate change team.</p>	Reconciliation of Account payable record and the record held by the Sustainable, Transport and Climate change team be completed before closing the project.	3	<p>Reconciliation has taken place with the Accounts Payable team. It was found that the invoices were 50 pence out due to an error made in uploading the payment amount to the Council's payment system. This payment happened in the previous financial year and has been settled so there is nothing we can do about this. Other than this all payments tallied. The final report for the project has been sent off to Department for Energy Security and Net Zero on 10<sup>th</sup> October 2023, with final sign off from CEO and s151 officer provided.</p>	10/10/2023 (action complete)	Ben Plummer (Climate Emergency Officer) and Keith Parker-Larkin (Domestic Energy Efficiency Improvement Co-ordinator)

## Executive Summary – Delivery of Housing strategy and outcomes

<p><b>OVERALL ASSESSMENT</b></p>  <p>The diagram shows a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate &amp; effective governance, risk and control processes'. To the right is a legend with four colored circles: green for 'SUBSTANTIAL ASSURANCE', yellow for 'REASONABLE ASSURANCE', orange for 'LIMITED ASSURANCE', and red for 'NO ASSURANCE'.</p>	<p><b>KEY STRATEGIC FINDINGS</b></p> <ul style="list-style-type: none"> <li> The Council has a Housing strategy in place which covers the period 2022 – 2027 and sets out the Council's vision for housing in the city.</li> <li> The Council has a delivery plan in place for implementing the Housing strategy. A progress report on the delivery plan is prepared by the Housing strategy progress group and presented to the portfolio holder.</li> <li> Progress made on each action in the delivery plan is documented in the plan and actions due for implementation have been updated in the delivery plan.</li> <li> The Council's Housing strategy is linked to the Homelessness and Rough sleeping strategy.</li> </ul>								
<p><b>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</b></p> <p>Strategic risks C01 - Failure or inappropriate performance management of one or more strategic partnerships or key contracts and, C02 - The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision</p>	<p><b>GOOD PRACTICE IDENTIFIED</b></p> <ul style="list-style-type: none"> <li> The Housing strategy progress group is in place. The group met to update the actions and progress made in the delivery plan in July 2023.</li> </ul>								
<p><b>SCOPE</b></p> <p>The audit was a governance review of the Housing strategy, and the processes in place to monitor implementation of the Housing strategy delivery plan.</p>	<p><b>ACTION POINTS</b></p> <table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	1	0
Urgent	Important	Routine	Operational						
0	0	1	0						

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	The Housing strategy progress group is in place and membership includes other organisations. However, the group currently meets twice a year	Consideration be given to increasing the meeting frequency to quarterly or three times a year so that actions to implement the strategy can be more effectively monitored and managed.	3	<i>We will look into increasing the frequency of the meetings as requested to improve the monitoring of the strategy.</i>	31/03/2024	Housing Strategy Co-ordinator

# Executive Summary – Staff wellbeing and Sickness absence

**OVERALL ASSESSMENT**

**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

Costs of sickness absence and staff attrition if staff wellbeing and sickness absence are not managed satisfactorily.

**SCOPE**

The purpose of the audit was to review the controls and processes in place to manage and minimise staff sickness absences and proactively ensure staff wellbeing.

**KEY STRATEGIC FINDINGS**

- Self-certification for all periods of sickness absence and medical fit notes for absences of over seven days are not always obtained.
- Evidence has not been provided that return to work interviews have been completed for all sickness absences.
- Sickness absence has considerably reduced over the last two years, from an annual rolling average of 10.6 days in August 2022 to 8.2 days in August 2023.
- Weekly sickness absence reports are produced for all line managers, with monthly reports provided to heads of service.

**GOOD PRACTICE IDENTIFIED**

- Staff wellbeing is proactively promoted and there are many options of guidance and support available via the intranet.
- Staff are currently being consulted for input into the revision of the Wellbeing Strategy.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	0	0

## Assurance - Key Findings and Management Action Plan (MAP)


Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Self-certification and medical "fit notes" are not always obtained for all periods of sickness absence. This is an outstanding action from the previous audit in 2021-22.</p> <p>It is required by the Sickness Absence policy to obtain a self-certification for all absences, whether short or long-term absence. However, for four of 21 short-term sickness, and two of four for long-term sickness absences reviewed the self-certification was not held.</p> <p>In addition, there were seven where the self-certification has been completed but the dates of sickness on the self-certification did not match the dates on the i-Trent system. HR carried out a review during the audit and referred variances to line managers. Three of these variances have now been corrected.</p> <p>Medical "fit notes" are attached to the i-Trent sickness record. However, the audit testing identified that these have not been obtained for all periods of sickness of eight days or more in line with the Sickness Absence Policy.</p> <p>For one of six long term sickness and one of eight short term sickness no fit notes were held. A further four of the long-term sickness have some fit notes but they do not cover the full period required. For two of these, early retirement is now in progress.</p>	<p>Remind managers of the requirements, including checking any variance of absence dates at the time of the return to work interview.</p> <p>HR to carry out spot checks in future.</p>	2	<p><i>The audit highlighted issues with our Sickness Power App that we had not been made aware of so we are grateful for that.</i></p> <p><i>During the audit guidance was sent out in our Monthly HR Update to remind Managers of the process.</i></p> <p><i>Following receipt of this report HR Business Partners will discuss with their Services to identify any issues which may be preventing them from following our policy.</i></p> <p><i>We will review the guidance we provide to staff and managers to identify any areas of concern. We will look at the viability of producing a guide to sickness absence elearning package which will provide a refresher for existing managers and training for any new managers.</i></p> <p><i>HRSC will carry out spot checks following re-issue of guidance (ongoing).</i></p>	31.12.23	HRSC Manager



Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Evidence has not been provided that a return to work meeting is held following all periods of sickness absence.</p> <p>Most services use a PowerApp facility to record self-certification and the return to work meeting. The input requires a declaration by the employee that the self-certification is accurate, a declaration by the manager to confirm the sickness has been agreed, and the date of the return to work interview.</p> <p>The council is currently investigating some problems with the PowerApp,</p> <p>Some services, mainly neighbourhood, are unable to use this facility so operate a manual process then file the records on i-Trent.</p> <p>For 10 of 21 short-term absences and two of four long-term absences the PowerApp report did not detail the return to work or managers declaration.</p> <p>Where evidence was seen that the return to work interview had been completed, these had been done promptly after the employee returned.</p>	<p>Reinforce the policy to managers, with HR to carry out spot checks in future.</p> <p>If the known PowerApp issues cannot be resolved quickly, consider an alternative method of recording.</p>	2	<p><i>The ICT team worked on the App during the audit to ensure it was working correctly – any issues have now been fixed but HR will continue to monitor its effectiveness.</i></p> <p><i>See above re manager guidance/HR spot checks.</i></p>	Ongoing	HRSC Manager

## Executive Summary – Data protection (Supplier GDPR compliance)

**OVERALL ASSESSMENT**







**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

Risk SP1 - Sensitive data, in any format, is not correctly managed, processed or protected from loss or theft in line with GDPR and Data Protection Act requirements.


**SCOPE**

The audit reviewed the processes in place for checking and confirming suppliers' compliance with GDPR requirement.

**KEY STRATEGIC FINDINGS**

-  The Data protection policy has been updated and will be ratified by the Cabinet in December 2023.
-  A one-off GDPR compliance exercise was carried out by the Council's Information service, to review compliance of 20 key contractors to the GDPR requirements.
-  Testing of a sample of 25 tenders found that assessment of GDPR compliance as part of the tender evaluation process was done in 15 of the sample tested.
-  Introduction of the terms and conditions to the purchase order will expressly state the supplier's liability if data belonging to the council is not protected.

**GOOD PRACTICE IDENTIFIED**

-  The Council is currently working on introducing terms and conditions to be included the purchase order, that will expressly state the supplier's liability if data belonging to the council is not protected.

**ACTION POINTS**








Urgent	Important	Routine	Operational
0	2	1	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A one-off GDPR compliance exercise was carried out by the Council's Information service, to review compliance of 20 key contractors to the GDPR processes on Articles 28, 30, 32 - 36 of the GDPR requirements.	A plan to review all the Council's contractors/suppliers' GDPR compliance be put in place so that the assessments can be done for all the contractors/regular suppliers over a period of time.	2	<i>A plan will be put in place to review key suppliers.</i>	31/03/2024	Information Services Manager
3	Delivery	Testing of a sample of 25 tenders found that assessment of GDPR compliance as part of the tender evaluation process was done in 15 of the 25-sample tested. GDPR compliance by the potential suppliers/contractors was not assessed/evaluated in 10 of the tenders reviewed.	Processes be put in place to ensure that all potential suppliers include evidence of Customer data protection/GDPR compliance in the tender documents submitted to the Council.	2	<i>The ITT &amp; Bidder Response documents will be updated to ensure GDPR compliance is assessed/ evaluated in all tenders issued by the procurement team.</i>  <i>Guidance will be added to the Procurement page on the intranet to ensure officers comply with GDPR when procurement is not involved.</i>	31/12/2023  31/03/2024	<i>Senior Procurement Consultant</i>  <i>Senior Procurement Consultant</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A review of five contractors assessments carried out by the Information Services Manager found the following: Two contractors were fully compliant, two contractors were compliant on almost all the assessments questions except for one to two questions. One contractor was partially and fully non-compliant on 15 questions (Orwell Housing). The Information Services Manager contacted the client on the 21<sup>st</sup> of September, the client responded that they would respond to the Council by 29<sup>th</sup> September. The client had yet to respond to the Council at the time of the audit.</p> <p>Another client noted one noncompliant assessment (Health Trust Europe) provided further document which covered the non-complaint assessment. After additional review by the Council's legal team the document was signed.</p>	<p>The Council's legal team to determine the actions required to address the non-compliant and partial compliant assessment noted for Orwell Housing. (if the supplier responds to the Council's concerns with an amended contract which is assessed as fully compliant the need to seek legal advice would not apply.)</p>	3	<p><i>Following further correspondence with Orwell Housing, they are in the process of revising their documentation. Once updated it will be re-assessed for compliance.</i></p>	31/12/2023	Information Services Manager

## Executive Summary – Housing Rent (Joint with CBH)

<p><b>OVERALL ASSESSMENT</b></p>	<p><b>KEY STRATEGIC FINDINGS</b></p>								
 <p>The diagram shows a circular gauge with 'Substantial Assurance' selected. The gauge is labeled 'Adequate &amp; effective governance, risk and control processes'. The assurance levels are: Substantial Assurance (green), Reasonable Assurance (yellow), Limited Assurance (orange), and No Assurance (red).</p>	<ul style="list-style-type: none"> <li> Updated Rent Setting and Service Charge and Income policies are in place and accessible by the relevant staff members.</li> <li> Operational risks relating to the Housing Management and Housing Option Teams are documented in the Risk register.</li> <li> A sample of 50 arrears cases were reviewed and it was confirmed that record of the last actions taken to recover the arrears is recorded in the spreadsheet.</li> <li> Exceptions noted while testing the rent arrears are documented in the Key Findings and Management Action Plan (MAP).</li> </ul>								
<p><b>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</b></p>	<p><b>GOOD PRACTICE IDENTIFIED</b></p>								
<p>ST01 - Failure to deliver against expectations.</p>	<ul style="list-style-type: none"> <li> Between April and October 2023, 97% rent collection was reported.</li> <li> The Tenancy Services Team meets on a regular basis to review rent arrears and other rent related issued.</li> </ul>								
<p><b>SCOPE</b></p>	<p><b>ACTION POINTS</b></p>								
<p>The audit focussed on the process of collecting rent, managing and recovering housing rent arrears.</p>	<table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>2</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	2	0
Urgent	Important	Routine	Operational						
0	0	2	0						

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A review of a sample of 50 arrears noted that some actions referred to as 'Telephone call only' were not correctly stated as these entries were done by temporary staff no longer with the organisation. Six arrears fall into this category and further testing found that actions ranging from payment plan in place to court orders have been taken on the six arrears but not documented.	All arrears with the last actions noted as 'Telephone call' be reviewed to ensure that actual actions taken are uploaded to the NEC system.	3	<p><i>Use of telephone status in arrears action was confirmed to one agency officer who is no longer working for CBH.</i></p> <p><i>Arrears actions will be updated to the recognised stage at the next point of action.</i></p>	31/1/24	<p><i>Jon Cowie</i> <i>Housing</i> <i>Manager</i></p>
2	Directed	It was noted for five of the arrears tested that a payment plan has been agreed with the tenants but these were yet to be set up on NEC.	All arrears with payment plan be reviewed and the plan set up on the NEC system.	3	<p><i>Payment plans should always be indicated in the notes page with the additional option to set up a formal arrangement (though this will change the arrears action to ARRA).</i></p> <p><i>All staff involved in rent arrears recovery will be reminded at the next available team meeting in January.</i></p>	By 31/1/24	<p><i>Richard</i> <i>Dowling</i></p> <p><i>Jon Cowie</i></p>

## Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Budgetary Control	1	Final report	
Human Resources and Payroll	1	Final report	
Health Alliance Arrangements and Benefits to residents	1	Final report	
CCHL Procurement	2	Final report	
Safeguarding	2	Final report	
LAD Grant Review	n/a	Final report	<b>Additional Audit</b>
Delivery of Housing Strategy and Outcomes	2	Final report	
Staff wellbeing and Sickness absence	2	Final report	
Data protection (Supplier GDPR Compliance)	n/a	Final report	<b>Additional Audit</b>
Housing Rent (Joint with CBH)	3	Final report	
Procurement	1	Draft report	
Council Tax and NNDR	2	Draft report	
Business Continuity	2	Draft report	
Complaints Management (Waste Mgt)	1	Draft report	
CCHL Colchester Fibre	3	Draft report	
Fleet Management and Fuel Usage	3	Draft report	
Cyber Security	3	Fieldwork ongoing	

Contract Management	3	Fieldwork ongoing	
Council Governance of Subsidiary companies	4	Scope issued	<b>Moved from Q2 to Q4 by key contacts</b>
Leisure World	4	Scope issued	
Working with Volunteers and Police	4	Scope issued	
Housing benefits	4	Scope issued	
S106 Development contribution	n/a	Scope issued	<b>Additional Audit</b>
Museums – Merged services	4	Scope issued	<b>Moved from Q3 to Q4 by key contacts</b>
Key Financial Controls	4	Scope issued	
CCHL Amphora and CCC Financial SLA Audit	4	Scope issued	

**KEY:**


	To be commenced		Site work commenced		Draft report issued		Final report issued
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## Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to Colchester Borough Homes is given below. Copies of any CBNs are available on request from your local TIAA team.

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 23009	Guidance issued by HMRC on tax avoidance schemes		<b>Action Required:</b> <b>Raise the profile of tax avoidance across networks and communication channels</b>





## Governance and Audit Committee

Item  
**12**

16 January 2023

<b>Report of</b>	<b>Assistant Director Corporate and Improvement Services</b>	<b>Author</b>	<b>Matthew Evans</b> ☎ ext. 8006
<b>Title</b>	<b>Work Programme 2023-2024</b>		
<b>Wards affected</b>	Not applicable		

### 1. Executive Summary

- 1.1 This report sets out the current Work Programme 2023-2024 for the Governance and Audit Committee. This provides details of the reports that are scheduled for each meeting during the municipal year.
- 1.2 The Committee is asked to note the updates which have been made to the work programme for the meeting scheduled for 7 February 2024.

### 2. Recommended Decision

- 2.1 The Committee is asked to note the amended contents of the Work Programme for 2023-2024.

### 3. Reason for Recommended Decision

- 3.1 The Work Programme of this Committee is kept under review throughout the municipal year to ensure that business is progressed and Members have the opportunity to review upcoming agenda items.

### 4. Alternative Options

- 4.1 This function forms part of the Committee's Terms of Reference and, as such, no alternative options are presented.

### 5. Background Information

- 5.1 The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.
- 5.2 The Committee's Work Programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the Work Programme to be reviewed and, if necessary, amended according to current circumstances.

## 6. Standard References

- 6.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety, environmental and sustainability implications or risk management implications.

## 7. Strategic Plan References

- 7.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 7.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

## WORK PROGRAMME 2023-24

<b>Governance and Audit Committee</b>
<b>Meeting date / Agenda items -</b>
Governance and Audit Committee - <b>20 June 2023</b>
<ol style="list-style-type: none"><li>1. Year End Internal Audit Assurance Report 2022/2023</li><li>2. <u>Review of the Governance Framework and Draft Annual Governance Statement</u></li></ol>
Governance and Audit Committee – <b>01 August 2023</b>
<ol style="list-style-type: none"><li>1. Update from the Council's external auditors, BDO.</li><li>2. Verbal update from the Council's S151 Officer with regard to the Council's statement of accounts.</li><li>3. 2022/2023 Year End Review of Risk Management</li></ol>

**Governance and Audit Committee - 12 September 2023**

1. Colchester Borough Homes Annual Report and Governance Statement
2. Revenue Monitoring Report – April to June 2023/24
3. 2022/2023 Revenue Outturn

**Governance and Audit Committee - 17 October 2023**

1. Local Government and Social Care Ombudsman Annual Review 2022/2023
2. Health and Safety Policy and Annual Report
3. Amphora Future Strategy
4. Proposed Hibernation of Colchester Amphora Energy Limited
5. Draft Statement of Accounts 2021/2022

**Governance and Audit Committee – 28 November 2023**

1. Colchester Commercial Holdings Limited – Annual Report
2. Quarter 2 Budget Monitoring Report 2023/2024
3. Polling District and Place Review

**Governance and Audit Committee – 13 December 2023**

1. Review of the Council's Ethical Governance Policies
2. Annual Review of the Members' Code of Conduct and the Council's Localism Act "Arrangements"
3. Review of Local Code of Corporate Governance
4. Review of Member/Officer Protocol
5. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Employees
6. Overview of the Council's Housing Stock
7. Verbal update on the Council's Statement of Accounts

**Governance and Audit Committee - 16 January 2024**

1. Verbal update from the Council's S151 Officer with regard to the Council's statement of accounts
2. Interim Review of the Annual Governance Statement Action Plan
3. Risk Management Progress Report
4. Mid-Year Internal Audit Assurance Report 2023/2024
5. Annual Review of Business Continuity

**Governance and Audit Committee – 7 February 2024**

1. Verbal update from the Council's S151 Officer with regard to the Council's statement of accounts
2. Capital Expenditure Outturn 2022/2023
3. Treasury Management Outturn 2022/2023
4. Treasury Management Mid-Year Update 2023/2024
5. Introduction to, and update on, the Housing Revenue Account
6. Hibernation of Colchester Amphora Homes Limited

**Governance and Audit Committee - 5 March 2024**

1. Internal Audit Plan 2024/2025
2. Revenue Monitoring Report – October to December
3. Capital Monitoring Report – October to December
4. Financial Monitoring Report
5. Overview of the Council's Procurement Policy
6. CBH performance monitoring 24/25