Stafford BOROUGH COUNCIL

Civic Centre, Riverside, Stafford

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Please note start time of meeting

Members training to commence at 4.00pm

Dear Members

Audit and Accounts Committee

A meeting of the Audit and Accounts Committee will be held in the **Walton Room, Civic Centre, Riverside, Stafford on Wednesday 25 June 2025 at 5.00pm** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded.

Members are reminded that contact officers are shown in each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

Head of Law and Governance

AUDIT AND ACCOUNTS COMMITTEE

25 JUNE 2025

Chair - Councillor M G Dodson

AGENDA

1 Minutes of 20 May 2025 as circulated and published on 22 May 2025

2 Apologies

3 Officers' Reports

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Chair - Councillor M G Dodson

K M Aspin	A M Loughran
M G Dodson	A R McNaughton
P A Leason	D P Rouxel

Agenda Item 3(a)

Internal Audit Annual Report 2024-25

Committee: Audit and Accounts Committee

Date of Meeting: 25 June 2025

Report of: Chief Internal Auditor and Risk Manager

Portfolio: Resources Portfolio

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1 Purpose of Report

1.1 To present the Internal Audit Annual Report for 2024-25.

2 Recommendation

2.1 That the Committee note the Internal Audit Annual Report.

Reasons for Recommendation

2.2 The Chief Internal Auditor is required to present an annual report to the Audit Committee setting out a summary of the work they have carried out in the year and an opinion on the

3 Key Issues

3.1 Based on the work undertaken during the year and the implementation by management of the audit recommendations, Internal Audit can provide Limited Assurance that the Council's framework of governance, risk management and internal control was operating adequately during 2024-25

4 Relationship to Corporate Priorities

4.1 The framework of governance, risk management and internal control is a key element of the Council's corporate governance arrangements which cuts across all corporate priorities.

5 Report Detail

Assurance

5.1 Management are responsible for the framework of governance, risk management and internal control and should set in place policies and

procedures to help ensure that the system is functioning correctly. Internal Audit review, appraise and report on the effectiveness of the framework of governance, risk management and internal control

5.2 The Internal Audit Annual Report (attached as **APPENDIX 1** is the culmination of the work of the Section during the course of the year and seeks to:

- provide an opinion on the adequacy of the framework of governance, risk management and internal control
- comment on the nature and extent of significant risks; and
- report the incidence of significant control failings or weaknesses.

5.3 Work completed since the last progress update has not previously been presented to committee and this is included in **APPENDIX 1**.

5.4 The Internal Audit Annual Report is one of the sources of assurance that is used to support the Council's Annual Governance Statement. The Annual Audit Opinion given in the report is based on the work of the Internal Audit section and other information that the Chief Internal Auditor and Risk Manager is aware of such as performance and risk management information and awareness of other work such as the delivery of projects.

5.5 The Annual Audit Opinion for 2024-25 is **limited assurance** that the Council's framework of governance, risk management and internal control was operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy. The opinion continues to take into account the findings set out in the External Auditor's Value for Money report for 2021-22 and 2022-23. The VFM report re-iterated the findings of Internal Audit and also cited the lack of progress made by management to implement Internal Audit recommendations.

Internal Audit's Performance

5.6 The Audit team completed 63% of the planned work which is below the annual target of 90%; furthermore, a small number of additional audits had been started but not completed by the end of the year and will be rolled forward into 2023-24. Whilst the number of new audits has fallen the section spent significantly more time following-up on the implementation of previous years recommendations and reevaluating assurances in the year in total 22 audit areas were followed up covering 114 recommendations. This has reduced the time for new audits to be completed.

Review of the Effectiveness of Internal Audit

5.7 The Annual Report contains a summary of the outcome of the Review of Internal Audit and the associated action plan.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

None

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1 - Summary of Significant Findings March Audits

Appendix 2 - Internal Audit Annual Report for 2024-25

8 Previous Consideration

None

9 Background Papers

File of work held by the Chief Internal Auditor and Risk Manager

Contact Officer: Stephen Baddeley

Telephone Number: 01543 464415

Ward Interest: All

Report Track: Audit and Accounts Committee 25 June 2025 (Only)

Key Decision: N/A

Appendix 1

Summary of Significant Findings for Audits Issued in March 2025

Audit Reports Issued in March 2025

Audit	Head of Service	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Development Management - Receipt of Applications & Validations	Economic Development & Planning	5	Partial ▲	The key issues identified were - • Application fees
Food & Safety Arrangements	Regulatory Services	9	Partial ▲	The key findings relate to • The need to have an updated Food Safety Service Plan • Procedures need to be updated to reflect current Food Hygiene Rating Scheme requirements • Authorisations need to be updated to reflect changes due to management restructures. • Working Papers, checklists and file notes should be updated with all relevant information • Competency/training assessments should be documented for all staff • Evidence of reviews of Inspections Schedules should be captured. • Corporate out-of-hours/lone working procedures should be complied with

Audit	Head of Service	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Website Security	Transformation & Assurance	1	Partial ▲	The recommendation related to the need to perform regular programmed vulnerability scans of the network.
BACS Security and Processing	DCE (Resources)	1	Substantial ✓	

Audit Follow-ups Completed in March 2025

Audit	Head of Service	Original Assurance	Implemented	In Progress	Not Implemented	Total	Revised Assurance	Comments
Property Management & Rentals	Housing & Corporate Assets	Limited !	0	0	7	7	Limited !	No progress had been made since the audit was issued in April 2024. Outstanding issues related to - • A reconciliation of assets should be performed across the record sets • An Asset Management Register is required • A responsible owner/manager should be assigned for each asset • Roles and responsibilities should be clarified • A schedule of inspections is needed for commercial assets to cover the condition and maintenance position • The Council should periodically inspect properties to ensure tenants are complying with their maintenance responsibilities. •

Audit	Head of Service	Original Assurance	Implemented	In Progress	Not Implemented	Total	Revised Assurance	Comments
Climate Change	Regulatory Services	Limited !	1	5	0	6	Partial ▲	The key outstanding issues relate to: • Need to produce updated Strategy and action plans • Actions should be SMART and consider project that could be used to deliver the action • Carbon savings should be recorded • The working group needs to be reviewed and reconvene
CDM Compliance (2nd Follow-up)	Housing & Corporate Assets	Partial ▲	2	0	1	3	Partial ▲	The outstanding action relates to the need for a CDM Framework/Policy setting out the Council's approach to deliver its responsibilities under the Construction (Design and Management) Regulations.
IT Resilience	Transformation & Assurance	Partial ▲	6	0	0	6	Substantial ✓	
Risk Management	Transformation & Assurance	Partial ▲	5	0	0	5	Substantial ✓	

Stafford Borough Council Internal Audit Annual Report 2024-25

June 2025

working together

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1b	Limited	12
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1 INTRODUCTION

1.1 The Internal Audit Service is a shared service with Cannock Chase District Council. This report highlights the work carried out by Internal Audit to deliver the Annual Audit Opinion for Stafford Borough Council.

The Annual Reporting Process

1.2 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on its governance arrangements comprising of risk management and internal control. Internal Audit objectively examines, evaluates and reports on the adequacy of the Council's governance arrangements as a contribution to the proper, economic, efficient and effective use of resources. Responsibility for governance rests fully with Managers, who should establish and maintain an adequate system of internal control to enable them to discharge their responsibilities and to ensure that the Council's resources are properly applied in the manner and on the activities intended.

1.3 This report is the culmination of the work of the Internal Audit Section during the course of the year and seeks to:

- provide an opinion on the adequacy of the control environment;
- comment on the nature and extent of significant risks; and
- report the incidence of significant control failings or weaknesses.

1.4 It provides a summary of the work of the Section throughout 2024-25. As such it presents a snapshot picture of the areas at the time that they were reviewed and does not necessarily reflect the actions that have been or are being taken by Managers to address the weaknesses identified. The inclusion or comment on any area or function in this report does not indicate that the matters are being escalated to Members for further action. Internal Audit routinely follow-up the recommendations that have been made and will bring any relevant areas where significant weaknesses have not been addressed by managers to the attention of the Audit & Accounts Committee if and when it is deemed appropriate.

1.5 Internal Audit has adopted an exception-based reporting methodology, as such only those areas where weaknesses have been identified are reported on.

Mandate for Internal Audit

1.6 The requirement for an Internal Audit function derives from local government legislation, including section 151 of the Local Government Act 1972 which requires authorities to "make arrangements for the proper administration of their financial affairs". Proper administration is interpreted in this legislation to include Internal Audit. More specific requirements are detailed in the Accounts and Audit Regulations 2015, in that a relevant body must "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance".

Review of Internal Audit

1.7 A review of Internal Audit has been undertaken within the year as part of the Quality Assurance and Improvement Programme as required by the Public Sector Internal Audit Standards.

1.8 The Chief Internal Auditor has conducted a self-assessment of the section in relation to compliance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN); and

1.9 The review has also started to consider the revised Global Internal Audit Standards (UK Public Sector) which come into force for the Council from 1st April 2025 and conformance with the new standards will be required as part of the review for 2025-26.

1.10 As previously reported an External Quality Assessment (EQA) was carried out in Autumn of 2022 by Business Risk Management Ltd. The outcome of the review and the agreed action plan was presented to the Audit & Accounts Committee on 16th November 2022. The view of the EQA Assessor was that "The Internal Audit Shared Service is delivering to a standard that generally conforms with the Public Sector Internal Audit Standards with the service demonstrating a high standard of delivery within its peer group". In line with the standards a new External Quality Assessment will be required in 2027.

1.11 The review concluded that Internal Audit is effective and conforms sufficiently with the requirements of PSIAS/LGAN to ensure that the opinion given in this Annual Report can be relied upon for assurance purposes. Where actions have been identified these are attached in Appendix 3 at the end of this report.

1.12 One ongoing area of significant non-conformance with the standards was identified and this relates to PSIAS 1110 Organisational Independence. The standards require the "Chief Audit Executive" to report functionally to the Board and indicate that this includes the Audit Committee Chair and Chief Executive commenting on the Performance Development Review and the Audit Committee setting remuneration for the "Chief Audit Executive".

1.13 This is not a common practice in Local Government where Members do not routinely get involved in detailed employment matters. It is felt that sufficient other safeguards to the independence of Internal Audit are currently in place within the Council such as allowing the Chief Internal Auditor the unfettered right of access to the Audit Committee Chair and Chief Executive to raise any concerns. However, following the EQA in 2022 the Head of Transformation & Assurance has agreed that she would contact both Audit Committee Chairs and have a conversation with them to seek their views in advance of undertaking the Chief Internal Auditor's PDR.

1.14 It is therefore felt that this area of non-conformance does not compromise the effectiveness of Internal Audit although PSIAS/LGAN requires it to be disclosed in the Annual Audit Report. GIAS (UK Public Sector) coming into force from 1st April 2025 make allowances to recognise this sectoral issue and there will no longer be a requirement to declare it as a non-conformance for 2025-26 onwards.

1.15 In order to ensure the quality of each audit, the Senior Auditor, the Principal Auditor or the Chief Internal Auditor carries out a file review for each audit prior to the reports being issued. The Chief Internal Auditor also reviews and signs-off every report before it is issued. These processes form part of the internal quality assurance process and helps to provide a consistent approach between the auditors.

1.16 As part of the Review of Internal Audit a Satisfaction Survey was issued to Managers and Heads of Service. A total of 6 responses were received covering approximately 16% of Managers, this is a slight fall on the 16 responses received for 2023-24. The majority of the questions were consistent with those asked in the 2023-24 survey to allow for trends to be considered. The results of the survey questions are set out below:

Question	2024-25 Average Score (out of 5)	2023-24 Average Score (out of 5)	2022-23 Average Score (out of 5)	Trend
How satisfied are you with the support that you get from Internal Audit?	4.83	4.25	4.2	↑
How satisfied are you that work of Internal Audit Reports adds benefit to your management of the services that you deliver	4.5	4.19	4.2	↑
Do you agree that Internal Audit recommendations are realistic and relevant to the operation of your service	4.5	4.31	4.2	↑

1.17 Whilst the drop in the number responses is unfortunate it is pleasing to be able to report an improvement in the scores for . The overall average scores continue to show an overall high level of satisfaction in the Internal Audit service provided to management.

2 REVIEW OF CONTROL ENVIRONMENT

How the Control Environment is Reviewed

2.1 Internal Audit operates to a risk-based audit plan. The audit plan is risk assessed each year to ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk.

2.2 This risk-based approach to audit planning results in a comprehensive range of audits being undertaken during the course of the year to support the overall opinion on the control environment.

2.3 The Audit Plan for 2024-25 continued the shift in focus away from a plan based solely on the Audit Universe to a totally risk focused plan.

2.4 It is believed that sufficient work has been undertaken on which to provide an opinion.

Internal Audit Opinion for 2024-25 and the Annual Governance Statement (AGS)

2.5 Regulation 3 of the Accounts & Audit Regulations 2015 require that the Council:

"must ensure that it has a sound system of internal control which—
(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
(b) ensures that the financial and operational management of the authority is effective; and
(c) includes effective arrangements for the management of risk.

2.6 In addition regulation 6 of the Accounts and Audit Regulations 2015 requires that the Council:-

"must, each financial year—
(a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
(b) prepare an annual governance statement;"

2.7 Internal Audit has a responsibility to provide assurance from the work they undertake during the year in respect of the control environment operating within the Council to feed into this review.

2.8 The results of internal audit work this year has again seen an increase in the number of audits given a limited or partial assurance. In addition the lack of progress in addressing the recommendations made by Internal Audit has demonstrated that management are not addressing the issues fully within a reasonable timeframe.

2.9 It is noted that for work completed over the last 3 years (2022-23 to 2024-25)

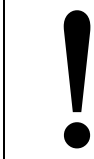
- 3 areas have remained Limited Assurance areas; (more information on these is given at paragraph 3.9)
- 3 areas have improved from Limited but remain Partial Assurance; and
- 22 areas remain at their original Partial Assurance.

2.10 No Audits were given No Assurance in the year and No Audits were given Limited Assurance. More details on the common issues identified in the audit work which have fed into this opinion can be found in paragraph 3.8 below.

2.11 In addition to the work carried out by Internal Audit, the Opinion is also based on other knowledge and information collected by the Chief Internal Auditor. This will include key risks of the organisation, other work and activities of the Council such as performance information and accident reports, awareness of the progress and delivery of key projects, topics discussed by Leadership Team and Members.

2.12 The opinion continues to take into account the findings set out in the External Auditor's Value for Money report for 2021-22 and 2022-23. The VFM report re-iterated the findings of Internal Audit and also cited the lack of progress made by management to implement Internal Audit recommendations .

2.13 Management has developed an improvement plan which has been approved by Cabinet and Audit Committee. Internal Audit has reviewed progress in delivering the improvement plan and whilst good progress is being made, there has been some slippage and there are further actions planned for delivery in 2025-26.

2.14 Based on the work undertaken during the year and the implementation by management of the audit recommendations, Internal Audit can provide **Limited assurance** that the Council's governance arrangements including risk management and systems of internal control were operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy.	

2.15 No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. These risks are reflected in the audit plan and are the subject of separate reports during the course of the year.

3 SIGNIFICANT ISSUES ARISING 2024-25

3.1 Each system/area audited is given a level of assurance based on the presence and effectiveness of the controls in place. Four levels of assurance are currently used and the definitions for each are contained in appendices 1a to 1d.

3.2 A summary of the level of assurance given to each audit is given in the table below.

	Substantial Assurance	Partial Assurance	Limited Assurance	No Assurance
Number of Audits	5	10	0	0
Reference for further information	See Appendix 1d	See Appendix 1c	See Appendix 1b	See Appendix 1a

3.3 In addition to the main audit work the section also followed-up the progress made in relation to Audit Recommendations where the audit was not issued with a Substantial opinion. Follow-ups are generally undertaken around 6 months after the report has been finalised.

3.4 30 follow-ups were completed for 22 audit areas in the year (8 areas were followed-up twice). After the follow-up had been completed:

- One Audit remained Limited Assurance
- Three audits had improved from Limited to Partial Assurance;
- One Audit have improved from Limited to Substantial Assurance
- Twelve audits had improved from Partial to Substantial Assurance; and
- Thirteen audits remained as Partial Assurance.

3.5 In total 119 recommendations were followed-up. The breakdown of status of recommendations is:

- 63 recommendations (52.9%) had been implemented;
- 46 recommendations (53.2%) were in progress at the time of the follow-up; and
- 9 recommendations (7.5%) had no progress at the time of the follow-up.
- 1 recommendation was superseded at the time of the audit

More details on the follow-ups can be found in Appendix 2.

3.6 This year has seen an increase in the number of recommendations implemented in full at the time of the follow-up to around 53% compared to 40% in 2023-24. Approximately 7.5% had no progress which is a slight decrease from 6.5% last year. Overall 92% of the recommendations followed up were in-progress of being implemented or completed in full at the time of the follow-up compared to 94% in 2022-23 which is a slight decrease.

3.7 No significant issues were identified in audits of the key financial systems for 2024-25. However, due to capacity issues within the Finance Team, limited work has been done on the finance systems.

3.8 Some common reoccurring themes were identified from the audit work in the year and these mirrored themes found in previous years and were referenced in the External Auditor's VFM Report; there is limited evidence of improvements being made to address the issues. The most significant issues were:

- Procurement processes not always being followed correctly and an overreliance on the use of waivers. This meant that contracts were not always market tested fully or work was issued outside of contractual agreements or on contracts that had expired.
- Lack of knowledge of current contracts, end dates and the timescales needed to re-tender major works.
- Poor project management processes including missing or poor-quality project risk registers and lack of post-implementation reviews.
- Employees lack of awareness of key governance documents including Financial Regulations, Procurement Regulations, Schemes of Delegation and the Code of Conduct.
- Data Protection Impact Assessments and Confidentiality Agreements not always completed when data is transferred to third parties.
- Key policies and strategies not being in place or being out of date leaving employees with limited guidance and lack of clear direction.
- Lack of clarity over responsibilities for buildings and their maintenance and routine compliance inspections.

3.9 There has also been a lack of progress in the implementation of recommendations and improvement of the assurance opinions in areas relating to property management and compliance, leaseholder management, tree management and the use of agency staff.

4 AUDIT PERFORMANCE

4.1 The table below indicates the Section's performance against the audit plan for 2024-25.

	2024-25 Planned	**2024-25 Actual**	**2024-25 Actual %**	**2024-25 Target %**	**2023-24 Actual**
Audit Plan	24	**15**	**63%**	90%	**117%**

4.2 Included in the completed audits above are 2 Audits which were originally part of the 2023-24 Audit Plan. These are

- Cloud Computing
- Car Parking

4.3 A further 3 audits have commenced but not been completed in the year. These are:

- Development Management - Determinations
- IT Service Desk, 1st Line Support and Incident management
- Civil Contingencies

4.4 Due to having two new starters in the team in the autumn of 2024-25 the team have not completed all of the work intended for Q3 and Q4. This is in part to the new members settling into the team and getting up to speed with procedures and workload and also due to the fact that the new Auditor has commenced the IIA Level 4 Apprenticeship course which has reduced her operational time to deliver audit work.

4.5 Whilst it is pleasing to report two new starters joining the team in the autumn of 2024-25 after a number of years struggling to recruit, the new recruits are not yet fully operational and this impacted on the completion of the work intended for Q3 and Q4.

4.6 Six audits planned for the year had not commenced at the end of the year,

- Tree Preservation Orders
- Local Plan
- UKSPF Grants & Projects
- Planning Enforcement
- Development Management - Determinations
- Public Buildings

These will be rolled-over to 2024-25 audit year although the Local Plan audit may be deferred further depending on the new timescale for completing the Plan.

4.7 An audit was included in the plan to cover the capital transitional grant to support the delivery of weekly food waste collections. No internal audit work was required in the year for this grant and it has been removed from the plan.

4.8 In addition to the audit plan the Section has also carried out a number of other pieces of ad hoc work and consultancy exercises during the year, these included advice on system changes and new systems.

5 FRAUD & IRREGULARITY WORK

Pro-active Fraud work

5.1 The Internal Audit section takes a proactive approach to the prevention / detection of fraud and corruption, within the resources available. During the year it has:-

- Continued as a Founding Member of the Staffordshire Counter Fraud Partnership

- Continued membership of the Midlands Fraud Sub Group, and sharing of information at Internal Audit Management Groups;

- Been alert to fraud risks in the audits carried out in the year

Fraud/Irregularity Investigations

5.2 The team has not been involved in any special investigations relating to fraud or irregularities in the year relating to Cannock Chase District Council; but some input has been provided into other investigations relating to the conduct of employees.

5.3 No allegations have been received via Confidential Reporting or Anti-Fraud & Corruption policies

National Fraud Initiative Data Matching

5.4 The Council is a statutory participant in the Cabinet Office's National Fraud Initiative (NFI) exercise which is carried out every 2 years. The 2023-24 matches were released in December 2024 and are in the process of being reviewed, some areas have been slow to review the data matches and some areas have not been reviewed at all due to staffing shortages and other work priorities these include the Creditor Data Matches, and Council Tax Single Person Discount Matches, the latter are never reviewed due to the team undertaking alternative data matching which matches to additional information sources.

5.5 No significant issues have been identified from the work carried out to date.

Appendix 1a

Audits Planned and Completed in 2024-25 by Assurance Level

No Assurance

Definition 	One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan

There were no audits which were classified as No Assurance in the year.

Appendix 1b

Limited Assurance Audits

Definition !	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are 9 or higher. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.

There were no audits which were classified as Limited Assurance in the year.

Appendix 1c

Partial Assurance Audits

Definition 	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.

Audit Area	Service Lead Officer	No of High/Medium Recommendations
Development Management - Receipt of Applications & Validations	Economic Development and Planning	6
Regeneration Major Projects - Guildhall site, Coop site, Station Gateway	Economic Development and Planning	4
Operations - Commercial Activity	Operations	5
Tree Management	Operations	7
Food Safety Arrangements	Regulatory Services	9
Cloud Computing (IT)	Transformation and Assurance	2
IT Starters and Leavers Process	Transformation and Assurance	5
Website Security	Transformation and Assurance	1
Disabled Facilities Grants Grant Claim	Wellbeing	0
Homelessness and Housing Options	Wellbeing	5

Appendix 1d

Substantial Assurance Audits

Definition 	All High (Red) and Medium (Amber) risks have appropriate controls in place and these controls are operating effectively. No action is required by management.

Audit Area	Service Lead Officer
Housing Benefits	DCE (Resources)
NNDR	DCE (Resources)
Council Tax	DCE (Resources)
BACS Security and Processing	DCE (Resources)
Payroll	Transformation & Assurance

Appendix 2

Results of Follow-ups Undertaken in the Year By Assurance Level

This table shows the assurance level at the end of the year. Where more than one follow-up of the same audit has been carried out only the assurance level at the end of the latest follow-up is shown.

Audit	Head of Service	Original Assurance	Implemented	In Progress	Not Implemented	Total	Revised Assurance
Property Management & Rentals	Housing & Corporate Assets	Limited !	0	0	7	7	Limited !
Climate Change	Regulatory Services	Limited !	1	5	0	6	Partial ▲
Environmental Protection & Pollution Control	Regulatory Services	Limited !	6	3	0	9	Partial ▲
Payroll	Transformation & Assurance	Limited !	1	7	0	8	Partial ▲
Pest and Dog Control	Regulatory Services & Operations	Limited !	1	3	0	4	Substantial ✓
Critical Applications security	Transformation & Assurance	Partial ▲	7	2	0	9	Partial ▲
Building Control 2nd Follow-up	Regulatory Services	Partial ▲	0	1	0	1	Partial ▲
CDM Compliance	Housing & Corporate Assets	Partial ▲	2	2	1	5	Partial ▲
CDM Compliance 2nd	Housing & Corporate Assets	Partial ▲	2	0	1	3	Partial ▲
IT Asset Management	Transformation & Assurance	Partial ▲	0	1	0	1	Partial ▲
IT Strategy Resources and operational plans	Transformation & Assurance	Partial ▲	0	1	0	1	Partial ▲
Office 365 Security	Transformation & Assurance	Partial ▲	3	1	0	4	Partial ▲

Audit	Head of Service	Original Assurance	Implemented	In Progress	Not Implemented	Total	Revised Assurance
S106 Agreements and Projects	Economic Development & Planning	Partial ▲	2	4	0	6	Partial ▲
S106 Agreements and Projects 2nd	Economic Development & Planning	Partial ▲	2	2	0	4	Partial ▲
Streetscene - 2nd Follow-up	Operations	Partial ▲	0	6	0	6	Partial ▲
Streetscene - 3rd Follow Up	Operations	Partial ▲	1	5	0	6	Partial ▲
Wireless Network Security	Transformation & Assurance	Partial ▲	3	2	0	5	Partial ▲
Wireless Network Security 2nd	Transformation & Assurance	Partial ▲	1	1	0	2	Partial ▲
Bereavement Services	Operations	Partial ▲	2	0	0	2	Substantial ✓
Building Control 3rd Follow-up	Regulatory Services	Partial ▲	1	0	0	1	Substantial ✓
Change Control 3rd Follow-up	Transformation & Assurance	Partial ▲	3	0	0	3	Substantial ✓
Cloud Computing	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓
Critical Applications security 2nd Follow-up	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓
CRM Project	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓
Cyber & Network Security (4th Follow Up)	Transformation & Assurance	Partial ▲	2	0	0	2	Substantial ✓

Audit	Head of Service	Original Assurance	Implemented	In Progress	Not Implemented	Total	Revised Assurance
Document Retention & IT Records (3rd Follow Up)	Transformation & Assurance	Partial ▲	0	0	0	1*	Substantial ✓
IT Resilience	Transformation & Assurance	Partial ▲	6	0	0	6	Substantial ✓
IT Third Party Supplier Management & External Data Sharing (3rd Follow-up)	Transformation & Assurance	Partial ▲	1	0	0	1	Substantial ✓
Remote Working	Transformation & Assurance	Partial ▲	5	0	0	5	Substantial ✓
Risk Management	Transformation & Assurance	Partial ▲	5	0	0	5	Substantial ✓

*This audit had one recommendation that had been superseded at the time of the follow-up

Appendix 3

IMPROVEMENT PLAN FOR INTERNAL AUDIT - 2024-25

PROGRESS ON PREVIOUS ACTION PLANS

Ref	Source	Actions	Person Responsible for Implementation	Timescale	Progress Comments
1	Annual Review & EQA 2023-24	Internal Audit will look at progressing some mapping of Assurance provided by others and how this can be taken into account.	Chief Internal Auditor & Risk Manager	Closed	Some work has been undertaken to identify other sources of assurance will be progressed as the new standards place a greater emphasis on Assurance Mapping. This will now be picked up in recommendation 2 below
2	Annual Review 2024-25	Work will continue to develop Assurance Maps in line with the new standards.	Chief Internal Auditor & Risk Manager	Ongoing	
3	Annual Review & EQA 2023-24	The Head of Transformation & Assurance to seek views from the Audit Committee Chairs in advance of the Chief Internal Auditors Performance Development Review	Head of Transformation & Assurance	Next PDR Cycle	This will be picked up as part of the next cycle. Planned for June 2025. PDRs were delayed for Service Managers pending the management restructure
4	Annual Review & EQA 2023-24	Internal Audit to map their work against the Code of Governance, the Risk Management Systems and the Council's Fraud Risks.	Chief Internal Auditor & Risk Manager	September 2023 Closed	Some work has been undertaken to identify other sources of assurance but this has been delayed. Work will be progressed as the new standards place a greater emphasis on Assurance Mapping. This is picked up in recommendation 6 below

Ref	Source	Actions	Person Responsible for Implementation	Timescale	Progress Comments
5	Annual Review & EQA 2024-25	To review the Global Internal Audit Standards and new Public Sector/Local Government Standards when they are issued, and update processes and documentation as required	Chief Internal Auditor & Risk Manager	March 2025 Closed	Work is still ongoing to put in place changes required. It is recognised within the standards that 2025-26 will be a year of transition and the expectation is conformance should be achieved by the end of the year. This is now picked up in recommendation 6 below
6	Annual Review 2024-25	A revised Audit Charter and updated Audit Manual will be completed with the changes required by the standards. An Internal Audit Strategy will be produced.	Chief Internal Auditor & Risk Manager	September 2025	

Agenda Item 3(b)

VFM Progress Report - Quarter 4/End of Year Report for 2024-25

Committee: Audit and Accounts Committee

Date of Meeting: 25 June 2025

Report of: Head of Transformation and Assurance

Portfolio: Resources Portfolio

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1 Purpose of Report

1.1 To advise Members on the progress in the delivery of the VFM Improvement Plan at the end of Quarter 4 2024/25.

2 Recommendations

2.1 To note the progress made in 2024/25 in the delivery of the VFM Improvement Plan set out at **APPENDIX 1**.

2.2 To note the proposals for refocusing the improvement plan for 2025/26 as set out in 5.7.

Reasons for Recommendations

2.3 The information allows Cabinet to ensure that all appropriate steps are being taken to address the findings of the External Auditors and improve the Council's governance arrangements.

3 Key Issues

3.1 The Council's External Auditor's Annual Report (AAR) for 2021/22 and 2022/23, highlighted several significant issues relating to the Council's financial, governance and asset arrangements and made recommendations for addressing these.

3.2 An improvement plan to address the issues was drawn up and approved by the Audit and Accounts Committee (13 February 2024) and subsequently by Council (27 February 2024).

3.3 This report sets out the progress made at the end of 2024/25. Of the 37 actions due to be completed, 76% have been completed or are on target.

4 Relationship to Corporate Priorities

4.1 Good governance and financial management specifically links to the Council's priority to be "an effective Council" and the objectives relating to:

- Value for money to local taxpayers.
- Good governance across the Council.

It also underpins the delivery of the Council's other corporate priorities and operational services.

5 Report Detail

5.1 As part of the work of the External Auditors, they are required to undertake a review of the Council's arrangements for Value for Money and their findings are set out in the Annual Audit Report for 2021/22 and 2022/23.

5.2 The AAR for 2021/22 and 2022/23 identified several areas of concern relating to the Council's financial, governance and asset arrangements and made recommendations for addressing these. One statutory recommendation was made and this is being progressed as a priority.

5.3 The External Auditors acknowledged that there has been a lack of capacity in key service areas to address these issues. The Council has sought to address this by agreeing additional funds as part of the budget process for the Finance and Transformation Teams.

5.4 A VFM improvement plan has been produced to address the issues raised in the AAR. The timescales for implementation were revised in discussions with the Council's new External Auditors and approved by Cabinet in December 2024.

5.5 At the end of 2024/25, of the 37 actions due for delivery:

- 28 (76%) have been completed or are in progress; and
- 6 (16%) of the actions are behind schedule; and
- 3 (8%) of the actions are no longer applicable.

A commentary on progress for each of the actions up to the end of quarter 4 of 2024/25 is set out in **APPENDIX 1**.

5.6 Steady progress continues to be made in completing the actions set out in the improvement plan. The key achievement in quarter 4 is the publication of the statement of accounts for 2023/24. This means that all of the Council's outstanding accounts have been published in 2024/25, although they have not been audited. All of the actions for quarter 4 (2023/24) through to quarter 2 (2024/25) have now been completed in full. There has been some slippage in quarters 3 and 4 due to ongoing capacity issues within the Finance Team and for the Head of Transformation and Assurance. The proposals for Local Government Reorganisation are also going to have an impact on capacity and the delivery of a number of the actions set out in the improvement plan.

5.7 In preparation for reporting on progress in 2025/26, it is proposed to remove all of the actions that have been completed up to the end of 2024/25 from the improvement plan to allow us to focus on the work that still needs to be done. It is also proposed to re-title the action plan as the Governance Improvement Plan as all of the actions are related to the Council's governance arrangements and indeed many of the External Auditor's recommendations emanated from our Annual Governance Statement. The updated Governance Improvement Plan will be approved as part of the Annual Governance Statement process for 2024/25 and this will allow us to add any actions arising from this year's Annual Governance Review.

5.8 Progress in delivering the actions set out in the improvement plan will continue to be overseen by:

- The Leadership Team; and
- Audit and Accounts Committee.

The Audit and Accounts Committee will escalate any concerns to Cabinet and the Cabinet will also receive periodic updates.

6 Implications

6.1 Financial

There are no direct financial implications arising from the report.

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

A failure to deliver good governance, which includes the delivery of the improvement plan, has been included in the Council's Strategic Risk Register.

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: VFM Improvement Plan - Summary of Progress

8 Previous Consideration

Nil

9 Background Papers

Report to Audit and Accounts Committee 13 February 2024

Contact Officer:	Judith Aupers
Telephone Number:	01543 464411
Ward Interest:	All
Report Track:	Audit and Accounts Committee 25 June 2025
	Cabinet 7 July 2025
Key Decision:	No

VFM Improvement Plan - Progress Report

Summary of Progress at 31 March 2025

Quarter	★	✓	▲	✖	No longer applicable	Total Number of Projects
	Action completed	Work on target	Work < 3 months behind schedule	Work > 3 months behind schedule		
Q4 2023/24	13					**13**
Q1 2024/25	1					**1**
Q2 2024/25	2					**2**
Q3 2024/25	2	2	1	2	3	**10**
Q4 2024/25	4	4	3			**11**
Q1 2025/26						**14**
Q2 2025/26						**5**
Q3 2025/26						**5**
Q4 2025/26						**3**
Cumulative Total to Date	**22 (60%)**	**6 (16%)**	**4 (11%)**	**2 (5%)**	**3 (8%)**	**37 at the end of Q4**

Commentary on Progress

Steady progress continues to be made, though there is some slippage due to ongoing capacity issues.

The key achievements in quarter 4 are the publication of the statement of accounts for 2023/24, the updating of the procurement regulations and the completion of the consultation on the new corporate plan.

Two of the actions from Q3 have been changed from being on target to no longer applicable. These relate to the work on transformation. Although the transformation strategy has been approved and preparatory work undertaken, further work is now under review due to the proposals for Local Government Reorganisation. It is considered that a more modest change programme is likely to be delivered and a report is to be prepared for Cabinet in quarter 1 setting out the revised plans for the future.

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	Quarter 4 2023-24					
1.	Financial Sustainability (Statutory Rec 1)	Medium Term Financial Strategy for 2024/25 to 2026/27 drafted and approved by Cabinet and Council. Modelling, assumptions and risk assessment included as part of the budget report. MTFS includes assessment of likely future government funding.	Deputy Chief Executive (Resources) and S151 Officer		Completed	★
2.	Financial Sustainability (Statutory Rec 1)	Capital Strategy to be updated in accordance with the revised Prudential Code.	Deputy Chief Executive (Resources) and S151 Officer		Completed	★
3.	Financial Sustainability (Statutory Rec 1)	Bring treasury strategy and its reporting to members up to date	Deputy Chief Executive (Resources) and S151 Officer		Completed	★
4.	Financial Sustainability (Statutory Rec 1)	Produce draft financial statements in line with statutory requirements and working with external auditors to deliver audits effectively. (Decision to be made on outstanding audits as there is a consultation taking place as to how to clear the backlog of audits nationally at present)	Deputy Chief Executive (Resources) and S151 Officer	This is to be discussed with Azets as to approach	Agreed with GT/Azets not to audit the 21/22 and 22/23 accounts. This is in line with the national statutory dispensation which has been approved by Parliament. The Accounts for both years have been completed and reported to the Audit and Accounts Committee (20 November 2024).	★

Appendix 1

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
5.	Financial Sustainability (Statutory Rec 1)	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) and S151 Officer	Quarter 4 - 2023/24	The draft accounts for 2021-22 and 2022-23 have been published.	
7.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Align the MTFS to the corporate priorities in the Council's Business Plan including the costed climate change actions	Deputy Chief Executive (Resources) and Head of Transformation and Assurance		Completed as part of budget setting 2024/25	
8.	IT (Key Rec 2)	Implement outstanding recommendation from Cyber and Network Security Audit - staff to complete cyber training	Chief Technology Officer and Information Manager	Quarter 4 - 2023/24	Staff have completed cyber training	
9.	IT (Key Rec 2)	Finalise the change management strategy	Chief Technology Officer	Quarter 4 - 2023/24	Change Management Strategy has been approved by Leadership Team	
10.	IT (Key Rec 2)	Finalise Information Governance Framework	Head of Law and Governance	Quarter 4 - 2023/24	Completed - approved by Cabinet	
11.	Risk Management (Improvement Rec 2)	Review of risks in annual budget report to be consistent with corporate process	Deputy Chief Executive (Resources) and S151 Officer		Completed	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
12.	Other Related Actions	Review of Audit Reporting to Leadership Team and escalation protocols	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 2023/24	Completed - quarterly progress reports are being discussed at Leadership Team	★
13.	Risk Management (Improvement Rec 2)	Review of risk management policy and framework - includes review of format of the Strategic Risk Register (SRR)	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24	Approved by Leadership Team. To be approved by Cabinet on 5 December 2024.	★
14.	Risk Management (Improvement Rec 2)	Review of guidelines on risk implications for committee reports	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24	Approved by Leadership Team.	★
	Quarter 1 2024-25					
16.	Financial Sustainability (Statutory Rec 1)	Restructure of the Finance Team and creation of additional capacity	Deputy Chief Executive (Resources) and S151 Officer	Quarter 1 - 2024/25	Restructure agreed.	★

Appendix 1

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	Quarter 2 2024-25					
25.	Financial Sustainability (Statutory Rec 1)	Commence recruitment to new Finance team structure	Deputy Chief Executive (Resources) and S151 Officer and Deputy S151 Officer	Quarter 2 - 2024/25	Recruitment for 2 senior posts was unsuccessful. The team are now reviewing the future needs of the department and considering whether trying to recruit to these posts again would be the best course of action. Recruitment for 2 finance business partner posts has been successful; one has commenced their employment and the other starts on 14 April.	
40.	Other Related Actions (from AGS 2023-24)	Review of project management arrangements and project planning for the delivery of the town centre schemes.	Head of Economic Development and Planning	Quarter 2 - 2024/25	Additional interim consultancy resource has been appointed to support the programme/project management of the Stafford town centre regeneration projects. Board meetings, steering groups and weekly project team meetings have been re-established; with regular review of project plans and programmes.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	Quarter 3 2024-25					
17.	Financial Sustainability (Statutory Rec 1)	Regular performance monitoring to be re-established with budget managers and Leadership Team.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	Period 6 monitoring for 2024-25 has been completed and has been reported in the budget setting report for 2025/26. Period 9 monitoring has been completed and is making its way through the reporting cycle at present	✓
18.	Financial Sustainability (Statutory Rec 1)	Reporting on the delivery of savings to be established and discussed at Strategic Leadership Team meetings. Where appropriate, project plans will be developed to support the delivery of significant/complex savings.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	As per the 2025/26 budget, there is no material savings programme in place.	N/A
19.	IT (Key Rec 2)	Update IT security policy and adopt a cyber security policy.	Head of Transformation and Assurance and Chief Technology Officer	Quarter 3 2024/25	The policy has been reviewed and is to go to Leadership Team for approval in May 2025.	▲

Appendix 1

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
20.	IT (Key Rec 2)	Provide refresher training to ensure compliance with process for 3rd party data transfers and completion of privacy impact assessments.	Chief Technology Officer and Information Manager	Quarter 3 2024/25	The Data Transfer Policy has been reviewed and the refresher training has been delivered.	
21.	IT (Key Rec 2)	Complete the IT strategy	Deputy Chief Executive (Resources)	Quarter 3 2024/25	The Digital Strategy was approved by Cabinet on 5 December 2024.	
23.	HR related issues (Improvement Recs 1 and 3)	Complete review of hybrid working. This will inform the development of the workforce strategy and the review of the Code of Conduct as well as support the development of an asset strategy.	Head of Transformation and Assurance and HR Manager	Quarter 3 2024/25	A report has been drafted and is still with the Head of Service for review. Progress on this has slipped again due to work on the Local Government Reorganisation submission taking precedence. The report will now be presented to Leadership Team in Q1 2025/26	
26.	Financial Sustainability (Statutory Rec 1)	Lesson learnt exercise to be undertaken of implementation of the finance system	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	Work on this has been deferred due to the ongoing capacity issues in the Finance Team. It has been rescheduled for Q1.	
27.	Financial Sustainability (Statutory Rec 1)	Training of managers in budget management and use of the new finance system.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	The first session has been delivered to Leadership Team. The sessions with managers will be delivered during Q1 25/26.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
33.	Performance Management (Key Rec 4)	Establish corporate project resources to support transformation work (funding allocated in 2024/25 budget)	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 3 2024/25	The team structure was approved as part of the report to Cabinet on the Transformation Strategy (5 December 2024). However, this work is under review in light of the Local Government Reorganisation (LGR) proposals. A report will be prepared for Cabinet's consideration in Q1 2025/26.	N/A
43.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Process to be established for developing a service transformation and efficiency programme. Initial steps for both: • a discussion with the Cabinet to review priorities and key projects; • engagement with Heads of Service and Service Managers to review current service levels for statutory and discretionary services (to include high level benchmarking) - this will be a pre-cursor to bringing the services together and establish the baseline for service transformation (this will build on the initial work done on SLAs).	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 3 - 2024/25	A review of key priority projects has been undertaken and this was approved by Cabinet on 7 November 2024. A transformation strategy and plan has been developed. This was approved by Cabinet on 5 December 2024. The report also sets out the proposals for creating a transformation team. As referred to above, the work on Transformation is under review in light of LGR.	N/A

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
		• Range of options for efficiency savings and transformation Transformation: • Transformation options to be assessed and added to transformation programme for prioritisation. Will need to consider any investment required to deliver savings/service improvements; resourcing to deliver the changes, etc • Project Manager and Project support officer to be recruited to support delivery of transformation programme, funding allocated in budget 2024/25 to fund posts; • Training of managers and key officers in transformation techniques				
	Quarter 4 2024-25					
5.	Financial Sustainability (Statutory Rec 1)	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) and S151 Officer	Quarter 4 - 2024/25	The draft accounts were published on 28 February 2025.	★

Appendix 1

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
6.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Consultation to take place with stakeholders as part of development of new corporate plan and priorities.	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 4 - 2024/25	Public consultation completed on the new corporate plan and priorities.	
15.	Procurement and Contract Management (Improvement Rec 5)	Update the contracts register and ensure it is compliant with transparency requirements	Head of Transformation and Assurance and Leadership Team	Quarter 4 - 2024/25	Work on this has slipped and will now commence in Q1.	
22.	HR related issues (Improvement Recs 1 and 3)	Establish our culture, values and type of organisation we want to be. This work will inform the following actions	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 4 - 2024/25	Put on hold pending further discussion in light of Local Government Reorganisation. Considering a light touch approach.	
24.	Risk Management (Improvement Rec 2)	Training for Leadership Team, managers, team leaders/principal officers on risk management	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2024/25	Risk management training and workshops completed with Leadership Team and dates arranged for workshops with managers.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
30.	IT (Key Rec 2)	Develop assurance reporting for IT eg report on outcome of annual health check/penetration testing to Leadership Team and Audit Committee	Head of Transformation and Assurance and Chief Technology Officer	Quarter 4 - 2024/25	Work has commenced on the IT Assurance report and this will be reported to Leadership Team in May and the Audit Committee in June 2025.	
31.	IT (Key Rec 2)	Review of what we include in procurements re ICT controls and information governance	Head of Transformation and Assurance, Chief Technology Officer, Head of Law and Governance and Information Manager	Quarter 4 - 2024/25	Work is in progress and will be completed in Q1	
34.	Performance Management (Key Rec 4)	Review of all projects, the current governance arrangements and establish project reporting to Leadership Team	Deputy Chief Executive (Resources) and Deputy Chief Executive (Place)	Quarter 4 - 2024/25	Work on this has not yet commenced - review to be undertaken in Q1 to set the framework for 2025/26	
37.	Procurement and Contract Management (Improvement Rec 5)	Review and update the Procurement Regulations	Deputy Chief Executive (Resources), Head of Transformation and Assurance and Head of Law and Governance	Quarter 4 - 2024/25	Completed. Revised Procurement Regulations approved by Council 11 February 2025	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
38.	Procurement and Contract Management (Improvement Rec 5)	The key elements of the procurement strategy will be built into the procurement regulations rather than as a stand-alone document.	Head of Transformation and Assurance	Quarter 4 - 2024/25	Completed as part of the review of the Procurement Regulations.	★
56.	Fraud (Key Rec 3)	Assess fraud risks and include in risk registers as appropriate	Chief Internal Auditor & Risk Manager and Leadership Team	Quarter 4 - 2024/25	Work in progress as part of the development of operational risk registers	✓
	Quarter 1 2025-26					
28.	Financial Sustainability (Statutory Rec 1)	Review of Financial Regulations	Deputy Chief Executive (Resources) and S151 Officer	Quarter 1 - 2025/26		
35.	Risk Management (Improvement Rec 2)	Develop risk registers for each Directorate and ICT	Deputy Chief Executive (Resources), Deputy Chief Executive (Place) and Head of Transformation and Assurance	Quarter 1 - 2025/26		
36.	Risk Management (Improvement Rec 2)	Establish escalation process between other risk registers and the SRR eg services, projects	Head of Transformation and Assurance and Chief Internal	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
			Auditor & Risk Manager			
39.	Procurement and Contract Management (Improvement Rec 5)	Provide training for managers on procurement and contract management	Head of Transformation and Assurance	Quarter 1 - 2025/26		
41.	Other Related Actions (from AGS 2023-24)	Preparation of a transformation plan for Development Management to further reduce the backlog of planning applications and to manage this within the approved budget.	Head of Economic Development and Planning	Quarter 1 - 2025/26		
44.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Consultation and engagement to be embedded into the planning for the delivery of key projects where appropriate to ensure schemes meet community needs eg regeneration projects, redevelopment of play areas	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 1 - 2025/26		
45.	Fraud (Key Rec 3)	Review Anti - Fraud and Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
46.	Fraud (Key Rec 3)	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
47.	Fraud (Key Rec 3)	Assess compliance against Cipfa 2014 Code for Fraud and develop an action plan as necessary	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
57.	Performance Management (Key Rec 4)	Develop and adopt a performance management framework to establish golden thread from Corporate Plan to service plans through to employee reviews. Framework to include protocols for ensuring data quality	Head of Transformation and Assurance	Quarter 1 - 2025/26		
58.	Performance Management (Key Rec 4)	Review our performance report style - delivery plans and KPIs. To consider the development of performance outcome measures	Head of Transformation and Assurance	Quarter 1 - 2025/26		
59.	Performance Management (Key Rec 4)	Performance reporting for waste and leisure: • review of KPIs for monitoring and reporting on performance; • establish internal validation process of contract performance; and • review information reported to Cabinet / Scrutiny	Head of Transformation and Assurance, Head of Operations and Head of Wellbeing	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
60.	Other Related Actions	Review of Code of Governance	Head of Transformation and Assurance	Quarter 1 - 2025/26		
61.	Fraud (Key Rec 3)	Review the information we report on fraud work (including data matching) to the Audit Committee.	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
	Quarter 2 2025-26					
29.	Financial Sustainability (Statutory Rec 1)	Training for managers on Financial Regulations	Deputy Chief Executive (Resources)	Quarter 2 - 2025/26		
32.	Performance Management (Key Rec 4)	Establish a Corporate Project Management Methodology. Provide templates, guidelines, and training for key officers (LT, Service Managers and key Principal Officers/Team Leaders).	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 2 - 2025/26		
48.	HR related issues (Improvement Recs 1 and 3)	Develop a hybrid working policy and review other related policies and processes.	Head of Transformation and Assurance and HR Manager	Quarter 2 - 2025/26		
54.	Financial Sustainability (Statutory Rec 1)	Implementation of remaining module of the finance system, ongoing development and maximising use of system functionality	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
55.	Financial Sustainability (Statutory Rec 1)	Performance reporting for Cabinet and Scrutiny to be developed. This will be done alongside the review and development of performance and risk reporting.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2 - 2025/26		
	Quarter 3 2025-26					
42.	Financial Sustainability (Statutory Rec 1)	Follow-on zero-based budgeting session with managers to continue work started as part of the 2024/25 budget setting process	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 - 2025/26 for 26/27 budget setting		
49.	HR related issues (Improvement Recs 1 and 3)	Review and update the Employee Code of Conduct	Head of Transformation and Assurance and Head of Law and Governance	Quarter 3 2025/26		
50.	Procurement and Contract Management (Improvement Rec 5)	Work with managers and the County's Procurement Team to develop a procurements pipeline	Head of Transformation and Assurance and Leadership Team	Quarter 3 2025/26		
51.	Procurement and Contract Management	Process to be established for publication of key data on the Council's website to meet	Deputy Chief Executive (Resources) and Head of	Quarter 3 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	(Improvement Rec 5)	transparency requirements re spend data, contracts register	Transformation and Assurance			
53.	Other Related Actions (from AGS 2023-24)	Review of Scheme of Delegations as part of shared services transformation.	Monitoring Officer and Leadership Team	Quarter 3 2025/26		
	Quarter 4 2025-26					
52.	Other Related Actions	Establish an inventory of key policies and a programme of periodic reviews	Leadership Team	Quarter 4 - 2025/26		
62.	HR related issues (Improvement Recs 1 and 3)	Development of a workforce strategy that links to long term transformation/shared services	Head of Transformation and Assurance and HR Manager	Quarter 4 - 2025/26		
63.	Other Related Actions	Development of Assurance Model	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2025/26		

Agenda Item 3(c)

Updated Strategic Risk Register

Committee: Audit and Accounts

Date of Meeting: 25 June 2025

Report of: Head of Transformation and Assurance

Portfolio: Resources Portfolio

1 Purpose of Report

1.1 To set out details of the Council's Strategic Risk Register as at 1 April 2025 and to provide an update to Cabinet on the implementation of the new Risk Management Framework

2 Recommendation

1.2 That the Committee note the draft Strategic Risk Register and considers the progress made in the identification and management of the strategic risks.

Reasons for Recommendation

2.2 That the Committee note the Strategic Risk Register prepared by Leadership Team and approved by Cabinet to monitor the progress made in the identification and management of the strategic risks.

3 Key Issues

3.1 The Council has adopted a new Risk Management Framework from 1 April 2025. This has led to a fundamental review of the Strategic Risk Register which is enclosed.

3.2 All strategic risks and associated action plans have been reviewed, and the Council's risk profile is summarised in the table below:

Risk Status	**Number of Risks at 30 September 2024**	**Number of Risks at 1 April 2025**
Red (High)	**3**	**5**
Orange (Medium)	**5**	**4**
Yellow (Moderate)	**N/A**	**0**
Green (Low)	**0**	**0**
Blue (Negligible)	**N/A**	**0**
TOTAL	**8**	**9**

4 Relationship to Corporate Priorities

4.1 Risk Management as a process supports the Council's Effective Council priority

4.2 The Risk Register supports the Council's Corporate Priorities as follows:

(i) Risk management is a systematic process by which key business risks/opportunities are identified, prioritised, and controlled so as to contribute towards the achievement of the Council's aims and objectives.

(ii) The strategic risks set out in the Appendices have been categorised against the Council's priorities.

5 Report Detail

5.1 The Accounts and Audit Regulations 2015 state that:

"A relevant body must ensure that it has a sound system of internal control which:-

(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;

(b) ensures that the financial and operational management of the authority is effective; and

(c) includes effective arrangements for the management of risk."

5.2 Risk can be defined as uncertainty of outcome (whether positive opportunity or negative threat). Risk is ever present and some amount of risk-taking is inevitable if the council is to achieve its objectives. The aim of risk management is to ensure that the council makes cost-effective use of a risk process that has a series of well-defined steps to support better decision making through good understanding of risks and their likely impact.

Management of Strategic Risks/Opportunities

5.3 Central to the risk management process is the identification, prioritisation, and management of strategic risks/opportunities. Strategic Risks are those that could have a significant impact on the Council's ability to deliver its Corporate Priorities and Objectives.

5.4 A new risk management framework was approved for implementation by Cabinet on 5 December 2024 and this has been used to do a fundamental review of the Council's Strategic Risks. This has resulted in a fully revised risk register being produced for 1 April 2025 and a summary is attached as **APPENDIX 1**.

5.5 The risk summary illustrates the risks/opportunities using the “traffic light” method i.e.

RED High risk, score 12 and above (action plan required to reduce risk and/or regular monitoring by Cabinet/Audit Committee)

Orange Medium risk, score 6 to 9 (action plan required to reduce risk and monitored by Leadership Team)

Yellow Moderate risk, score of 3 to 4 (risk within risk appetite, no action plan required but watching brief to ensure controls are effective and operating)

Green Low risk, score below 3 (risk tolerable, no action plan required)

Blue Negligible Risk, score of 1 (risk tolerable, no action plan required)

5.6 With the support of an external trainer Leadership Team have received training on the new framework and held a number of risk workshops to identify and capture the highest-level risks that the Council is exposed to. This has led to an increase in the number of residual Red Risks due to capturing a wider range of risk areas in the risk register.

5.7 Risk were first assessed for their Inherent Risk to the Council. This is the risk exposure without any controls in place assessed against the Impact if the risk occurred and the Likelihood of it occurring. The Strategic Risk Register was updated to include all identified Inherent Red Risks.

5.8 These workshops have led to the identification of 9 risks which have an inherent risk score over 12 making them Red Risks. In the workshops Leadership Team then reviewed the Residual Risk scores for these risks by taking into account the current controls in place and their effectiveness.

5.9 The full Strategic Risk Register is being presented to Cabinet for information alongside the residual risks scores showing the current position of the risk. There are 5 Red Risks and 4 Orange risks. The full risk register is attached at **APPENDIX 2.**

5.10 Cabinet approved a corporate risk appetite statement which set out that it would accept risks which have a Residual Risk Score of Yellow (4 or below). It is accepted that due to factors outside the Control of the Council or for other agreed operational reasons it may not be possible to manage all risks to this level. Where the Risk Owner does not believe it is possible to manage the risk to a Yellow on the matrix they will set an appropriate Target Score for the risk and provide an explanation as to why the Council’s risk appetite cannot be achieved.

5.11 It is not possible to compare the new risk register with the previous one due to the changes in risk definitions used. However it is possible to see some consistency of topics in the key risk areas from the previous register. These include Council Finances, Capacity, Projects and Housing/Asset risks. There are also newer areas that have been identified including the recognition that Local Government Reorganisation is an area of potential risk.

5.12 Each April the full risk register will be presented to Cabinet. Cabinet will also receive a quarterly update on the progress of managing the risk which have a residual risk that is Red to allow them to focus on the highest risk areas and to ensure that management are working towards addressing the actions to reduce the risk score further if possible. Where risks are Orange or below Leadership Team will monitor the position of the risks quarterly to ensure that the controls are still effective and operating as intended, if the risk score worsens and becomes a Red Risk again it will be escalated for inclusion in the Cabinet report for monitoring.

5.13 As this is a new process and a new risk register it is anticipated that the content and detail in the risk register will develop over time. As Managers get more comfortable with the process they will identify more information to include in the reports and develop more actions to help to manage the risks.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

The Risk Management implications are included within the body of the report and appendices.

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1 - Summary of Strategic Risks - 1 April 2025

Appendix 2 - Strategic Risk Register Key Information - 1 April 2025

8 Previous Consideration

None

9 Background Papers

File of papers held by the Chief Internal Auditor and Risk Manager.

Contact Officer:	Stephen Baddeley
Telephone Number:	01543 464415
Ward Interest:	All
Report Track:	Audit and Accounts Committee 25 June 2025
	Cabinet 7 July 2025
Key Decision:	N/A

Appendix 1

Stafford Borough Council
Summary of Strategic Risk Register as at 1 April 2025

Risk Ref	Risk Owner	Risk Name	Inherent Impact	Inherent Likelihood	Inherent Risk Score	Residual Impact	Residual Likelihood	Residual Risk Score
2025-03	Chief Executive	Local Government reorganisation	4	4	16	4	3	12
2025-09	Operations	Safe Management of Trees	4	4	16	4	3	12
2025-16	Economic Development and Planning	Delivery of Town Centre Regeneration Project	4	4	16	4	3	12
2025-02	Housing and Corporate Assets	Health and safety arrangements for properties	4	3	12	4	3	12
2025-06	Chief Executive	Corporate capacity	4	3	12	4	3	12
2025-08	Deputy Chief Executive (Resources)	Financial Stability - SBC	4	4	16	3	3	9
2025-04	Transformation and Assurance	IT Resilience	4	4	16	4	2	8
2025-10	Deputy Chief Executive (Resources)	Failure to deliver good governance	4	4	16	4	2	8

Risk Ref	Risk Owner	Risk Name	Inherent Impact	Inherent Likelihood	Inherent Risk Score	Residual Impact	Residual Likelihood	Residual Risk Score
2025-12	Chief Executive	Health and safety arrangements for people	4	3	12	4	2	8

Appendix 2

Stafford Borough Council
Strategic Risk Register as at 1 April 2025

Risk Ref	2025-02
Risk Owner	Head of Housing and Corporate Assets
Risk Name	Health and safety arrangements for properties
Risk Description	Operational property procedures including CDM compliance, maintenance and management of properties is not sufficient to adequately ensure they are safe for tenants, employees, leaseholders or visitors leading to death or serious injury.
Consequences	Death or serious and minor injury and prosecution by HSE and private legal action. Reputational damage. Deterioration in condition of buildings Depreciation of buildings
Corporate Objective CCDC	Responsible Council
Main Risk Category	Health and Safety

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	3	12
Target Score		8
Comment on Target Score: The are situations outside of the control which will lead to accidents and a large housing and property portfolio means that a risk score of 4 is unlikely as accidents and incidents will still happen.		

Controls	**Assurances**
Compliance data is held for all properties	Monthly data validation by mangers
Policies approved by Leadership Team and published online, regularly reviewed.	Monitoring of spreadsheets by management
Updated policies and procedures for compliance areas.	Internal Audit Reviews

Actions

Actions Planned	Person Responsible	Timescale
Monthly validation of corporate assets data	Interim Asset Manager	Ongoing
Review of Health and Safety Compliance Records of Contractors	Interim Asset Manager	Q4 2025/26
Appoint Contractor to undertake Building Condition Surveys (prioritise top 5 - 60 in total)	Interim Asset Manager	Q4 2024/25
Appoint Contractor to undertake Fire Risk Assessments	Interim Asset Manager	Q3 2025/26
Lease and Asset Reviews	Interim Asset Manager	Q4 2025/26

Risk Ref	2025-03
Risk Owner	Chief Executive
Risk Name	Local Government reorganisation
Risk Description	The Council has to divert resources to the management of the Council's response plans for Local Government re-organisation which threatens the ability to maintain the quality of services at a time when capacity is already stretched.
Consequences	Core Services and major projects fail to be delivered
Corporate Objective SBC	Effective Council
Main Risk Category	Capacity/Service Delivery

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	3	12
Target Score		8

Comment on Target Score:
As planning for LGR is still in its infancy, it is too soon to be confident that we can mitigate this risk fully and reduce it to a 4. At present it is considered we can reduce the likelihood to a 2 giving a target score of 8. As planning and work progresses, actions and the target score will be reviewed. Progress with this risk is also linked to the risk regarding capacity (ref 2025-06).

Controls	**Assurances**
LGR lead officers identified	Cabinet
	Scrutiny Committee
	Leadership Team

Actions

Actions Planned	**Person Responsible**	**Timescale**
Work Plan to be prepared setting out the actions ready for service/function transfers	Head of Transformation and Assurance	tbc
Work plan to be prepared for LGR Submission	Deputy Chief Executive (Resources)	tbc
Assessment of resources needed to deliver the respective work plans	DCE Resources and Head of Transformation and Assurance	tbc
LGR work to be assessed and prioritised alongside key projects and operational service delivery	Leadership Team	tbc

Actions Planned	Person Responsible	Timescale
Additional resources/support to be commissioned to support specific pieces of work	DCE Resources and Head of Transformation and Assurance	tbc
Working collaboratively with other Staffordshire Councils	Chief Executive and LGR Leads	tbc
Communications and Engagement Strategy to be prepared	Communications Manager	tbc

NB - the timescales for the above actions have yet to be confirmed as the project is still in its infancy. It is anticipated that we will have a clearer understanding by the end of June and timescales will be assigned in the first progress update report.

Risk Ref	2025-04
Risk Owner	Transformation and Assurance
Risk Name	IT Resilience Risk
Risk Description	Risk of unplanned disruptions to the IT infrastructure, network and systems which prevent accessibility and service delivery. This includes but is not limited to cyber-attacks, equipment failure, natural disasters, and human error.
Consequences	• Data, Systems and Applications inaccessible potentially for several months • Inability to deliver Council services including a reduction of services to the public • Cybercrime/ Fraud/ Ransom demands/Financial harm • Reputational damage locally and nationally • Data Loss causing a breach of Data Protection Act (DPA) and GDPR. Possible fine from the ICO. • Financial Loss
Corporate Objective SBC	Effective Council
Main Risk Category	IT/Technology

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	2	8
Target Score		8
Comment on Target Score: All reasonable/affordable steps will be taken to manage this risk. However, it is only considered feasible to reduce the likelihood to a 2 giving a residual score of 8, due to the evolving nature of cyber-attacks.		

Controls	**Assurances**
IT Policies and Procedures including the IT Security Policy	External compliance checks - PSN Certification, Cyber Essentials Plus Certification (annual IT Health Check and penetration testing conducted by GCHQ approved consultants). Internal compliance checks by Technology Team and Internal Audit
Access controls to network e.g. complex password configuration and Multi Factor Authentication	Enforced for all users and third parties.
Vulnerability Monitoring - proactive monitoring of our entire network 24/7 to alert us to any signs of threat	

Controls	Assurances
Firewall and Anti-Virus System	
Protective Domain Name Service (PDNS) - prevents access to domains known to be malicious	
Standards Group - regulate any exceptions to the standard software/hardware in use.	
Third Party Agreement - used to manage access to systems by suppliers/contractors.	
Privileged Access Controls - role based access controls (RBAC) are in place for all staff and IT administrators.	
User education and awareness training	
Incident management - response and disaster recovery procedures in place	
IT risk register - assessment, management and monitoring of IT risks	

Actions

Actions Planned	Person Responsible	Timescale
Replacement of network infrastructure hardware	Infrastructure Manager	Q23 2025
Data files will continue to be moved to the cloud (SharePoint) during 2025/26	Technology Service Manager	Ongoing
Decommission of on-premise exchange	Infrastructure Manager	Q2 2025

Risk Ref	2025-06
Risk Owner	Chief Executive
Risk Name	Corporate capacity is insufficient to maintain provision of core services and deliver major projects
Risk Description	The inability to recruit and retain staff particularly in statutory and other core areas threatens service delivery across the Council. This risk is exacerbated by other factors such as the number of high priority projects, large procurement exercises, demand for new software, competing priorities and Local Government Reorganisation.
Consequences	Projects are delayed or not implemented Operational services are delivered to a lower standard, backlogs arise or service not delivered at all Complaints/damage to reputation Wellbeing of staff who are under pressure to deliver
Corporate Objective CCDC	Responsible Council
Main Risk Category	Capacity/Service Delivery

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	3	12
Target Score		8
Comment on Target Score: Due to the limited market in key professions such as Finance, Legal, Planning etc and the uncertainty created by Local Government Reorganisation, it is considered that the likelihood can only be reduced to a 2, giving a target score of 8.		

Controls	**Assurances**
Corporate Plan sets out priorities and key projects	Performance reporting
Use of agency staff and contractors to cover posts which are difficult to recruit to	
Market supplements to enhance salary to attract candidates	
Management of absences	Oversight by HR

Actions

Actions Planned	**Person Responsible**	**Timescale**
Assessment of capacity, pinch points and reductions in workload consequentially	Leadership Team	Qtr 1 2025/26
Management of expectations/discussion with Cabinet	Chief Executive/ Leadership Team	Qtr 2 2025/26 and ongoing

Risk Ref	2025-08
Risk Owner	Deputy Chief Executive (Resources)
Risk Name	Financial Stability - SBC
Risk Description	Internal - Poor budget planning, over commitment of financial resources or significant use of reserves to fund schemes leading to a financial shortfall, reduced financial resilience or overspends that undermine the Council's ability to deliver services or corporate priorities. External - central government policy changes which impact the councils financial position.
Consequences	Damage to reputation with stakeholders May affect ability to bid for funding Poor PR
Corporate Objective SBC	Effective Council
Main Risk Category	Financial

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
3	3	6
Target Score		6
Comment on Target Score: Inherently uncertain environment regarding financial settlements from the government mean that it is not currently possible to reduce the risk score to 4		

Controls	**Assurances**
Medium term financial plan in place	Council approval and s151 Officer
Working Balances maintained	S151 Officer and Deputy
Review of the capital programme is complete	S151 Officer and Deputy
Evaluation of consultations on changes to government funding regimes	S151 Officer
Financial regulations in place to be followed	Internal Audit periodic checks and Finance Team
Membership of appropriate bodies to gain insights into government funding direction	S151 Officer
Business cases required for drawdown of reserves to ensure VFM and appropriate use of monies	S151 Officer and Deputy/Leadership Team

Controls	Assurances
Internal and audit review of accounts/processes and procedures	Internal Audit Reports

Actions

Actions Planned	Person Responsible	Timescale
Training to be delivered for Budget Managers	Deputy Chief Executive Resources (S151 Officer)	May/June 2025
Quarterly budget monitoring	Deputy Chief Executive Resources (S151 Officer)	Q1 25/26

Risk Ref	2025-09
Risk Owner	Operations
Risk Name	Safe Management of Trees
Risk Description	Risk of a tree or part of a tree falling on an individual/s causing death or serious injury. Risk of a tree or part of a tree falling onto a building causing server damage to a property or the death or serious injury of an individual/s.
Consequences	• Death/Serious Injury • Damage to property • HSE Investigation/Prosecution • Corporate Manslaughter • Insurance Claims
Corporate Objective SBC	Climate Change, Nature Recovery and the Environment
Main Risk Category	Capacity/Service Delivery

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	3	12
Target Score		8
Comment on Target Score: Given the number of trees and the unpredictability of the weather and increase in the number of severe weather events, it is considered the residual impact sits at a 2, which will make the overall residual risk score an 8, as it is unlikely that the impact score can be reduced below a 4. Therefore, given the circumstances of the risk, while higher than preferred, an overall residual risk score of an 8 is considered as a realistic and acceptable score.		

Controls	**Assurances**
Trained Manager, Tree Officers, and Arboriculturists.	IA Reviews.
Tree Surveys	Management Information
Policies and Procedures for Tree Management	
Trees maintained using recognised tree risk management process	
SBC - Urban Forestry Strategy	
Allocation of semi-dedicated management resource.	
Knowledge of tree locations	
Historic / recent tree inspections	
Rudimental tree database / systems in place	

Actions

Actions Planned	Person Responsible	Timescale
Agree and secure long-term funding and resourcing	DCE(Resources) / Operations	Q1 2025/26
Implement new joint tree management ICT GIS based system	Natural Environment Manager	Q3/Q4 2025/26
Outsource next round of tree inspections for all trees to create new baseline data (78,000 trees)	Natural Environment Manager	Q4 2025/26
Review tree policy and procedures	Natural Environment Manager	Q3 2025/26
Implement new full risk-based tree management procedure	Natural Environment Manager	Q3 2025/26
Implement risk-based programme of tree works around inspection results	Natural Environment Manager	Q3 2025/26
Implement procedure for on-going risk-based inspections of trees	Natural Environment Manager	Q4 2025/26
Deliver and monitor tree risk-based works and ongoing inspections	Natural Environment Manager	Q1 2026/27

Risk Ref	2025-10
Risk Owner	Deputy Chief Executive (Resources)
Risk Name	Failure to deliver good governance
Risk Description	The Council does not have in place or comply with Governance Best Practice processes leading to negative Annual Governance Statement, External Audit or other regulator comment, and/or Statutory Intervention. E.g. Statutory Officer Advice is not complied with, Members and Employees fail to follow Codes of Conduct and the Constitution
Consequences	Government intervention Negative PR/reputation damage
Corporate Objective SBC	Effective Council
Main Risk Category	Reputation, Customer/Public Perception

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	2	8
Target Score		4
Comment on Target Score:		

Controls	**Assurances**
Code of Governance	Audit Committee
Annual Governance Review / Statement	Scrutiny Committees
Policy and Procedures e.g. Financial Regulations, Procurement Regulations, HR policies	Statutory Officers / Responsibilities
	Chief Internal Auditor's Annual Report and Opinion

Actions

Actions Planned	**Person Responsible**	**Timescale**
Review of Code of Governance	Head of Transformation and Assurance	Quarter 1 2025/26
Regular Statutory Officer meetings - golden triangle	Chief Exec/s151 Officer/Monitoring Officer/Chief Internal Auditor	Quarter 1 2025/26 onwards
Reminders and training for Leadership Team and Service Managers on key policies, processes and good governance	Deputy Chief Executive (Resources)/Head of Transformation and Assurance/Head of Law and Governance	Quarter 2 2025/26

Actions Planned	Person Responsible	Timescale
Delivery of Governance Improvement Plan	Deputy Chief Executive (Resources)/Head of Transformation and Assurance/Head of Law and Governance	Quarter 3 2025/26

Risk Ref	2025-12
Risk Owner	Head of Transformation and Assurance
Risk Name	Inability to demonstrate and implement adequate health and safety arrangements for people
Risk Description	Operational procedures and working practices are not sufficient to adequately ensure the safety of tenants, employees, leaseholders or visitors leading to death or serious injury.
Consequences	HSE Investigation Prosecution, Injury to employees, Personal Injury Claims, Corporate Manslaughter,
Corporate Objective SBC	Effective Council
Main Risk Category	Health and Safety

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	3	12
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	2	8
Target Score		4
Comment on Target Score:		

Controls	**Assurances**
Health and Safety Policies	Health and Safety Officer
Health and Safety Training	Health and Safety Audits
Health and Safety Risk Assessments, COSHH, PPE etc	Accident Reports/Stats
CDM Training	
IOSH Manging Safety for Service Managers	

Actions

Actions Planned	**Person Responsible**	**Timescale**
HAVS and Noise procedures reviewed and updated	Head of Operations/ Health and Safety Team	30/04/2026
Monitoring to be introduced for SBC Grounds Maintenance and Housing	Head of Operations/ Health and Safety Team	30/04/2026
HAVS testing of equipment	Head of Operations /Health and Safety Team	30/04/2026

Actions Planned	Person Responsible	Timescale
Health and Safety Awareness Refresher training to be delivered to all staff	Chief Internal Auditor and Risk Manager/ Health and Safety Team	30/09/2025
Health and Safety Risk Assessment Procedures reviewed and harmonised across both Councils	Chief Internal Auditor and Risk Manager/ Health and Safety Team	30/09/2025
IOSH Managing Safety Refresher Training to be considered for managers	Chief Internal Auditor and Risk Manager/ Health and Safety Team	30/09/2025
IOSH Safety for Directors to be considered for Leadership Team	Chief Internal Auditor and Risk Manager/ Health and Safety Team	30/09/2025

Risk Ref	2025-16
Risk Owner	Head of Economic Development and Planning
Risk Name	Delivery of Town Centre Regeneration Project
Risk Description	There is a risk that the high profile large regeneration projects may not deliver as anticipated, to time or to budget, leading to reputational risks to the Council and creating financial risks that impact on the Council's financial position and could impact on service delivery and hinder the Council's wider ambition to secure economic prosperity for the District. There is a risk that either the Council may not be able to deliver the demolition phase of the project or secure a development partner to re-develop the cleared sites.
Consequences	• Major reputational risk for the Council in terms of not delivering the schemes that local residents expect; potential that Council may be unsuccessful with future funding bids • Reduced growth and economic prosperity for local residents • Decline of town centres/impact on major redevelopment proposals • Council exposed to unplanned financial risks and pressure on revenue resources which impacts on delivery of core services • Clawback of funding for non-delivery • Increased pressure on already stretched services/functions of the council which have capacity issues. • Cleared sites could sit empty for indeterminate period if developer interest doesn't materialise
Corporate Objective CCDC	Economic Prosperity
Main Risk Category	Reputation, Customer/Public Perception

Inherent Impact	**Inherent Likelihood**	**Inherent Risk Score**
4	4	16
Residual Impact	**Residual Likelihood**	**Residual Risk Score**
4	3	12
	Target Score	8

Comment on Target Score:
Inherent nature of the risk profile of the regeneration schemes makes it difficult to reach a score of 4. External influences may affect the ability to get a long term provider.

Controls	**Assurances**
Monitoring / finance returns being prepared and submitted to MHCLG in line with timescales in agreed memorandum of understanding	Project Sponsor Statutory Officer Meetings
Key decisions taken by Cabinet in relation to the project with relevant	Statutory Officer Meetings Project Sponsor

Controls	Assurances
delegations and budget approvals in place	
Business cases to support key acquisition with quantification of costs and risks	Review by Statutory Officers Project Sponsor
Procurement using approved frameworks to select and appoint key contractors	SCC Procurement team Internal Audit Reviews Project Sponsor
Detailed risk registers and project plans to Operational Group	Project Board Project Sponsor Internal Audit reviews. External Audit overview Statutory Office Meetings
Governance arrangements to ensure oversight of programme delivery, spend and risks; with Programme Boards, Steering groups and project delivery meetings taking place on a regular basis	Project Board Project Sponsor Internal Audit reviews. External Audit overview. Statutory Officer Meetings External Audit
Ensure that the Council is effectively managing contractors and consultants	Project Sponsor Statutory Officer Meetings
Ensure that the Council has sufficient Programme/project management arrangements and capacity to deliver the projects	Statutory Officer Meetings Project Sponsor
Ensure that the Council's Health and Safety/CDM requirements are met, and demolition/construction works are managed safely and in line with regulations	Review by Statutory Officers Project Sponsor

Actions

Actions Planned	Person Responsible	Timescale
Monthly Risk Registers and Dashboards to Leadership Team and Project Board	Head of Economic Development and Planning	June 2025
Communications to stakeholders, partners and the public - development of Comms Strategy and Plan	Head of Economic Development and Planning, Communications Manager	June 2025
Finalise town centre investment prospectus to set out the Council's vision for the cleared site and undertake soft market testing/early market engagement	Head of Economic Development and Planning	May - September 2025
Agree approach to securing development delivery	Head of Economic Development and Planning	October/ November 2025

Actions Planned	Person Responsible	Timescale
Formal procurement process to appoint development partner(s)	Head of Economic Development and Planning	Quarter 1 - 2026

Agenda Item 3(d)

Annual Governance Statement 2024-25

Committee: Audit and Accounts

Date of Meeting: 25 June 2025

Report of: Head of Transformation and Assurance

Portfolio: Resources Portfolio

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1 Purpose of Report

1.1 To set out the Annual Governance Statement for the year 2024-25.

2 Recommendations

2.1 That the Committee approves the Annual Governance Statement for 2024-25 set out at **APPENDIX 1.**

2.2 That the Committee approves the Governance Improvement Plan set out at **APPENDIX 2**.

Reasons for Recommendations

2.3 The publication of an annual governance statement is a statutory requirement and the review of the Council's governance arrangements is essential in ensuring that they are maintained up to date and operate effectively.

3 Key Issues

3.1 The Accounts and Audit Regulations 2015 require the Council to review the effectiveness of its system of internal control and to prepare an Annual Governance Statement (AGS).

3.2 The Council's Annual Governance Statement (AGS) for 2024-25 is attached as **APPENDIX 1**.

3.3 The AGS has been compiled by the Leadership Team. The AGS has been drafted using various sources of assurance which together form the review of the Council's governance arrangements. The key sources of assurance are:

(i) Leadership Team:
(ii) the 3 statutory officers;
(iii) the risk management reports;
(iv) the annual internal audit report/opinion; and
(v) external assurance reports.

3.4 The review of the Council's governance arrangements has concluded that limited assurance can be given that the framework is operating adequately in practice. The areas identified for improvement are set out in the "Significant Governance Issues" section of the AGS at **APPENDIX 1** and the actions to address these issues are set out in the Improvement Plan at **APPENDIX 2**.

4 Relationship to Corporate Priorities

4.1 The Council's corporate governance arrangements and internal control framework cuts across all corporate priorities.

5 Report Detail

5.1 The Council's Code of Governance is based on the guidance from CIPFA/SOLACE. A copy of the full Code of Governance can be found on the Council's website.

5.2 The preparation and publication of an annual governance statement is necessary to meet the statutory requirement set out in the Accounts and Audit Regulations 2015 which requires authorities to "conduct a review of the effectiveness of system of internal control" and to "prepare an annual governance statement".

5.3 The Annual Governance Statement has been prepared using information from the sources of assurance outlined in 3.3. This year's review has focussed on the core elements of the Council's governance framework and a review of progress in addressing the findings from the External Auditor's Value for Money Report for 2021-22 and 2022-23.

5.4 The Leadership Team has been consulted on the draft AGS to ensure that:

- all of the significant issues have been identified and included, so far as is reasonably possible; and
- all of the issues included are considered to be significant.

5.5 It is not possible to give a single definition as to what constitutes a "significant governance issue" and judgement has to be exercised. CIPFA/SOLACE has not provided guidance on this in their new Framework so reference continues to be made to the guidance given in the previous framework. Factors used in making such judgements include:

- the issue has or could seriously prejudice or prevent achievement of a principal objective;
- the issue has or could result in a need to seek additional funding to allow it to be resolved, or has/could result in significant diversion of resources from another service area;
- the issue has or could lead to a material impact on the accounts;

- the Chief Internal Auditor has reported on it as significant, for this purpose, in the Internal Audit Annual Report;
- the issue, or its impact, has or could attract significant public interest or seriously damage the reputation of the Council;
- the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

5.6 Whilst progress is being made in delivering the actions set out in the VFM Improvement Plan, the review of the Council's governance arrangements has concluded that limited assurance can be given that the framework is operating adequately in practice.

5.7 The areas identified for improvement are set out in the AGS at **APPENDIX 1** and actions to address the issues have been included in the Governance Improvement Plan attached at **APPENDIX 2**. The Governance Improvement Plan supercedes the VFM Improvement Plan (see report to Cabinet and the Audit Committee on the year end VFM progress report for 2024/25) and includes all of the outstanding actions from this and the new actions arising from this year's review.

5.8 Progress in addressing the significant issues identified in the Annual Governance Statement will be monitored through reports presented to the Audit and Accounts Committee. The Committee will escalate any concerns to Cabinet and the Cabinet will also receive periodic updates.

5.9 Following approval of the Annual Governance Statement it will be signed by the Chair of the Audit and Accounts Committee, the Leader and the Chief Executive.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

As set out in report and Appendices

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: Annual Governance Statement 2024-25

Appendix 2: Governance Improvement Plan

8 Previous Consideration

None

9 Background Papers

Annual Internal Audit Report 2024-25

Strategic Risk Register at 1 April 2025

External Auditors VFM Report 2021-22 and 2022-23 dated January 2024

The Council's Response to the External Auditors VFM Report February 2024

Contact Officer:	Judith Aupers
Telephone Number:	01543 464411
Ward Interest:	Nil
Report Track:	Audit and Accounts 25/06/2025 (Only)
Key Decision:	No

Appendix 1

Committee: Audit and Accounts

Date of Meeting: 25 June 2025

STAFFORD BOROUGH COUNCIL
ANNUAL GOVERNANCE STATEMENT FOR 2024-25

1 Scope of Responsibility

1.1 Stafford Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

1.3 The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1)(b), which require all relevant authorities to prepare an annual governance statement.

2 The Purpose of the Governance Framework

2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

2.3 The governance framework has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the Annual Governance Statement.

3 The Governance Framework

3.1 The Council has adopted a local Code of Governance, which can be found on the Council's website. The Code is comprised of 6 key principles:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

2. Ensuring openness and comprehensive stakeholder engagement.

3. Defining the vision and outcomes for the local area and determining the actions necessary to achieve the intended outcomes.

4. Developing the entity's capacity, including the capability of its leadership and the individuals within it.

5. Managing risks and performance through robust internal control and strong public financial management.

6. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

4 Review of effectiveness

4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is led by the Head of Transformation and Assurance. The review is informed by the work of Members, the senior officers within the Council and also by comments made by the External Auditors and other review agencies and inspectorates. The process that has been applied in maintaining and reviewing the effectiveness of the governance framework is set out below.

4.2 **The Authority -** the Deputy Chief Executive - Resources, the Head of Transformation and Assurance and the Head of Law and Governance, on behalf of the Council, undertake periodic reviews of the Council's governance arrangements on an ongoing basis. Work to support this includes a self-assessment review against the Code of Governance, reviews of the Constitution and key policies, processes and practices throughout the year.

Some progress has been made in updating key policies that form part of the Council's governance framework (risk management framework, procurement regulations and the digital strategy) but there are still a number awaiting review in 2025/26. There are ongoing concerns with regard to the effective operation of and compliance with key components of the Council's governance framework. A programme of training and monitoring is planned for 2025/26 to raise awareness and improve compliance.

4.3 **The Executive** - the Cabinet monitors the effectiveness of the governance framework through the consideration of regular performance, financial and strategic risk management reports. Individual Cabinet members receive regular feedback from senior officers on the delivery of services and the achievement of objectives and targets. Issues of strategic and corporate importance are referred to the Cabinet.

4.4 **Overview and Scrutiny Committees** - the Council has 3 Scrutiny Committees. The Scrutiny Committees review decisions made by Cabinet and areas of concern. They can "call-in" a decision that has been made by the Cabinet when they consider the decision is not in accordance with the Council's Constitution. The Scrutiny Committees:

(i) determine their own work programme at the beginning of each year and this includes the provision of updates, briefings and reviews of services/activities; and

(ii) consider regular performance management information from senior management.

4.5 **The Audit and Accounts Committee -** is responsible for overseeing the Council's governance arrangements. The Committee monitors the effectiveness of risk management, reviews corporate governance issues, the work of Internal Audit and the anti-fraud and corruption arrangements throughout the year. The Audit and Accounts Committee receives periodic reports on:

- the work of internal audit in reviewing the systems and processes to ensure that they are adequate; and

- updates on the management of the Council's strategic risks. A strategic risk register is in place, which identifies and evaluates the risks faced by the Council in delivering its objectives. Work is ongoing to review and address these risks and update the risk register accordingly.

4.6 **The Standards Committee** - is responsible for the ethical framework of the Council. The Committee works closely with the Monitoring Officer in dealing with complaints about Members conduct and promoting high standards of conduct.

4.7 **Internal Audit** - is responsible for reviewing the effectiveness of the Council's governance arrangements, including the system of internal control, and reporting on its adequacy. Internal Audit is a key source of assurance for the Annual Governance Statement and operates in accordance with the Public Sector Internal Audit Standards. Internal Audit reviews the internal control system following an audit plan based on an assessment of the potential risks for the various systems and procedures. The work on the Audit Plan for 2024-25 has been used to provide an independent view on the adequacy of the governance framework.

In the annual report to the Audit and Accounts Committee, the Chief Internal Auditor has independently assessed the Council's internal control environment and given a "**limited assurance"** opinion that the Council's governance arrangements were operating adequately and there were no instances where any breakdown of control resulted in a material discrepancy.

Where deficiencies in internal control were identified during reviews, assurance was provided that these had been or would be resolved in an appropriate manner. Such cases will continue to be followed-up as part of the routine operation of the Internal Audit function.

The Chief Internal Auditor has highlighted a number of recurring issues in the Annual Audit Report, relating to non-compliance with and or awareness of key components of the Council's governance arrangements. These issues align with the findings of the self-assessment of the Governance Framework.

4.8 **Risk Management -** during 2024-25 the Audit and Accounts Committee received regular progress reports regarding the management of strategic risks. A revised approach to risk management is being adopted and as part of this a full review of the strategic risks facing the Council has been undertaken. As at 1 April 2025 and there are currently five red risks for inclusion as significant governance issues:

- Local Government reorganisation - the Council has to divert resources to the management of the Council's response plans for Local Government re-organisation which threatens the ability to maintain the quality of services at a time when capacity is already stretched.
- Safe management of trees - risk of a tree falling on individuals or property;
- Delivery of Town Centre Regeneration Project - risk that the scheme will not be delivered as anticipated, to time or to budget;
- Health & Safety arrangements for properties - operational property procedures are insufficient to adequately ensure the health and safety of employees, tenants, visitors etc;
- Corporate capacity is insufficient to maintain provision of core services and priorities.

4.9 **Assurance from the Statutory Officers** - assurances have been sought, through discussions with the Head of Paid Service (Chief Executive), the s151 Officer (Deputy Chief Executive - Resources) and the Monitoring Officer (Head of Law and Governance) with regard to their responsibilities for governance.

- The Head of Paid Service has overall responsibility for the organisation, appointment and management of staff.

- The Chief Financial Officer (s151 Officer) has overall responsibility for the financial management of the Council. Throughout the year the s151 Officer ensures that the financial position of the Council is monitored, that consideration is given to financial implications when taking decisions and

with the support of internal audit that financial processes are complied with.

- The Monitoring Officer has overall responsibility for:

    1. reporting on matters they believe are, or are likely to be, illegal or amount to maladministration;
    2. matters relating to the conduct of Members and officers; and
    3. the operation of the Council's constitution.

The Statutory Officers have identified the following as significant governance issues:

- the ongoing capacity issues within the Finance, Legal and Corporate Assets Teams, combined with an increase in workload arising from the delivery of key projects, primarily the delivery of the town centre transformation work;
- ongoing concerns with regard to the project management arrangements for Town Centre transformation work;
- the need to re-instate regular budget monitoring;
- the lack of a structured and consistent approach to project management; and
- a lack of regard for and non-compliance with the Council's governance arrangements

4.10 **External Audit/Other Review Agencies -** the Council's new External Auditors have not yet concluded their review of the Council's value for money arrangements. However, the Council is continuing to address the issues identified in the previous VFM report for 2021/22 and 2022/23.

4.11 **Leadership Team** - in addition to the Statutory Officers assurances, the members of Leadership Team have been consulted on the draft annual governance statement and the significant governance issues that should be included within it. The Leadership Team has identified the following as significant governance issues:

- capacity to deliver operational and corporate priorities;
- compliance with Health and Safety requirements for the Council's properties/corporate assets; and
- the implications and delivery of Local Government Reorganisation.

5 Opinion on the Governance Framework

5.1 The review of the effectiveness of the governance framework shows that there are a number of significant concerns and as such only **limited assurance** can be given that the framework is operating adequately in practice.

5.2 The weaknesses in the governance framework are outlined in section 6.

5.3 The Audit and Accounts Committee will have responsibility for ensuring the delivery of the actions needed to improve the Council's governance framework.

6 Significant Governance Issues

6.1 The Council's key governance issues are outlined below. As the majority of these issues have already been identified and included in the Improvement Plan arising from the VFM review, a separate action plan has not been produced. Any additional issues identified below have been added to the existing improvement plan or are being monitored through the Strategic Risk Register. The updated Governance Improvement Plan is attached at Appendix 2.

Ref	Issue	Improvement Plan X-Ref
1.	**Governance Framework**	
	(a) Aspects of the Governance Framework are in need of review, these include:	
	• The Code of Governance.	VFM9 - 60
	• Values and Operating Principles;	VFM6 - 22
	• Scheme of Delegations;	VFM9 - 53
	• Financial Regulations;	VFM1 - 28
	• IT Security Policy & Cyber Security	VFM3 - 19
	• Workforce Development Framework;	VFM6 - 62
	• Project Management Toolkit;	VFM5 - 32
	• Performance Reporting Framework;	VFM5 - 57
	• Contracts Register;	VFM8 - 15
	• Confidential Reporting Framework and Fraud Policy	VFM4 - 46
	• Employees Code of Conduct	VFM6 - 49
	(b) Training, awareness raising and compliance with the Council's Governance Framework	GOV1 and GOV2
2.	**Strategic Risks** As set out in 4.8, the following have been identified as red risks on the Council's Strategic Risk Register: • Local Government Reorganisation; • Safe Management of Trees; • Delivery of Town Centre Regeneration Project; • Health and Safety Arrangements for Properties; and • Corporate capacity.	Being actioned and monitored via the Strategic Risk Register

Signed:

Chair of the Audit and Accounts Committee Date

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Leader of the Council Date

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Chief Executive Date

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on behalf of Stafford Borough Council

Governance Improvement Plan

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
VFM	**Significant Governance Issues from the former VFM Improvement Plan**				
VFM1	**Financial Sustainability (Statutory Recommendation 1)**				
17.	Regular performance monitoring to be re-established with budget managers and Leadership Team.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	Period 6 monitoring for 2024-25 has been completed and has been reported in the budget setting report for 2025/26. Period 9 monitoring has been completed and is making its way through the reporting cycle at present	✓
26.	Lesson learnt exercise to be undertaken of implementation of the finance system	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	Work on this has been deferred due to the ongoing capacity issues in the Finance Team. It has been rescheduled for Q1.	✗
27.	Training of managers in budget management and use of the new finance system.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	The first session has been delivered to Leadership Team. The sessions with managers will be delivered during Q1 25/26.	✓
28.	Review of Financial Regulations	Deputy Chief Executive (Resources) and S151 Officer	Quarter 1 - 2025/26		
29.	Training for managers on Financial Regulations	Deputy Chief Executive (Resources)	Quarter 2 - 2025/26		

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
54.	Implementation of remaining module of the finance system, ongoing development and maximising use of system functionality	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2 - 2025/26		
55.	Performance reporting for Cabinet and Scrutiny to be developed. This will be done alongside the review and development of performance and risk reporting.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2 - 2025/26		
42.	Follow-on zero-based budgeting session with managers to continue work started as part of the 2024/25 budget setting process	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 - 2025/26 for 26/27 budget setting		
VFM2	**Corporate Service Transformation and Efficiency Programme (Key Recommendation 1)**				
43.	Process to be established for developing a service transformation and efficiency programme.	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 3 - 2024/25	A review of key priority projects has been undertaken and this was approved by Cabinet on 7 November 2024. A transformation strategy and plan has been developed. This was approved by Cabinet on 5 December 2024. The report also sets out the proposals for creating a transformation team. However, the work on Transformation is under review in light of Local Government Reorganisation. A report will be prepared for Cabinet's consideration in Q1 2025/26.	N/A

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
44.	Consultation and engagement to be embedded into the planning for the delivery of key projects where appropriate to ensure schemes meet community needs eg regeneration projects, redevelopment of play areas	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 1 - 2025/26		
VFM3	**IT / Technology (Key Recommendation 2)**				
19.	Update IT security policy and adopt a cyber security policy.	Head of Transformation and Assurance and Chief Technology Officer	Quarter 3 2024/25	The policy has been reviewed and is to go to Leadership Team for approval in May 2025.	
30.	Develop assurance reporting for IT eg report on outcome of annual health check/penetration testing to Leadership Team and Audit Committee	Head of Transformation and Assurance and Chief Technology Officer	Quarter 4 - 2024/25	Work has commenced on the IT Assurance report and this will be reported to Leadership Team in May and the Audit Committee in June 2025.	
31.	Review of what we include in procurements re ICT controls and information governance	Head of Transformation and Assurance, Chief Technology Officer, Head of Law and Governance and Information Manager	Quarter 4 - 2024/25	Work is in progress and will be completed in Q1	

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
VFM4	**Fraud (Key Recommendation 3)**				
56.	Assess fraud risks and include in risk registers as appropriate	Chief Internal Auditor & Risk Manager and Leadership Team	Quarter 4 - 2024/25	Work in progress as part of the development of operational risk registers	✓
45.	Review Anti - Fraud and Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
46.	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
47.	Assess compliance against Cipfa 2014 Code for Fraud and develop an action plan as necessary	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
61.	Review the information we report on fraud work (including data matching) to the Audit Committee.	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
VFM5	**Performance Management (Key Recommendation 4)**				
33.	Establish corporate project resources to support transformation work (funding allocated in 2024/25 budget)	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 3 2024/25	The team structure was approved as part of the report to Cabinet on the Transformation Strategy (5 December 2024). However, this work is under review in light of the Local Government Reorganisation (LGR) proposals. A report will be prepared for Cabinet's consideration in Q1 2025/26.	N/A

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
34.	Review of all projects, the current governance arrangements and establish project reporting to Leadership Team	Deputy Chief Executive (Resources) and Deputy Chief Executive (Place)	Quarter 4 - 2024/25	Work on this has not yet commenced - review to be undertaken in Q1 to set the framework for 2025/26	
57.	Develop and adopt a performance management framework to establish golden thread from Corporate Plan to service plans through to employee reviews. Framework to include protocols for ensuring data quality	Head of Transformation and Assurance	Quarter 1 - 2025/26		
58.	Review our performance report style - delivery plans and KPIs. To consider the development of performance outcome measures	Head of Transformation and Assurance	Quarter 1 - 2025/26		
59.	Performance reporting for waste and leisure: • review of KPIs for monitoring and reporting on performance; • establish internal validation process of contract performance; and • review information reported to Cabinet / Scrutiny	Head of Transformation and Assurance, Head of Operations and Head of Wellbeing	Quarter 1 - 2025/26		

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
32.	Establish a Corporate Project Management Methodology. Provide templates, guidelines, and training for key officers (LT, Service Managers and key Principal Officers/Team Leaders).	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 2 - 2025/26		
VFM6	**HR related issues (Improvement Recommendations 1 and 3)**				
23.	Complete review of hybrid working. This will inform the development of the workforce strategy and the review of the Code of Conduct as well as support the development of an asset strategy.	Head of Transformation and Assurance and HR Manager	Quarter 3 2024/25	A report has been drafted and is still with the Head of Service for review. Progress on this has slipped again due to work on the Local Government Reorganisation submission taking precedence. The report will now be presented to Leadership Team in Q1 2025/26	
22.	Establish our culture, values and type of organisation we want to be. This work will inform the following actions	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 4 - 2024/25	Put on hold pending further discussion in light of Local Government Reorganisation. Considering a light touch approach.	
48.	Develop a hybrid working policy and review other related policies and processes.	Head of Transformation and Assurance and HR Manager	Quarter 2 - 2025/26		

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
49.	Review and update the Employee Code of Conduct	Head of Transformation and Assurance and Head of Law and Governance	Quarter 3 2025/26		
62.	Development of a workforce strategy that links to long term transformation/shared services	Head of Transformation and Assurance and HR Manager	Quarter 4 - 2025/26		
VFM7	**Risk Management (Improvement Recommendation 2)**				
24.	Training for Leadership Team, managers, team leaders/principal officers on risk management	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2024/25	Risk management training and workshops completed with Leadership Team and dates arranged for workshops with managers.	✓
35.	Develop risk registers for each Directorate and ICT	Deputy Chief Executive (Resources), Deputy Chief Executive (Place) and Head of Transformation and Assurance	Quarter 1 - 2025/26		

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
36.	Establish escalation process between other risk registers and the SRR eg services, projects	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
VFM8	**Procurement and Contract Management (Improvement Recommendation 5)**				
15.	Update the contracts register and ensure it is compliant with transparency requirements	Head of Transformation and Assurance and Leadership Team	Quarter 4 - 2024/25	Work on this has slipped and will now commence in Q1.	
39.	Provide training for managers on procurement and contract management	Head of Transformation and Assurance	Quarter 1 - 2025/26		
50.	Work with managers and the County's Procurement Team to develop a procurements pipeline	Head of Transformation and Assurance and Leadership Team	Quarter 3 2025/26		
51.	Process to be established for publication of key data on the Council's website to meet transparency requirements re spend data, contracts register	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 3 2025/26		

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
VFM9	**Other Related Actions**				
41.	Preparation of a transformation plan for Development Management to further reduce the backlog of planning applications and to manage this within the approved budget. (From AGS 2023-24	Head of Economic Development and Planning	Quarter 1 - 2025/26		
60.	Review of Code of Governance	Head of Transformation and Assurance	Quarter 1 - 2025/26		
53.	Review of Scheme of Delegations as part of shared services transformation. (From AGS 2023-24)	Monitoring Officer and Leadership Team	Quarter 3 2025/26		
52.	Establish an inventory of key policies and a programme of periodic reviews	Leadership Team	Quarter 4 - 2025/26		
63.	Development of Assurance Model	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2025/26		
	New Significant Governance Issues Arising from the 2024/25 Governance Review				
GOV	**Governance Framework**				

Appendix 2

No	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
GOV1	Training and reminders for managers on good governance and key components of the framework	Deputy Chief Executive (Resources), Head of Transformation & Assurance and Head of Law and Governance	Initial session Quarter 2 - 2025/26		
GOV2	Monitoring compliance with the governance framework	Deputy Chief Executive (Resources), Head of Transformation & Assurance and Head of Law and Governance	Ongoing		