

# Public Document Pack



**Cherwell**

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

**Committee:** Accounts, Audit and Risk Committee

**Date:** Wednesday 27 July 2022

**Time:** 6.30 pm

**Venue:** Bodicote House, Bodicote, Banbury, Oxon OX15 4AA

## Membership

**Councillor Donna Ford  
(Chairman)**

Councillor Patrick Clarke

Councillor Ian Middleton

Councillor Sean Woodcock

**Councillor Hugo Brown (Vice-Chairman)**

Councillor Andrew Crichton

Councillor Chris Pruden

Councillor Barry Wood

## AGENDA

### 1. Apologies for Absence and Notification of Substitute Members

### 2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

### 3. Petitions and Requests to Address the Meeting

The Chairman to report on any requests to submit petitions or to address the meeting.

### 4. Minutes (Pages 7 - 10)

To confirm as a correct record the Minutes of the meeting of the Committee held on 25 May 2022.

### 5. Chairman's Announcements

To receive communications from the Chairman.

## 6. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

## 7. **End of year 2021- 2022 Performance, Risk and Finance Monitoring Report** (Pages 11 - 42)

Report of Assistant Director of Finance & S151 Officer and Assistant Director Customer Focus Interim

### **Purpose of report**

This report summarises the Council's Performance, Risk and Finance monitoring positions at the end of the Financial Year 2021-2022.

### **Recommendations**

The meeting is recommended:

- 1.1 To note the Performance, Risk and Finance Monitoring Report

## 8. **Regulatory Compliance Report** (Pages 43 - 50)

Report of Interim Monitoring Officer

### **Purpose of report**

To provide the Committee with an update regulatory compliance.

### **Recommendations**

The meeting is recommended:

- 1.1 To consider and comment on the report.

If the Committee has any queries on any aspect of the report that may disclose information under paragraphs 1 – 7 of Schedule 12A of Local Government Act 1972, the Interim Monitoring Officer will advise the relevant paragraph and it will be necessary for the Committee to resolve to exclude the press and public whilst exempt information is considered

## 9. **Update on Counter Fraud Annual Plan 2021/22 and presenting the Counter Fraud Annual Plan 2022/23** (Pages 51 - 66)

Report Assistant Director of Finance & S151 Officer

### **Purpose of report**

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2021/22, which was previously presented to the Accounts,

Audit & Risk July 2021 committee. The report also presents the new Counter Fraud Plan for the year 2022/23.

The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

### **Recommendations**

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2021/22.
- 1.2 Comment and note the Counter Fraud Plan for 2022/23.
- 1.3 Comment and note the Investigation Report in Annex 1.

## **10. Internal Audit Charter (Pages 67 - 84)**

Report of Assistant Director of Finance & S151 Officer

### **Purpose of report**

This report presents the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2022/23.

### **Recommendations**

The committee is Recommended to:

- 1.1 Approve the Internal Audit Charter.
- 1.2 Note the Quality Assurance and Improvement Programme.

## **11. Treasury Management Report - Q4 (March 2022) (Pages 85 - 92)**

Report of the Assistant Director of Finance & S151 Officer

### **Purpose of report**

To receive information on treasury management performance and compliance with treasury management policy and Prudential Indicators for 2021-22 as required by the Treasury Management Code of Practice.

### **Recommendations**

The meeting is recommended:

- 1.1 To note the contents of the Q4 (March 2022) Treasury Management Report.

## **12. Support to Subsidiaries (Pages 93 - 96)**

### **Purpose of report**

To inform the Committee of the overall level of support provided to the Council's subsidiaries and how this is considered as part of the external audit.

### **Recommendations**

The meeting is recommended:

1.1 To note the report and raise any queries on the exempt appendix.

#### **13. Work Programme (Pages 97 - 98)**

To consider and review the Work Programme.

#### **14. Exclusion of Press and Public**

The following report(s) contain exempt information as defined in the following paragraph(s) of Part 1, Schedule 12A of Local Government Act 1972.

3- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to resolve as follows:

"That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

#### **15. Support to Subsidiaries - Exempt Appendix (Pages 99 - 104)**

**Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.**

### **Information about this Meeting**

### **Apologies for Absence**

Apologies for absence should be notified to [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk) or 01295 221554 prior to the start of the meeting.

### **Declarations of Interest**

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

### **Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates**

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

### **Evacuation Procedure**

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

### **Access to Meetings**

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

### **Mobile Phones**

Please ensure that any device is switched to silent operation or switched off.

### **Queries Regarding this Agenda**

Please contact Sharon Hickson, Democratic and Elections [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk), 01295 221554

**Yvonne Rees**  
**Chief Executive**

Published on Tuesday 19 July 2022

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## **Cherwell District Council**

### **Accounts, Audit and Risk Committee**

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 25 May 2022 at 6.30 pm

Present:

Councillor Donna Ford (Chairman)  
Councillor Hugo Brown (Vice-Chairman)  
Councillor Patrick Clarke  
Councillor Ian Middleton  
Councillor Chris Pruden  
Councillor Sean Woodcock  
Councillor Barry Wood

Substitute Members:

Councillor Dr Chukwudi Okeke (for Councillor Andrew Crichton)

Also Present:

Councillor Adam Nell, Portfolio Holder for Finance

Apologies for absence:

Councillor Andrew Crichton

Officers:

Michael Furness, Assistant Director of Finance & S151 Officer  
Shahin Ismail, Assistant Director - Law, Governance & Democratic Services & Monitoring Officer (Interim)  
Sarah Cox, Chief Internal Auditor  
Joanne Kaye, Strategic Business Partner  
Katherine Kitashima, Audit Manager  
Sharon Hickson, Democratic and Elections Officer

### **3        **Declarations of Interest****

There were no declarations of interest.

### **4        **Petitions and Requests to Address the Meeting****

There were no petitions or requests to address the meeting.

5 **Minutes**

The Minutes of the meetings of the Committee held on 16 March 2022 and of the meeting of the Committee held on 18 May 2022 were agreed as a correct records and signed by the Chairman.

6 **Chairman's Announcements**

There were no chairman's announcements.

7 **Urgent Business**

There were no items of urgent business.

8 **2021/22 Accounting Policies**

The Assistant Director of Finance & S151 Officer submitted a report for the Committee to consider and approve the Accounting Policies for inclusion in the 2021/22 Statement of Accounts.

In response to questions from the Committee regarding the inflation rate currently being higher than the 6% predicted in the contingency budget for inflationary pressure throughout the medium term, the Assistant Director of Finance & S151 Officer advised that contract and services already purchased would not be affected by any increase at this time. Budget monitoring would begin in June and would be considered by the Budget Planning Committee.

The Strategic Business Finance Partner explained the asset devaluation of groups advising that the Council used a rolling 5 year asset valuation programme with 20% of different categories valued each year.

**Resolved**

- (1) That having given due consideration, the accounting policies as approved by the Chief Finance Officer be approved.

9 **Annual Governance Statement 2021/22**

The Interim Monitoring Officer submitted a report on the Annual Governance Review process to enable the Committee to fulfil its responsibilities associated with the publication of the Council's Annual Governance Statement 2021/22.

The Interim Monitoring Officer highlighted an error in appendix 1 paragraph 27 "rating of compliance showing as Green for all of the 19 standards" should read "rating of compliance showing as Green for all of the 17 standards."

**Resolved**



- (1) That it be agreed that, subject to the Interim Monitoring Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, the Chief Executive and the Section 151 officer that the Annual Governance Statement 2021/22 be approved.
- (2) That it be agreed that the Leader of the Council and the Chief Executive be authorised to sign the Annual Governance Statement on behalf of Cherwell District Council.

10 **Local Code of Corporate Governance**

The Interim Monitoring Officer submitted a report which provided an opportunity for the review of the Local Code of Corporate Governance.

The Interim Monitoring Officer confirmed that the final version would be amended to replace reference to “County” with “District” at Core Principle “E” of the Code.

**Resolved**

- (1) That the Local Code of Corporate Governance be approved.

11 **Annual Report of the Chief Internal Auditor 2021/22**

The Chief Internal Auditor submitted a report that summarised the outcome of the Internal Audit work in 2021/22, and provided an opinion on the Council's System of Internal Control.

**Resolved**

- (1) That, having given due consideration, the report be endorsed

12 **Internal Audit Strategy and Plan 2022/23**

The Assistant Director of Finance submitted a report which presented the Internal Audit Strategy and Plan for 2022/23

**Resolved**

- (1) That the Internal Audit Strategy and Plan for 2022/23 be noted.

13 **Work Programme**

The Strategic Business Partner introduced the work programme and advised the committee that the training programme was under review.

**Resolved**

- (1) That the work programme be noted.

The meeting ended at 7.49 pm

Chairman:

Date:

## **Cherwell District Council**

### **Account Audit & Risk Committee**

**27 July 2022**

### **End of year 2021- 2022 Performance, Risk and Finance Monitoring Report**

### **Report of Assistant Director of Finance & S151 Officer and Assistant Director Customer Focus Interim**

This report is public

#### **Purpose of report**

This report summarises the Council's Performance, Risk and Finance monitoring positions at the end of the Financial Year 2021-2022. The Committee is responsible for the risk elements of this report.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To note the Performance, Risk and Finance Monitoring Report

#### **2.0 Introduction**

- 2.1 The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis, however due to redeployment of resources supporting Omicron variant there was no report during December 2021 and February 2022.
- 2.2 This report provides an update on progress made during the financial year 2021-22, to deliver the Council's priorities through reporting on Performance, the Leadership Risk Register and providing an update on the financial position.
- 2.3 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2021-22 business plan and the priorities of the Council. These measures and key performance indicators are reported on a monthly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.
- 2.4 As part of monthly reporting, the Performance & Insight Team provides the Senior Management Team with a corporate complaints report. Complaints received during the month are closely monitored and analysed. The mandatory lessons learned data continues to be implemented and we are starting to see a decrease in the number of upheld complaints. Lessons learned are reported to ELT (Extended Leadership Team) and progress is monitored to ensure actions are implemented to avoid the

same complaint being reported.

**2.5** The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register (at the date this report is published) is included in this report. The Leadership Risk Register and strategy are reviewed on an annual basis as part of the budget and business planning process, reflecting on the priorities of the council for the forthcoming year. The Leadership Risks reflected in this report have been thoroughly reviewed by ELT and will continue to be updated monthly.

**2.6** The main report details section is split into three parts:

- Performance Summary
- Leadership Risk Register Update
- Finance Summary

**2.7** There is one appendix to this report:

- Appendix 1 – Leadership Risk Register March 2022

### **3.0 Report Details**

**3.1** The Council's performance management framework sets out key actions, projects and programmes of work that contribute to deliver the refreshed 2021- 22 business plan (see Appendix 1) and the priorities of the Council.

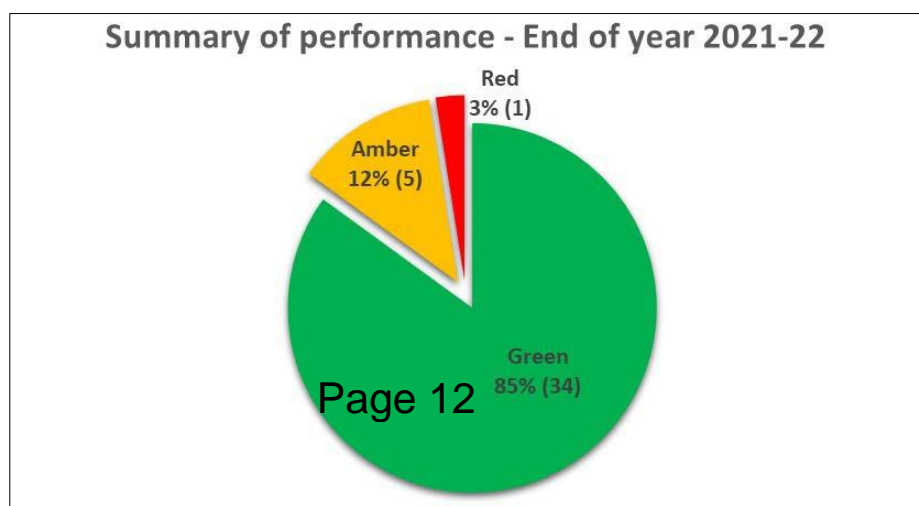
**3.2** The 2021-22 business plan sets out four strategic priorities:

- Housing that meets your needs
- Leading on environmental sustainability
- An enterprising economy with strong and vibrant local centres
- Healthy, resilient and engaged communities

**3.3** This report provides a summary of the Council's performance in delivering against each strategic priority. To measure performance a 'traffic light' system is used. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

### **Summary of Performance**

**3.4** The Council reports quarterly on performance against **40** Business Plan Measures.



Performance against our targets remains strong. We have started to see recovery in certain areas affected by COVID-19 such as housing interventions and visits to the leisure centres. The performance highlights for the year are reflected on the Annual Report 2021-2022 (Appendix 1). The below table shows the status of all measures by the end of the financial year 2021-22.

Figure 1 – Above chart reflects the end of year results 2021-22, 34 (85.00%) reported on target (Green), 5 (12.50%) slightly off target (Amber) and one measure (3.00%) reported off target (Red)

### 3.5 Performance Exceptions by Strategic Priority:

#### Housing that meets your needs

- **Homelessness Prevention** – Reported Amber for End of Year. The housing team continues to focus on clients who present in crisis. Since the courts have reinstated eviction proceedings, an increase in families presenting as homeless is causing significant pressure on resources.

#### Leading on environmental sustainability

- **Reduction of fuel consumption used by fleet** – Reported Amber for End of year (38,827 against a target of 37,465). More fuel has been used in March as there are 9 extra 12-tonne trucks, in the fleet, due to the commencement of food-waste weekly collection service. The service is working hard to manage the fuel consumption throughout the year, using training and technology to improve usage.
- **Develop the Country Parks to support good lifestyle choices** – Reported Amber for End of year. Delays on the programme have been the cause of this performance, plans are in place to accelerate the delivery of these projects.

#### An enterprising economy with strong & vibrant local centres

- **% of Council Tax collected, increase Council Tax Base** – Reported Amber for End of year (98.07% against a target of 98.25%). As at the end on 2021/22 the amount of council tax due to be collected was just short of £117.7m. Overall the in-year collection rate was 98.07% against a target of 98.25%, collection rates for 2021/22 were impacted by the ongoing pandemic and furlough, however recovery action continued throughout 2021/22 and the end of year position for 2021 22 is an improvement on 2020 21 in-year rate of 97.46%.
- **% of Business Rates collected, increasing NNDR Base** – Reported Amber for End of year (97.84% against a target of 98.50%). As at the end on 2021/22 the amount of Business Rates due to be collected was just over £76.6m. Collection rates for 2021/22 were impacted by the ongoing pandemic and the re-billing exercise in June 2021 following on from the changes to the retail rate relief discount which took effect from 1 July 2021; however, where payment has not been forthcoming recovery and enforcement action will continue.
- **Establish new Building regulations Partnership** – Reported Red for End of year. Cherwell remains committed to forming a joint Building Control service despite the 2021/22 target not being met. The intention to form a new Building Control joint service for commencement on 1 April 2022 stalled during the middle part of 2021/22. Progress

is dependent on interest from compatible authorities. However, there is current and active interest from another Building Control authority which is being explored by officers

## Healthy, resilient & engaged communities

There were no performance exceptions under this priority for the end of the financial year.

## Climate Action Programme

3.6 This report updates Executive on the delivery of the 12 priority actions set by the Climate Action Programme Board for 2021/22. By the end of March, actions were rated as follows:

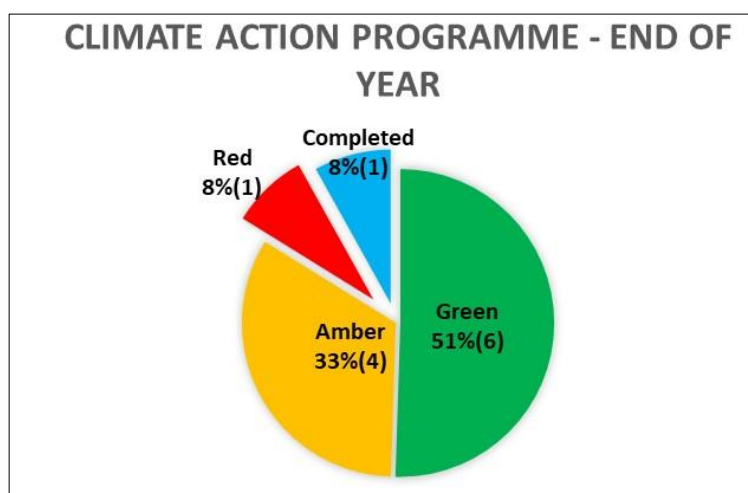


Figure 2 – Above chart reflects the end of year results 2021-22 for the Climate Action Framework, 6 (51.00%) reported on target (Green), 4 (33.00%) slightly off target (Amber), one (8%) reported off target (Red) and one action (8%) was completed

### Highlights:

- Decarbonisation work continued at leisure centres and corporate buildings
- Carbon Management Plan 2022-25 developed
- Heat network feasibility study awarded and due to start in May
- Tree planting project officer in place to progress planting during 22/23 season
- New action plan is being developed to continue work on the strategy for net-zero carbon standard affordable housing schemes, due to staff no longer being available.

A recent decision has been taken to decouple this partnership agreement with Oxfordshire County Council; a supporting service level agreement has been established to provide ongoing support and advice from Oxfordshire to Cherwell.

## Risk Update

3.7 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report. A full review of the Leadership Risk Register is in progress and will be presented in the next Executive meeting (04<sup>th</sup> July).

3.8 The table below provides an overview of the Leadership Risk Register 21/22. During March the leadership risk register did not have any score changes. One new risk was added L20 Safeguarding the vulnerable – Operational and partnership actions, this addition has been agreed as a consequence of the full review of L08 Safeguarding the vulnerable – Internal Procedures.

Please note that as per usual the current risks' numbering reflects the closure of L13 Joint working and L14 Legacy Shared Services Partnership – West Northamptonshire, both closed during February 2022, this will be reorganised as part of the annual review.

Leadership Risk	Score	Direction of travel	Mitigating Actions
<p style="text-align: right;">Page 15</p> <p>L01 Financial Resilience</p>	16 High Risk	↔	<ul style="list-style-type: none"> <li>➤ Financial forecasts of resources for 2021/22 have assumed a reduction in resources that will be available from business rates compared to February 2020 assumptions. The budget for 2021/22 was agreed with savings proposals identified to address these reductions. Close monitoring of the delivery of the savings programme took place throughout 2021/22 with mitigations required if slippage was identified.</li> <li>➤ Council agreed a balanced 2022/23 budget at its meeting on 28 February 2022. If resources were to fall significantly below the 2022/23 forecast level the Council has made a number of contingencies available in 2022/23 and, if required, a review of which reserves could be made available to mitigate this would be required (e.g., due to greater ongoing impact of Covid-19 or due to further economic shocks in the short-term). A similar approach to reviewing reserve availability could be adopted if the cost of goods we purchase were to increase. Ongoing impacts would be addressed as part of the 2023/24 budget process.</li> <li>➤ A business rates reset is assumed from 2023/24 which will significantly reduce the resources available to the Council. Should resources from business rates fall much below this (e.g., due to any further ongoing impacts to the economy) then resources would be supplemented by a "safety net" payment from the Government under the current regime. The budget process for 2022/23 has begun with savings proposals set out that would enable the Council necessary to operate within the forecast level of resources.</li> <li>➤ Where the Government has issued consultations on future approaches to funding local government CDC has responded to ensure its views are considered.</li> <li>➤ New capital bids submitted will be questioned to ensure increases in cost assumptions have been reflected</li> </ul>

Leadership Risk	Score	Direction of travel	Mitigating Actions
L02 Statutory functions	9 Low Risk	↔	<ul style="list-style-type: none"> <li>➤ Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions.</li> <li>➤ Review Directorate/Service risk registers.</li> <li>➤ Ensure Committee forward plans are reviewed regularly by senior officers.</li> <li>➤ Ensure Internal Audit plan focusses on key leadership risks.</li> <li>➤ Allocate specific resource to support new projects/policies or statutory requirements e.g., GDPR.</li> <li>➤ Learning and development opportunities identified and promoted by the Chief Executive and Directors.</li> <li>➤ Regular communications from Chief Executive. Quarterly staff briefings from Assistant Directors.</li> <li>➤ External support secured for key corporate projects including Growth Deal and IT Transformation Programme.</li> </ul>
L03 CDC Local Plan	12 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ Regular review meetings on progress and critical path review. Regular Corporate Director and Lead Member briefings. LDS updated as required with programme management approach adopted to ensure progress against plan.</li> <li>➤ Regular Corporate Director and Lead Member briefings</li> <li>➤ LDS updated as required with programme management approach adopted to ensure progress against plan</li> <li>➤ LDS timeline built into Directorate level objectives (e.g. via Service Plans) and incorporated into SMART targets within staff appraisals.</li> <li>➤ Authority Monitoring Reports continue to be prepared on a regular annual basis.</li> </ul>
L04 Business Continuity	12 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ Business Continuity Statement of Intent and Framework being revised to align with OCC and create an incident management framework</li> <li>➤ Cross-council BC Steering Group meets regularly to identify BC improvements needed</li> <li>➤ ICT transition to data centre and cloud services has reduced likelihood of ICT loss and data loss</li> <li>➤ Corporate ownership and governance to be revisited as a result of separation of OCC and CDC</li> <li>➤ BC Impact assessments and BCPs to be updated and reviewed by OCC's Emergency Planning team</li> <li>➤ BC exercises to be arranged (on hold due to pandemic response)</li> <li>➤ Updated Incident management framework agreed August 2021</li> </ul>



Leadership Risk	Score	Direction of travel	Mitigating Actions
L05 Emergency Planning	12 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ Emergency plan contacts list being updated monthly and reissued to all duty managers.</li> <li>➤ OCC Emergency Planning providing expert advice and support under a partnership arrangement. Accountability for both OCC and CDC's arrangements now sit with the Chief Fire Officer who reviews the arrangements with the Assistant Director.</li> <li>➤ Supporting officers for incident response identified in the emergency plan and wallet guide</li> <li>➤ Refreshed incident management plan agreed to align with OCC response arrangements and roll-out being progressed</li> <li>➤ Training being arranged for Duty Directors. All senior managers who provide the Duty Director rota have opportunity attend multi-agency exercises and duty manager training with OCC senior managers.</li> <li>➤ On-call rota being maintained and to be updated to reflect recent staffing changes</li> <li>➤ Authority continues to be represented at the Local Resilience Forum</li> </ul>
L06 Health & Safety	8 Low Risk	↔	<ul style="list-style-type: none"> <li>➤ COVID-Secure arrangements and safe working practices remain effective. These are due to be replaced with consolidated PH advice post April:               <ul style="list-style-type: none"> <li>- Cease asymptomatic testing except for specific groups in health and social care.</li> <li>- No longer requirement for specific COVID risk assessment.</li> <li>- Updated IPC guidance.</li> </ul> </li> <li>➤ Corporate H&amp;S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion.</li> <li>➤ Ongoing service redesign in Joint Property Service including single view of the asset and business systems. This will seek to improve assurance of building compliance and H&amp;S. This includes defining the role of responsible premises manager and proving them with support, training and tools. New service Compliance/H&amp;S specialist due to start May 22.</li> </ul>

Leadership Risk	Score	Direction of travel	Mitigating Actions
L07 Cyber Security	15 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ We are cyber-essentials plus certified which is externally accredited. Microsoft Multi-Factor Authentication is embedded to authenticate users providing an enhanced level of cyber security.</li> <li>➤ Accounts, Audit &amp; Risk Committee Members have been given presentations and formal training on Cyber Security.</li> <li>➤ The Regional Police Cyber Security Advisor have given the IT management team two training sessions (full cyber awareness and tabletop DR exercise) followed by a series of all-Council staff awareness sessions.</li> <li>➤ Cyber Security is mandatory e-learning for all staff to be completed annually. Members given a Cyber training session with the Police Cyber Security Advisor.</li> <li>➤ IT implemented an intrusion prevention and detection system which is monitored, and regular actions are implemented from the resulting reports.</li> <li>➤ Information Management support is provided to Cherwell as part of a joint working relationship with Oxfordshire County Council.</li> <li>➤ Cyber Awareness e-learning available and is part of new starters induction training.</li> <li>➤ Cyber Security issues regularly highlighted to all staff.</li> <li>➤ External Health Check undertaken in 2021 and Cabinet Office PSN compliance reviewed and certified the infrastructure is secure to connect to the PSN for another year until September 2022.</li> <li>➤ Internal Audit completed a cyber audit in June 2020 with no major issues or significant risks identified. The findings have an agreed action plan in place.</li> <li>➤ Cookiebot live on website for users to confirm cookie preferences.</li> <li>➤ Joint OCC/CDC Cyber Security Officer started work August 2020</li> <li>➤ Additional IT security advice provided for all staff during the Covid-19 working at home period including online coronavirus related scams.</li> <li>➤ Cyber Security Manager has reviewed advice and provided assurance on our compliance.</li> <li>➤ All staff reminded to be vigilant to unexpected emails due to the heightened risk.</li> </ul>
L08 Safeguarding the Vulnerable - Internal procedures-	8 Low Risk	↔	<ul style="list-style-type: none"> <li>➤ Monitoring of implementation of corporate policies and procedures to ensure fully embedded</li> <li>➤ Ensure web pages remain up to date</li> <li>➤ Annual refresher and new training programmes including training for new members</li> <li>➤ Attendance at safeguarding boards and participation in learning events</li> <li>➤ Continue to attend safeguarding board subgroups as necessary to maintain high levels of awareness within the system and compliance with latest practice</li> <li>➤ Regular internal cross departmental meetings to discuss safeguarding practice</li> <li>➤ Action plan acted upon and shared with Overview and scrutiny committee once a year</li> <li>➤ Corporate monitoring of all referrals</li> </ul>

Leadership Risk	Score	Direction of travel	Mitigating Actions
L09 Sustainability of Council owned companies and delivery of planned financial and other objectives.	6 Low Risk	↔	<ul style="list-style-type: none"> <li>➤ Changes in the shareholder support side-line management been put in place. Additional oversight and capacity from senior managers including performance dashboards at CLT</li> <li>➤ Resilience and support being developed across business to support and enhance knowledge around council companies.</li> <li>➤ Skills and experience being enhanced to deliver and support development, challenge and oversight.</li> <li>➤ Work with one company to ensure long term support arrangements are put in place.</li> <li>➤ Ongoing shareholder meetings key to understanding impact of Northamptonshire reorganisation</li> </ul>
L10 Financial sustainability of third- party suppliers and contractors	12 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ Service areas to hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of the effects of COVID-19 lockdown, have on supply.</li> <li>➤ The Procurement Team is now providing ELT members and identified Contract Mangers a monthly update of all suppliers with spend above £25k c/w a credit risk rating score to enable contract managers to manage any identified risks, with support from the Procurement Team. Furthermore, as a result of Covid-19 the likelihood of this risk is deemed to have increased and thus the procurement and finance team now hold a weekly joint meeting to consider funding solutions to support At Risk Suppliers in accordance with the national guidance note PPN04/20.</li> <li>➤ Business continuity plans in place</li> </ul>
L11 Corporate Governance	9 Low Risk	↔	<ul style="list-style-type: none"> <li>➤ Standing item at senior officer meetings – regular review of risk and control measures.</li> <li>➤ Induction Programme to be planned for May 2022 including governance sessions to councillors on the Constitution, data protection and FOI, finance, equalities and code of conduct.</li> <li>➤ Monitoring Officer to attend management team meetings.</li> <li>➤ Annual Governance Statement process for 2021/22 is in progress with sessions held with ELT to explain assurance required and to identify any areas where governance could be strengthening across the directorates. The Corporate Governance Assurance Group continues to map governance processes to ensure visibility and to refresh them.</li> </ul>
L12 Oxfordshire Growth Deal	15 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ A CDC GD programme and programme board capability.</li> <li>➤ Meetings to take place with key colleagues to implement suitable arrangements to deliver the Project Management function.</li> <li>➤ Work stream plans of work (work stream brief, schedule, RAID log) .</li> <li>➤ Structured engagement with developers to better understand their needs.</li> <li>➤ Appropriate escalation of issues to agree programme flexibilities where required.</li> <li>➤ Improved collaboration working with partners.</li> <li>➤ Ongoing work with partners to realistically reflect deliverable schemes within programme time frame.</li> </ul>

Leadership Risk	Score	Direction of travel	Latest Update
L15 Workforce Strategy	12 Medium Risk	↔	<ul style="list-style-type: none"> <li>➤ Development of relevant workforce plans.</li> <li>➤ Development of new L&amp;D strategy, including apprenticeships.</li> <li>➤ Development of specific recruitment and retention strategies. It is planned for CDC to join the Commensurate Managed Services contract which is in place at OCC to ensure that the Council has access to a much wider pool of staffing agencies at competitive rates.</li> <li>➤ There are indications that specific service areas are beginning to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods.</li> <li>➤ New IT system is being implemented to improve our workforce data. The ability to interrogate and access key data (ongoing) in order to inform workforce strategies.</li> </ul>
L16 COVID-19 Community and Customers	16 High Risk	↔	<ul style="list-style-type: none"> <li>➤ Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements.</li> <li>➤ Outbreak planning and Standard Operating Procedures are in place and regularly reviewed.</li> </ul>
L17 COVID-19 Business Continuity	9 Low Risk	↔	Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. Full health, safety and HR response in place. IT remote working arrangements are sustainable. With the return to 'Plan A', managers working with all staff to oversee return to the office alongside longer term planning for Agile working.
L18 Post COVID-19 Recovery	9 Low Risk	↔	<ul style="list-style-type: none"> <li>➤ Governance programme reviewed, shared and implemented.</li> <li>➤ Programme support arrangements continue in place and joint Recovery and Renewal Framework due to review at Cabinet in March 2022.</li> </ul>
L19 Cessation of joint working between CDC and OCC	12 Medium Risk	↔	Statutory officer posts in place - approved by Full Council on the 7th of Feb. External independent Legal support in place. Transition plan, financial analysis underway. Joint officer transition group set up. Regular staff and Cllr communications in place to keep up to date with changes. High level risk, dependencies and assumptions are regularly reviewed by the JOTWG and reported to the JSSP.
L20 Safeguarding the Vulnerable – Operational and partnership actions	12 Medium Risk	NEW	<ul style="list-style-type: none"> <li>➤ Engagement with CE workstream following the Jacob CSPR to identify improvements to local arrangements.</li> <li>➤ Implement local changes to the child exploitation system to address findings in the Jacob CSPR.</li> <li>➤ CSP to adopt improved oversight of the local arrangements to ensure these are effective.</li> <li>➤ Community based exploitation disruption models to be developed and implemented.</li> <li>➤ Continue to engage with partnership arrangements in place to identify risks.</li> </ul>

## Finance Update

3.9 The Council's year end position for 2020/21/2022 is an underspend of (£0.430m) shown in Table 1. This is made up of potential non-delivery of savings targets of £0.874m, mitigations of (£0.748m) and an underspend of (£0.556m) on business-as-usual costs as shown in Table 2.

### 3.10 Report Details

Table 1: Year End Position

Overview - March 2022	Original Budget £m	Current Budget £m	Year End Position at March £m	March Variance (Under) / Over £m	% Variance to current budget %	January Variance (Under) / Over £m	Change since January (better) / worse £m
Environment and Place	6.699	9.608	10.667	1.059	11.0%	1.250	(0.191)
Customers, Org. Dev. And Resources	5.682	6.922	6.797	(0.125)	-1.8%	0.022	(0.147)
Adults and Housing Services	1.844	1.898	1.312	(0.586)	-30.9%	(0.315)	(0.271)
Public Health and Wellbeing	1.816	3.281	3.273	(0.008)	-0.2%	(0.134)	0.126
Comm. Dev. Assets and Inv.	0.076	1.190	0.320	(0.870)	-73.1%	(0.485)	(0.385)
<b>Subtotal Directorates</b>	<b>16.117</b>	<b>22.899</b>	<b>22.369</b>	<b>(0.530)</b>	<b>-2.3%</b>	<b>0.338</b>	<b>(0.868)</b>
Executive Matters	2.769	(0.186)	(0.041)	0.145	78.0%	(0.321)	0.466
Policy Contingency	3.487	(0.340)	(0.340)	0.000	0.0%	(0.133)	0.133
<b>Total</b>	<b>22.373</b>	<b>22.373</b>	<b>21.988</b>	<b>(0.385)</b>	<b>-1.7%</b>	<b>(0.116)</b>	<b>(0.269)</b>

<b>FUNDING</b>	<b>(22.373)</b>	<b>(22.373)</b>	<b>(22.418)</b>	<b>(0.045)</b>	<b>0.0%</b>	<b>0.000</b>	<b>(0.045)</b>
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<b>(Surplus)/Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.430)</b>	<b>(0.430)</b>		<b>(0.116)</b>	<b>(0.314)</b>
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During the financial year Cherwell District Council have been in the process of decoupling from Oxfordshire County Council and restructuring the Authority, the above information is being reported in the 2021/22 structure and going forward this information will be reported against the new interim structure.

**Table 2: Analysis of Year End Variance – March**

<b>Breakdown of Outturn</b>	<b>Outturn Variance</b>	<b>Over/ (Under) Spend</b>	<b>Mitigations</b>	<b>Savings Non- Delivery</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Environment and Place	1.059	0.729	(0.218)	0.548
Customers, Org. Dev. And Resources	(0.125)	(0.200)	(0.112)	0.187
Adults and Housing Services	(0.586)	(0.521)	(0.095)	0.030
Public Health and Wellbeing	(0.008)	0.085	(0.150)	0.057
Comm. Dev. Assets and Inv.	(0.870)	(0.749)	(0.173)	0.052
<b>Subtotal Directorates</b>	<b>(0.530)</b>	<b>(0.656)</b>	<b>(0.748)</b>	<b>0.874</b>
Executive Matters	0.145	0.145	0.000	0.000
Policy Contingency	0.000	0.000	0.000	0.000
<b>Total</b>	<b>(0.385)</b>	<b>(0.511)</b>	<b>(0.748)</b>	<b>0.874</b>

<b>FUNDING</b>	<b>(0.045)</b>	<b>(0.045)</b>	<b>0.000</b>	<b>0.000</b>
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<b>(Surplus)/Deficit</b>	<b>(0.430)</b>	<b>(0.556)</b>	<b>(0.748)</b>	<b>0.874</b>
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3.11 Of the £0.874m savings not delivered in 202021/2022, £0.573m of this is also not expected to be delivered in future years. To partly address the non-delivery of savings, £0.748m mitigations have been identified and are detailed below.

### **Environment and Place**

**Environmental Services** - £0.088m identified as mitigation in relation to waste collection “gate fee” reductions, car park management fee reduction and a landscape post vacancy.

**Growth & Economy** have identified £0.050m of in year savings (£0.030m on vacancy and £0.020m on Recovery Prosperity Strategy).

**Planning & Development** have identified additional pre-planning advice income (£0.080m).

**Customers, Organisational Development & Resources** have identified £0.112m of in year savings in relation to recharging appropriate costs to CSN Resources (£0.056m), a reduction in payments for joint OCC staff (£0.016m) and training budget savings (£0.040m).

**Adults and Housing Services** - £0.095m identified as mitigation due to a restructure and staff retirement as well as the use of the Homelessness Prevention Reserve.

**Public Health and Wellbeing** - £0.150m identified as mitigation from benchmarking income from leisure contract, additional Sports Development Grant, OCC Self Isolation funding support and savings on project initiative funding.

**Commercial Development Assets & Investments** - £0.173m identified as mitigation relating to rental income from the Eco Business Centre, staff savings and the Growth and Commercial Director vacancy.

- 3.12 The Council has incurred costs and lost income during 202021/2022 in relation to Covid-19 across all areas of the Council. However, there are some areas where there may be a prolonged change in behaviour. In particular lost income is forecast until the end of the financial year in car parking.
- 3.13 When the Council set its budget for 202021/2022 the likely financial impact of Covid-19 was taken into consideration and budget provisions were made accordingly. The policy contingency budget of (0.340m) includes funding for anticipated lost income and additional costs of Covid-19 in the 202021/2022 financial year. In addition, the Council received £0.720m in Covid-19 grant and has claimed £0.113m from the Sales, Fees and Charges compensation for the period to 30 June 2021. The forecast financial costs and loss of income associated with Covid-19 continue to be recorded and are shown in Table 3 as a memorandum item. These impacts are assumed within the overall forecast.

**Table 3: Covid Impacts included in the 202021/2022 Outturn**

<b>Covid Costs 202021/2022</b>	<b>£m</b>
Environment and Place	0.659
Customers, Org. Dev. And Resources	0.019
Adults and Housing Services	0.000
Public Health and Wellbeing	0.074
Comm. Dev. Assets and Inv.	1.969
<b>Subtotal Directorates</b>	<b>2.721</b>
Executive Matters	(0.833)
Policy Contingency	0.000
<b>Total</b>	<b>1.888</b>

Note: Executive Matters holds the General Covid funding received.

### 3.14 Report Details

#### Environment and Place

Environment and Place are reporting an overspend of £1.059m against a budget of £9.608m (11%). This overspend includes £0.729m base budget costs, £0.548m in savings non-delivery and (£0.218m) of mitigations detailed in table 2 above.

Environment and Waste	Environmental Services are reporting a variance of £1.143m for 202021/2022. This a direct result of continued pressure within Car Parks. There is a £1.111m reduction in car park income, (£0.598m of the deterioration is estimated to be due to the impact of COVID-19).
Variation £1.143m overspend	

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Variance to  
January's  
forecast  
(£0.016m)

The pressure within Waste and Recycling of £0.171m is a result of a number of factors. A reduction in income including from the delayed garden waste subscription service of £0.584m, this is partially offset by (£0.491m) saving in employee costs due to a non-recruitment to posts and a reduction in gate fee charges plus other small variances across the service of £0.078m.

The saving within Street Scene and Landscape Services of (£0.162m) is made up of (£0.044m) in employee costs as a result of a number of vacancies, (£0.025m) in contractor costs, (£0.092m) additional income from Street Scene Repairs and additional S106 contribution compared to budget.

There is a small overspend within Street Cleansing due to the under recovery of income of £0.023m

This outturn also includes return of budget to reserves in 2021/2022 to be released in 2022/2023 of which is £0.015m for Bicester Depot Redevelopment and £0.050m of the Country Parks Reserves. In addition a £0.026m Grant and £0.010m match funding for Heat Network Delivery Units to be carried forward in to 2022/2023.

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Planning &  
Development  
  
Variation  
(£0.155m)  
underspend

The underspend is made up of (£0.075m) growth deal funding that was given up in 20/21 and (£0.080m) savings committed to mitigate Environment and Place overspend in the current year.

Challenging recruitment conditions have been temporarily overcome by using a combination of agency and consultancy resources.

Variance to  
January's  
forecast  
(£0.076m)

Income surpassed the forecast and made it possible to deliver all savings.

The Local Plan reserve was topped up with (£0.142m) to fund the additional work needed in 2022/2023.

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Growth &  
Economy  
  
Variation  
£0.071m  
overspend

Growth and Economy are reporting an overspend of £0.071m which is a (£0.099m) improvement on the previously reported forecast overspend of £0.170m.

The overall overspend is made up of £0.035m consultancy costs, £0.160m costs associated with the remediation works on the Town Centre House roof and £0.061m corporate costs for the Oxford to Cambridge ARC and annual Growth board contribution. Offsetting the overspends are (£0.055m) of staff savings, (£0.100m) cessation of

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Variance to the Kidlington Masterplan and (£0.030m) savings within the Recovery and Prosperity Strategy. These underspends have been managed in order to offset the non-delivery of saving proposals relating to officer recharges to capital and increased spend on repairs and maintenance as a consequence of Town Centre House.

The improvement since the January forecast is due to identifying additional housing related income (£0.059m) and other minor variations.

## **Customers, Organisational Development and Resources**

Customers, Organisational Development and Resources are reporting an underspend of (£0.125m) against a budget of £6.922m (1.8%). This underspend includes (£0.200m) base budget costs, savings non-delivery of £0.187m and mitigations of (£0.112m) detailed in table 2.

HR/IT/Comms/  
Customer  
Services

An underspend of (£0.068m) in HR of which (£0.040m) has been offered up as a mitigation to the overall in year Council overspend and non-delivery of savings. A further (£0.028m) is made up of various minor underspends across the service

Variation  
(£0.160m)  
overspend

Variance to  
January's  
forecast  
(£0.167m)

Customer Services and land charges are showing an underspend of (£0.112m) comprising (£0.050m) carry forward from 2021/2022, (£0.016m) due to IT costs being lower than estimates from 2020/2021 and (£0.046m) on various minor underspends across the service.

Comms Strategy & Insight are reporting a (£0.128m) underspend due to making in year savings as follows:

- 1) (£0.016m) further in year savings (mitigation to the overall in year overspend and non-delivery of savings for the Council).
- 2) (£0.094m) further savings due to a lower than budgeted costs for joint staff.
- 3) (£0.018m) lower than expected consultancy fees.

An overspend of £0.148m within IT is due to:

- 1) non delivery of savings of £0.103m
- 2) Small overspends across the service of £0.026m
- 3) COVID costs of £0.019m due to supplier shortages and associated rising costs

Finance

Minor variations against budget have been identified across the service.

Variation  
£0.035m  
overspend

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Variance to  
January's  
forecast  
(£0.020m)

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## **Adults and Housing Services**

Adults and Housing Services are reporting an underspend of (£0.586m) against a budget of £1.898, (30.9%). This underspend includes (£0.521m) base budget costs, £0.030m in savings non-delivery and mitigations of (£0.095m) detailed in table 2 above.

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<p>Housing &amp; Social Care</p>	<p>Housing is reporting an underspend of (£0.586m) which is a (£0.271m) improvement on the previously reported of (£0.315m).</p>
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Variation  
(£0.586m)  
underspend

This change is due to the recognition of reimbursement from the Home Office for forward funded costs in relation to the Syrian Refugee Scheme of (£0.210m).

Variance to  
January's  
forecast  
(£0.271m)

Within the last quarter the service received more income from HIA (Home Improvement Agency) fees of (£0.040m) than previously forecasted.

Contributing to the overall underspend is the application of Hardship grant to fund the Debt and Money Advice contract (£0.215m) and Homelessness Prevention Grant to fund the Connections Outreach contract (£0.050m).

Savings have also been achieved on salaries and mileage due to staff retirement and restructure (£0.031m) and finally the receipt of greater than budgeted Housing Benefit payments in relation to temporary accommodation (£0.040m).

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## **Public Health & Wellbeing**

Public Health & Wellbeing are reporting an underspend of (£0.008m) against a budget of £3.281m (0.2) %. This includes £0.085m within the base budget costs, £0.057m in savings non-delivery and mitigations totaling (£0.150m) detailed in table 2 above.

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<p>Wellbeing</p>	<p>Wellbeing is reporting an overspend of £0.006m which consists of additional utility costs of £0.942m for the leisure centres. Of which (£0.465m) of Policy Contingency was used to mitigate part of this, as well as a reduction of (£0.249m) of the Unitary Charge which gives a net position of £0.210m. Also contributing to the overspend is the under recovery of sport pitch income of £0.027m.</p>
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Variation  
£0.006m

Variance to  
January's  
forecast  
£0.140m

These are offset by savings on Parkwood's contract fees for Woodgreen Leisure centre (£0.050m) and additional income from the County Council of (£0.080m) for joint usage of the leisure centres and Cherwell Leisure of (£0.101m) profit share.

Healthy Place Shaping		Healthy Place Shaping are reporting an underspend of (£0.014m) which is as a result of savings on joint staff costs.
Variation (£0.014m)		
Variance to January's forecast (£0.014m)		

## **Commercial Development, Assets and Investments**

The Directorate is reporting an underspend of (£0.870m) against a budget of £1.190m (73.1%). This forecast underspend includes (£0.749m) base budget costs, £0.052m in potential savings non-delivery and mitigations of (£0.173m) detailed in table 2 above.

Property		Castle Quay is underspent by (£0.251m) at year end. Overall, operational savings of (£0.476m) have mitigated the loss of commercial income and additional void costs of £0.224m resulting from empty units following construction delays ; plus loss of income from Lock29 due to additional government restrictions in 2021 following new Covid variant resulting in lower-than-expected footfall at the centre.
Variation (£0.782m) underspend		
Variance to January's forecast (£0.399m)		Property is reporting an underspend of (£0.530m) which is a £0.080m improvement on the previously reported underspend of (£0.450m). This variance is due to additional commercial income received than previously forecast for Pioneer Square. The overall underspend is made up of (£0.500m) commercial income and staff savings (£0.030m)

Procurement		Procurement are reporting a small underspend against budget.
Variation (£0.004m) underspend		
Variance to January's forecast (£0.000m)		

Law and Governance		There is a £0.083m pressure on income recovery, slightly offset by an underspend elsewhere in the service.
Variation £0.078m overspend		

Variance to January's forecast (£0.028m)		
Growth and Commercial		The underspend forecast is due to savings on a vacant post.
Variation (£0.048m) underspend		
Variance to January's forecast £0.000m		
Regulatory Services		Regulatory Services is reporting an underspend by (£0.114m) resulting from savings on staff costs due to vacant posts and reduced mileage (£0.108m) and more discretionary income than anticipated (£0.059m). This is offset by £0.053m forecast loss of licensing income due to the impact of Covid.
Variation (£0.114m) underspend		
Variance to January's forecast (£0.014m)		

## **Executive Matters**

Executive Matters is overspent by £0.145m against the budget of (0.186m) 78.0%.

Interest		This surplus is made up of a savings of (£0.186m) due to lower interest rate on borrowings and (£0.027m) due to Interest adjustment S106 for 20/21
Variation (£0.215m) underspend		
Variance to last month's forecast £0.055m		
Corporate		The main variation within this area relates to £0.206m Pension costs being more than budgeted as well as earmarked reserves of £0.394m not being drawn down, reduction in grant monies of £0.158m which is mitigated by (£0.250m) surplus funds in relation to CSN Resources closedown, Sales Fees and Charges Income received (£0.113m) and small variations across the service that amount to (£0.035m).
Variation £0.360m overspend		
Variance to January's forecast £0.524m		

## Policy Contingency

The movement in policy contingency is shown in the table below: -

Policy Contingency	Budget	Income Received	Notes
	3.486		
Inflation Contingency	-0.332		Used to fund pay award Available to mitigate pressures in Leisure
Leisure Contract & Utilities	-0.465		
Pension Fund & Redundancy	-0.250		Budgeted contingency for commercial risks Additional income received by the government
Commercial Income	-1.603		
New Burdens Funding	0.228		Interest charge related to VAT Payments
VAT Interest	-0.066		
Interim & Separation Costs	-0.100		
Bad Debt Provision	-0.411		See below
Windfall Income not recognised in previous years		-0.341	
Transfer to Projects reserve	-0.828		Unused contingency budget returned to reserves
	<b>-0.341</b>	<b>-0.341</b>	

The revised net income budget £0.341m has been delivered due to recognising income which had been received by the Council in recent years, but not recognised as income.

Following a review of aged debt, the Council's bad debt provision has been increased by £0.411m.

### 3.15 Earmarked Reserves and General Balances at March 2022

The table below is a summary of the level of reserves the council holds.

Reserves	Balance 1 April 2021	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes - February & March 2022	Forecast Balance 31 March 2022
	£m	£m	£m	£m	£m
General Balance	(5.520)	0.000	0.000	0.000	(5.520)
Earmarked	(21.328)	(0.461)	(0.120)	(1.782)	(23.691)
Ringfenced Grant	(31.556)	22.073	4.869	(11.519)	(16.133)
<b>Subtotal Revenue</b>	<b>(58.404)</b>	<b>21.612</b>	<b>4.749</b>	<b>(13.301)</b>	<b>(45.344)</b>
Capital	(0.756)	0.000	0.000	0.050	(0.706)
<b>Total</b>	<b>(59.160)</b>	<b>21.612</b>	<b>4.749</b>	<b>(13.251)</b>	<b>(46.050)</b>

### 3.16 Government Grants

No additional grant funding received in March.

### 3.17 Capital

There is an in-year underspend of (£19.372m), of which £15.865m is to be reprofiled in future years. There is an overall forecast decrease in the total cost of schemes of (£3.489m).

#### Capital Spend 202021/2022

Directorate	Budget £m	Outturn 2021/22 £m	Re- profiled beyond 2021/22 £m	Variance to Budget £m	Prior Month Variance £m
Housing Total	4.975	4.301	0.299	(0.375)	(0.375)
Comm Dev Assets total	28.602	12.824	12.499	(3.280)	(1.000)
Customers, Org Dev & Resources Total	1.314	0.594	0.570	(0.133)	(0.074)
Environment and Place Total	9.308	6.912	2.240	(0.155)	(0.191)
Public Health Wellbeing Total	0.315	0.512	0.257	0.454	(0.004)
<b>Total</b>	<b>44.514</b>	<b>25.143</b>	<b>15.865</b>	<b>(3.489)</b>	<b>(1.644)</b>

### 3.18 Variances

#### Housing:

Housing have spent £1.700m on DFG at year end, funded from the Better Care Fund and £0.110m on discretionary grants funded from Council resource. Also, a total of £2.491m has been spent on Growth Deal Affordable Housing delivery, which is funded through a combination of Growth Deal grant from OCC and S106 commuted sums. The underspend of (£0.375m) of base budget is due to utilisation of the Better Care Fund in the first instance.

#### Commercial Development, Assets & Investments:

Property have spent £12.824m by year end. The variance of (£3.280m) mainly relates to Castle Quay Waterfront lease incentives and have been treated as a long-term debtors and payments for the incentives will be made over the lifetime of the leases.

#### Customers, Organisational Development & Resources:

ICT are reporting a (£0.072m) underspend overall. The bulk of this (£0.060m) is because the budgets in Customer Excellence & Digital transfer and Legacy I-world system migration are no longer required and can be returned.

Finance is reporting a (£0.061m) underspend mainly due to the Cashier finance project budget not being required due to direct award through the Procurement Portal in 2022/2023.

## **Environment and Place:**

Growth and Economy have spent £4.704m at year end. There is an underspend of (£0.173m) mainly as a result of releasing capital budget for the Cropredy Shared Ownership property, which can be funded from a capital reserve if the need arose to repurchase the property. Offsetting the underspend is £0.078m of retention payments due to be paid to developers next year.

Environmental Services are reporting a spend of £2.208m across various capital schemes during 202021/2022. A reprofile of £1.237m is required in to 202022/2023.

## **Public Health & Wellbeing:**

Wellbeing have spent £0.512m of which the majority of spend is on community projects wholly funded from approved S106 schemes. Although budget has not been allocated against the individual projects, approval to spend is gained through the S106 procedure regulations and has been assumed approved.

### **3.19 Re-profile beyond 202021/2022**

#### **Housing**

£0.103m Discretionary grants - This budget supports a number of discretionary grants, all of which are reactive/demand led. Landlords Home Improvement Grants (which secure nomination-rights over improved private rented accommodation for otherwise homeless households) are responsible for the largest spend, but we are currently experiencing lower demand at this stage of the year than expected.

£0.196m unspent DFG to be reprofiled to continue to support the programme alongside future Better Care Fund allocations.

#### **Commercial Development, Assets & Investments:**

£7.565m Castle Quay - reprofiling of the budget beyond 2021/2022 is necessary because retention payments will be due following the 12-month defect period from September 2021. Also delays to the project caused by Brexit and reduced productivity to maintain social distancing and supply chain challenges have contributed to the delayed spend.

£0.100m Banbury Health Centre - refurbishment of ventilation, heating & cooling system. Engagement with the tenant was required, and due to pressures with the decarbonisation works the delivery of this project has been delayed.

£0.048m Housing & IT Asset system (joint with OCC) – work has begun on procuring and building the new IT system. Reprofiling of monies required to continue the project in 202022/2023.

£0.055m Horsefair, Banbury - Due to pressures with the Decarbonisation works the delivery of this project has been delayed.

£0.071m Bodicote House Fire Compliance - The scope is being reviewed to ascertain actual requirements. The delay is also linked to prioritisation of the delivery of the Public Sector Decarbonisation Scheme works.

£0.050m Corporate Asbestos Surveys - Final phase of works need to be carried out but due to the pressures with the decarbonisation works the delivery of this project has been delayed.

£0.122m Works from Compliance Surveys - due to pressures with the decarbonisation works, delivery of this project has been delayed.

£0.100m Feasibility of utilisation of proper space - Bodicote House plans are being considered due to complexities that have been identified in the project

£0.020m Community Centre Works - 3 remaining projects postponed to 2022/2023 due to weather as mainly roofing works

£0.210m Bicester East Community Centre - works on track. Reprofiled monies required in 2022/2023

£0.027m Bicester Dovecote – Main works completed in April 2022, still pending installation of the new electrical supply, due in July 2022

£0.035m Thorpe Place Roof Works - Due to pressures with the Decarbonisation works, delivery of this project has been delayed.

£0.127m H&S Works to Banbury Shopping Arcade - Due to pressures with the Decarbonisation works, delivery of this project has been delayed.

£0.077m Banbury Museum Pedestrian Bridge - Slight delay caused by decarbonisation works but works instructed for March 22 start (roofing works put back due to winter weather).

£0.156m Retained Land - works are being carried out in 2022/2023

£3.721m PSDS projects - All works have now been instructed and are on site and completion on the leisure centres due June 2022 with Salix approval

£0.015m Enable Agile Working - despite work commencing, the capital budget allocated specifically for the new equipment required to enable agile working has not been decided upon. Therefore, the funding will be required in 2022/2023.

## **Environment and Place:**

### **Growth and Economy**

£0.149m BUILD! Essential Repairs & Improvement (Town Centre Affordable Rent roof repairs) - A new structural engineer consultant has been appointed and further survey work is required to establish the specification for the tender documents.

£0.006m Phase 1b - Creampot Crescent Croppedy formally completed and sold under shared ownership but retention payments due to developer beginning of 2022/2023

£0.017m Phase 2 - Bullmarsh Close formally completed early May 2021 and therefore retention payment is due in May 2022.

£0.706m Phase 1b - Admiral Holland formally completed September 2020 and retention payment is due September 2022 (£0.061m). Bicester Library received planning consent at September's Planning Committee, as a result 97% of the budget has been reprofiled beyond 2021/2022. This will be continually reviewed in line with the project programme

£0.118m Fairway Flats Refurbishment - planning consent granted May 2022. Therefore, the main capital expenditure will happen when works commence in 2022/2023.



## **Environmental Services**

£0.074m Car Park Refurbishments - Reprofiting of this budget in to 2022/2023 is required due to delays as a result of covid-19, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.018m Off Road Parking - Reprofiting of this budget in to 2022/2023 is required due to delays as a result of covid, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.502m Vehicle Replacement Programme - Reprofiting of the remainder of this budget in to 2022/2023 is required to allow for further investigation into electric vehicles, decarbonisation of the fleet and correct infrastructure implemented. Events vehicle commitment delayed until 2022/2023 due to delivery lead times.

£0.015m Urban City Electrical Installations - Reprofiting of the budget in to 2022/2023 is required due to delays with procurement process.

£0.018m On Street Recycling Bins - Reprofiting of this budget is to allow for a review of current on street containers in urban centres and due to delivery lead times.

£0.158m Thorpe Lane Depot Capacity Enhancement - Due to delays of the food and garden waste roll out, slippage of this budget is required in to 2022/2023 to allow for further development of site requirements.

£0.024m Street Scene Fencing Street Furniture - Reprofiting of this budget in to 2022/2023 is a consequence of ongoing lease and landowner issues.

£0.175m Car Park Action Plan Delivery - Reprofiting of this budget in to 2022/2023 is required due to delays as a result of covid, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.035m Depot Fuel System Renewal - Reprofiting in to 2022/2023 is required due to delays with Bicester depot redevelopment.

£0.165m Burehyll - Bicester Country Park - Reprofiting in to 2022/2023 is required due to delays in recruitment; halting progression and further development.

£0.053m Solar Panels at Castle Quay - Reprofiting in to 2022/2023 is required due to resources being limited, the project is being led by the joint climate action team.

## **Customers, Org Dev & Resources:**

£0.100m Project Manager for HR/Payroll system – required for HR system improvements, project expected to conclude end Q3 2022/2023

£0.050m 5 Year Rolling HW/SW Replacement Prog – required for hardware refresh, delayed due to Covid and council wide remote working. Anticipate refresh Q3 2022/2023

£0.020m Joint Performance System - required for further system enhancements, expected Q3 2022/2023

£0.162m IT Council Website & Digital Service – project anticipated to end Q3 2022/2023 in order to further enhance digital services

£0.238m IT Shared Services - the programme of work is to extend into 2022/2023 Financial Year. The supplier payments will be aligned with timeline.

## **Wellbeing:**

£0.183m North Oxfordshire Academy Astro turf - The delivery of a new Astro turf pitch at North Oxfordshire Academy has been complicated by issues arising from securing appropriate and timely developer contributions. Officers are working closely with colleagues in planning to finalise the position and determine the most appropriate course of action and funding.

£0.029m Bicester Leisure Centre Extension - The majority of the spend will take place in 2022/2023.

£0.045m Corporate Booking System - Approval has been given by S151 Officer to repurpose the capital budget for future funding of Longford Park public art works in 2022/2023.

## **4.0 Conclusion and Reasons for Recommendations**

This report provides an update on progress made during January 2022, to deliver the Council's priorities through reporting on Performance, Leadership Risk Register and providing an update on the Financial Position. The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis. Executive is recommended to agree a change in the use of reserves in accordance with the Council's Reserves Policy and to agree the revised Con29 Fee for 2022/23 as set by Oxfordshire County Council.

## **5.0 Consultation**

**5.1** This report sets out performance, risk, and budgetary information for end of the financial year 2021/22 and as such no formal consultation on the content or recommendations is required.

## **6.0 Alternative Options and Reasons for Rejection**

**6.1** The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2021-22 Business Plan. Regarding the monitoring aspects of the report, no further options have been considered. However, members may wish to request that officers provide additional information. Regarding the recommendation to approve changes in use of reserves, members could choose not to reject the change of use, however, the request is in accordance with the council's Reserves Policy and within existing budgets. If members chose not to agree to the changes in transfers to reserves, then this would mean resource would need to be found for these projects separately in future years.

## 7.0 Implications

### Financial and Resource Implications

- 7.1 Financial and Resource implications - Are detailed within section 3.9 to 3.19 of this report.

Comments checked by:

Michael Furness, Assistant Director of Finance / Section 151, Tel:  
01295 221845 [Michael.Furness@cherwell-dc.gov.uk](mailto:Michael.Furness@cherwell-dc.gov.uk)

### Legal Implications

- 7.2 Legal Implications –There are no legal implications from this report.

Comments checked by:

Shahin Ismail, Interim Assistant Director Law and  
Governance, [Shahin.Ismail@cherwell-dc.gov.uk](mailto:Shahin.Ismail@cherwell-dc.gov.uk)

### Risk Implications

- 7.3 Risk Implications - This report contains a full update with regards to the Council's risk position at the end of March 2022.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director - Customer Focus, Tel: 01295  
221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### Equalities and Inclusion Implications

- 7.4 Equalities and Inclusion Implications - The report must show how “in planning, delivering, monitoring and evaluating our work, equality and diversity issues are appropriately considered from the outset”. New proposals must be screened for relevance against our statutory duties to promote equality and where relevant an impact assessment.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director - Customer Focus, Tel: 01295  
221556 [Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

## 8.0 Decision

### Information Key

#### Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

**Wards Affected**

All

**Links to Corporate Plan and Policy Framework This report supports all Corporate Priorities**

**Lead Councillor**

Councillor Adam Nell – Portfolio Holder For Finance

**Document Information****Appendix number and title**

- Appendix 1 – Leadership Risk Register March 2022

**Background papers**

None

**Report Author and contact details**

Celia Prado-Teeling, Interim Assistant Director - Customer Focus,  
Tel: 01295 221556, [Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)



Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
						Arrangements in place to source appropriate interim resource if needed Fully Ongoing programme of internal communication Fully Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required. Fully CDC Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including Fully								Learning and development opportunities identified and promoted by the Chief Executive and Directors. Regular communications from Chief Executive. Quarterly staff briefings from Assistant Directors. External support secured for key corporate projects including Growth Deal and IT Transformation Programme.			
L03 -	<b>CDC Local Plan</b> - Failure to ensure sound, up to date local plan remains in place for Cherwell resulting in poor planning decisions such as development in inappropriate locations, inability to demonstrate an adequate supply of land for housing and planning by appeal	Poor planning decisions leading to inappropriate growth in inappropriate place. Negative (or failure to optimise) economic, social, community and environmental gain Negative impact on the council's ability to deliver its strategic objectives, including its commitments within the Oxfordshire Housing & Growth Deal Increased costs in planning appeals Reputational damage with investor community of Cherwell as a good place to do business created by uncertainty/ lack of policy clarity	4	4	16	Local Development Scheme (LDS) is actively managed and reviewed, built into Service Plan, and integral to staff appraisals of all those significantly involved in Plan preparation and review Partially Team capacity and capability kept under continual review with gaps and pressures identified and managed at the earliest opportunity. Partially Delegations to Chief Exec agreed to ensure timely decisions Fully On-going review of planning appeal decisions to assess robustness and relevance of Local Plan policies Partially		Councillor Colin Clarke	Nathan Elvery	David Peckford	3	4	12	↔	Regular review meetings on progress and critical path review. Regular Corporate Director and Lead Member briefings. LDS updated as required with programme management approach adopted to ensure progress against plan. Regular Corporate Director and Lead Member briefings LDS updated as required with programme management approach adopted to ensure progress against plan LDS timeline built into Directorate level objectives (e.g. via Service Plans) and incorporated into SMART targets within staff appraisals. Authority Monitoring Reports continue to be prepared on a regular annual basis.	The Local Development Scheme (LDS) was updated in September 2021. It includes the programmes for the Oxfordshire Plan 2050, a Local Plan Review, the Banbury Canalside Supplementary Planning Document and work on a Community Infrastructure Levy (CIL). An Options Consultation for the Oxon Plan was undertaken in Summer 2021. The programme for completion is presently under review. An issues consultation for the Cherwell Local Plan Review was completed on 14 Sept 2020. An Options consultation was undertaken from 29 September to 10 November 2021. The Local Plan timetable may need to be revised to respond to that for the Oxon Plan. The programmes for work on the Canalside SPD and CIL are aligned to the Local Plan review timetable.	Risk reviewed 08/04/2022 - Risk owner updated
L04-	<b>Business Continuity</b> - Failure to ensure that critical services can be maintained in the event of a short or long term incident affecting the Councils' operations	Inability to deliver critical services to customers/residents Financial loss/ increased costs Loss of important data Inability to recover sufficiently to restore non-critical services before they become critical Loss of reputation Reduced service delivery capacity in medium term due to recovery activity	4	4	16	Business continuity strategy, statement of intent and framework in place and all arrangements overseen by a Business Continuity Steering Group Fully Services prioritised and recovery plans reflect the requirements of critical services Fully ICT disaster recovery arrangements in place with data centre and cloud services reducing likelihood of ICT loss and data loss Fully Incident management team identified in Business Continuity Framework Partially All services undertake annual business impact assessments and update plans Partially Business Continuity Plans tested annually Partially All services maintain business continuity plans Fully		Councillor Andrew McHugh	Rob MacDougall	Richard Webb	3	4	12	↔	Business Continuity Statement of Intent and Framework being revised to align with OCC and create an incident management framework Cross-council BC Steering Group meets regularly to identify BC improvements needed ICT transition to data centre and cloud services has reduced likelihood of ICT loss and data loss Corporate ownership and governance to be revisited as a result of separation of OCC and CDC BC Impact assessments and BCPs to be updated and reviewed by OCC's Emergency Planning team BC exercises to be arranged (on hold due to pandemic response) Updated incident management framework agreed August 2021	Business continuity status reports no longer being collated weekly. The Council has continued to provide critical services throughout the lockdown periods and has adapted to remote working, reducing risks arising from any loss of access to property. Remote working enables most teams to work effectively from home and sustain services whilst also avoid unnecessary social contacts. A new incident management framework has been adopted for the council and aligns our incident response arrangements with OCCs. Work has started on aligning the council's BC statement of intent and framework support this new incident management framework. A document repository and management system is under development for key business continuity plans. Teams to be asked to update BIAs and BCPs to reflect changed working arrangements and new business plans.	Risk Reviewed 05/04/2022 - Mitigating actions, control assessment and comments updated
L05 - Page 38	<b>Emergency Planning (EP)</b> - Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	Inability of council to respond effectively to an emergency Unnecessary hardship to residents and/or communities Risk to human welfare and the environment Legal challenge Potential financial loss through compensation claims Ineffective Cat 1 partnership relationships Reputational damage	4	4	16	Emergency Plan in place and key contact lists updated monthly. Fully Emergency Planning Lead Officer defined with responsibility to review, test and exercise plan and to establish, monitor and ensure all elements are covered Fully Added resilience from Oxfordshire County Council's Emergency Planning Team. Under partnership arrangements. Fully Senior management attend Civil Emergency training Partially Multi agency emergency exercises conducted to ensure readiness Partially On-call rota established for Duty Emergency Response Co-ordinators Fully Active participation in Local Resilience Forum (LRF) activities Fully		Councillor Andrew McHugh	Rob MacDougall	Richard Webb	3	4	12	↔	Emergency plan contacts list being updated monthly and reissued to all duty managers. OCC Emergency Planning providing expert advice and support under a partnership arrangement. Accountability for both OCC and CDC's arrangements now sit with the Chief Fire Officer who reviews the arrangements with the Assistant Director. Supporting officers for incident response identified in the emergency plan and wallet guide Refreshed incident management plan agreed to align with OCC response arrangements and roll-out being progressed Training being arranged for Duty Directors. All senior managers who provide the Duty Director rota have opportunity attend multi-agency exercises and duty manager training with OCC senior managers. On-call rota being maintained and to be updated to reflect recent staffing changes Authority continues to be represented at the Local Resilience Forum	The council is maintaining its duty director rota for any other emergency incidents that might arise. A new Incident Response Framework has been adopted and was introduced to duty directors in the refresh of duty director training in late 2021/early 22. Extended duty director rota introduced from January 2022 but subject to revisions as the council's management structure changes.	Risk Reviewed 05/04/2022 - Comments and mitigating actions updated
L06-	<b>Health and safety</b> Failure to ensure effective arrangements are in place for Health and Safety.	Unsafe services leading to fatality, serious injury & ill health to employees, service users or members of the public Criminal prosecution for failings Breach of legislation and potential for enforcement action. Financial impact (compensation or improvement actions) Reputational Impact	5	4	20	Corporate H&S governance arrangements and policies are regularly reviewed and updated by the Corporate H&S Team and monitored by the H&S Assurance Board. Fully Directors and service leads are responsible for ensuring H&S arrangements are in place within their areas or responsibility. Managers are responsible for ensuring operational health and safety risks are assessed and effective control measures implemented. Fully Consultation with employee representatives via employer and union consultative committees (Unison) Fully Corporate H&S Training provided via corporate learning and development programme. Training for operational risks may be organised by services. Fully H&S performance monitored by accident and incident reports and corporate H&S auditing and inspection programme. Fully H&S information is disseminated via internal communications and updates to ELT and other relevant meetings. Fully		Councillor Lynn Pratt	Steve Jorden	Martin Green	2	4	8	↔	COVID-Secure arrangements and safe working practices remain effective. These are due to be replaced with consolidated PH advice post April: - Cease asymptomatic testing except for specific groups in health and social care. - No longer requirement for specific COVID risk assessment. - Updated IPC guidance. Corporate H&S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion. Ongoing service redesign in Joint Property Service including single view of the asset and business systems. This will seek to improve assurance of building compliance and H&S. This includes defining the role of responsible premises manager and proving them with support, training and tools. New service Compliance/H&S specialist due to start May 22.	Managers will decide on staff return to workplace based on service needs and priorities. Office protocols in place with focus on ventilation, regular cleaning and encouraging hand hygiene.	Risk Reviewed 31/03/2022 - Controls, Control assessment, Mitigating actions and Comments Updated
L07-	<b>Cyber Security</b> - If there is insufficient security	Financial loss / fine				File and Data encryption on computer devices Fully								We are cyber-essentials plus certified which is externally accredited.	Cyber security incidents are inevitable.	Risk Reviewed 11/04/2022 -	

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
	is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, a loss of service, cyber- ransom.	Prosecution – penalties imposed  Individuals could be placed at risk of harm  Reduced capability to deliver customer facing services Unlawful disclosure of sensitive information Inability to share services or work with partners Loss of reputation	4	5	20	Managing access permissions and privileged users through AD and individual applications Consistent approach to information and data management and security across the councils Effective information management and security training and awareness programme for staff Password security controls in place Robust information and data related incident management procedures in place Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services Appropriate plans in place to ensure ongoing PSN compliance Adequate preventative measures in place to mitigate insider threat, including physical and system security Insider threat mitigated through recruitment and line management processes Cookie pop-ups on the website Increased threat to security during Covid-19 period in part due to most staff working from home.  The National Cyber Security Centre (NCSC) advise an increased risk of cyber-attack due to escalating tensions in Eastern Europe.	Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully	Councillor Ian Corkin	Claire Taylor	David Spilsbury	3	5	15	↔	Microsoft Multi-Factor Authentication is embedded to authenticate users providing an enhanced level of cyber security. Accounts, Audit & Risk Committee Members have been given presentations and formal training on Cyber Security. The Regional Police Cyber Security Advisor have given the IT management team two training sessions (full cyber awareness and table top DR exercise) followed by a series of all-Council staff awareness sessions. Cyber Security is mandatory e-learning for all staff to be completed annually. Members given a Cyber training session with the Police Cyber Security Advisor. IT implemented an intrusion prevention and detection system which is monitored and regular actions are implemented from the resulting reports. Information Management support is provided to Cherwell as part of a joint working relationship with Oxfordshire County Council. Cyber Awareness e-learning available and is part of new starters induction training. Cyber Security issues regularly highlighted to all staff. External Health Check undertaken in 2021 and Cabinet Office PSN compliance reviewed and certified the infrastructure is secure to connect to the PSN for another year until September 2022. Internal Audit completed a cyber audit in June 2020 with no major issues or significant risks identified. The findings have an agreed action plan in place. Cookiebot live on website for users to confirm cookie preferences. Joint OCC/CDC Cyber Security Officer started work August 2020  Additional IT security advice provided for all staff during the Covid-19 working at home period including online coronavirus related scams. Cyber Security Manager has reviewed advice and provided assurance on our compliance.  All staff reminded to be vigilant to unexpected emails due to the heightened risk.	The only way to manage this risk is to have effective controls and mitigations in place including audit and review. The controls and any further controls will not reduce the potential impact should the risk occur e.g. if we were subject to a ransomware attack the effect on the council could be catastrophic. We do have controls in place to prevent this happening and plans to deal with and recover from such an incident should it occur.  The controls in place have reduced the probability from 'probable' to 'possible', we don't believe that this is reduced further to the point of it being 'unlikely' as it is possible we could be subjected to either a cyber incident or data breach within the Council.  The National Cyber Security Centre (NCSC) advise an increased risk of cyber-attack due to escalating tensions in Eastern Europe.  The overall risk score remains the same as a cyber incident remains possible but no higher (which is defined as probable)	11/04/2022 - No changes
L08-  Page 39	Safeguarding the vulnerable - Internal procedures- Failure to follow our internal policies and procedures in relation to safeguarding vulnerable adults and children or raising concerns about their welfare.	Increased harm and distress caused to vulnerable individuals and their families Council could face criminal prosecution Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent Reputational damage to the council	4	4	16	Safeguarding lead in place and clear lines of responsibility established Safeguarding Policy and procedures in place Information on the intranet on how to escalate a concern Mandatory training and awareness raising sessions are now in place for all staff. Safer recruitment practices and DBS checks for staff with direct contact Data sharing agreement with other partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return compiled and submitted as required by legislation.	Fully Fully Fully Fully Fully Fully Fully	Councillor Barry Wood	Yvonne Rees	Nicola Riley	2	4	8	↔	Monitoring of implementation of corporate policies and procedures to ensure fully embedded Ensure web pages remain up to date Annual refresher and new training programmes including training for new members Attendance at safeguarding boards and participation in learning events Continue to attend safeguarding board sub groups as necessary to maintain high levels of awareness within the system and compliance with latest practice Regular internal cross departmental meetings to discuss safeguarding practice Action plan acted upon and shared with Overview and scrutiny committee once a year Corporate monitoring of all referrals	Risk revised in April 2022 to separate internal processes supporting the council to protect the vulnerable from externally focussed operational activities (now proposed new L20 Safeguarding the Vulnerable – Operational and partnership actions-	Risk Reviewed 04/04/2022 - Risk name, description, Controls, Mitigating actions and Comments Updated
L09-	Sustainability of Council owned companies and delivery of planned financial and other objectives - failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives	Unclear governance leading to lack of clarity and oversight in terms of financial and business outcomes Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives Lack of understanding at officer and member level about the different roles of responsibilities required when managing council owned companies Potential impact of local government re-organisation (Northamptonshire) on CSN (see Risk L17)	3	4	12	Annual business planning in place for all companies to include understanding of the link between our objectives being delivered and financial impact for the council Financial planning for the companies undertaken that will then be included within our own Medium term financial plan Ensure strong corporate governance mechanisms are in place Sound monitoring in place of both business and financial aspects of the companies and the impact on overall council performance Training in place for those undertaking roles relating to the companies	Fully Fully Partially Fully Partially	Councillor Tony Ilott	Steve Jordan	Vic Kurzeja & Peter Hadley	2	3	6	↔	Changes in the shareholder support side line management been put in place. Additional oversight and capacity from senior managers including performance dashboards at CLT Graven Hill – company continues to respond to market changes as a result of Covid and supply chain restrictions, no areas of concern at this stage. Resilience and support being developed across business to support and enhance knowledge around council companies. Skills and experience being enhanced to deliver and support development, challenge and oversight. Work with one company to ensure long term support arrangements are put in place. Ongoing shareholder meetings key to understanding impact of Northamptonshire reorganisation	Council dissolving partnership with SNH so CSN as a company will no longer exist after Nov 2021. Services being brought back in house. Crown House continues to enjoy high occupancy rates but there is some concern over cash flow, which is being looked in to. Management of Crown House now being undertaken by the Property Team. CSN exit strategy being implemented. Service being brought back in house and company to be dissolved. First years trading will identify overall financial impact of pandemic. Governance review completed and accepted by Shareholder committee. Action plan developed to ensure all identified improvements are implemented appropriately.	Risk reviewed 17/02/2022 - No changes
L10-	Financial sustainability of third-party suppliers and contractors	The financial failure of a third party supplier and contractors results in the inability or reduced ability to deliver a service to customers or provide goods needed. A reduced supply market could also result in increased costs due to the council's loss of competitive advantage.  Reduced resilience and business continuity Increased complaints and/or customer dissatisfaction	3	4	12	Ensure contract management in place review and anticipate problems within key service suppliers and partners Business continuity planning arrangements in place in regards to key suppliers Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures Intelligence unit set up procurement Hub to monitor supplier and contractor market Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors	Partially Partially Partially Fully Fully	Councillor Tony Ilott	Steve Jordan	Melissa Sage	3	4	12	↔	Service areas to hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of the effects of COVID-19 lockdown, have on supply. The Procurement Team is now providing ELT members and identified Contract Mangers a monthly update of all suppliers with spend above £25k c/w a credit risk rating score to enable contract managers to manage any identified risks, with support from the Procurement Team. Furthermore, as a result of Covid-19 the likelihood of this risk is deemed to have increased and thus the procurement and finance team now hold a weekly joint meeting to consider funding solutions to support At Risk Suppliers in accordance with the national guidance note PPN04/20. Business continuity plans in place	Risk reviewed 31/03/2022 - No changes	

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
		Increased costs and/or financial exposure to the Council due to having to cover costs or provide service due to failure of third party supplier of contractor															
L11-	Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	Threat to service delivery and performance if good management practices and controls are not adhered to. Risk of ultra vires activity or lack of legal compliance Risk of fraud or corruption Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control. Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council. Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings). Elements of the COVID-19 response and recovery work may be compromised, delayed or not taken forwards.	4	4	16	Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc. Clear accountability and resource for corporate governance (including the shareholder role). Integrated budget, performance and risk reporting framework. Corporate programme office and project management framework. Includes project and programme governance. Internal audit programme aligned to leadership risk register. Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc. HR policy framework. Annual governance statement process undertaken for 2020/21 under oversight of the Corporate Governance Assurance Group (CGAG) for Cherwell and Oxon. The Group has taken an aligned approach (with Oxon CC) to work up a revised and complementary Annual Governance Statement which also connects more fully and earlier with ELT and CEDR. CGAG also mapping governance processes to achieve alignment and efficiency where appropriate. Annual Review of the Constitution will take place each Autumn led by the Overview & Scrutiny Committee and approved by Full Council	Fully Fully Fully Partially Fully Partially Partially	Councillor Barry Wood	Yvonne Rees	Shahin Ismail	3	3	9	↔	Standing item at senior officer meetings – regular review of risk and control measures. Induction Programme to be planned for May 2022 including governance sessions to councillors on the Constitution, data protection and FOI, finance, equalities and code of conduct. Monitoring Officer to attend management team meetings. Annual Governance Statement process for 2021/22 is in progress with sessions held with ELT to explain assurance required and to identify any areas where governance could be strengthened across the directorates. The Corporate Governance Assurance Group continues to map governance processes to ensure visibility and to refresh them.	Risk is currently under complete review, to be completed for April 2022 reporting	Risk reviewed 12/04/2022 - Controls, Risk Manager and Comments updated
L12	Oxfordshire Growth Deal - (contract with HMG)	Failure to meet its obligations as a partner within the Growth Deal could see Cherwell as a factor in Government holding back some or all of its funding and/or cease to extend the arrangement beyond 2023. Failure to replace Programme Management Officer could adversely affect delivery and stability of the overall Cherwell programme. Infrastructure milestone delivery late (for infrastructure linked to accelerated housing) Accelerated housing numbers delivered late, outside of the programme time scale Delivery of Infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders Delivery of affordable houses below programme targets as GD contributions insufficient to attract sufficient builders/registered providers Oxfordshire Plan delivered late	4	5	20	Established programme structure and partnership ethos to support effective programme delivery. Put suitable arrangements in place to deliver the Project Management function. Engagement with housing developers to understand their commercial constraints. Engage with developers to ascertain which sites would benefit most from infrastructure delivery. Identify potential "top up" schemes to supplement GD affordable housing scheme. Utilise effective Programme controls to facilitate prompt escalation of issues to enable appropriate decision making and delivery timescale review. Develop Year 4 Plans of Work to detail the expected delivery by CDC for Year 4 of the Growth Deal Programme; building on the experiences and knowledge gained during previous years.	Fully Fully, when implemented (not implemented yet). Partially Partially Fully Fully Partially	Councillor Barry Wood	Robert Jolley	Andrew Bowe	5	3	15	↔	A CDC GD programme and programme board capability. Meetings to take place with key colleagues to implement suitable arrangements to deliver the Project Management function. Work stream plans of work (work stream brief, schedule, RAID log) . Structured engagement with developers to better understand their needs. Appropriate escalation of issues to agree programme flexibilities where required. Improved collaboration working with partners. Ongoing work with partners to realistically reflect deliverable schemes within programme time frame.	Discussions are progressing amongst key officers to address the gaps left by the departures of the former Programme Management Officer and of a Service Manager who had subsequently been assigned, temporarily, to support the Programme. The Cherwell Programme currently remains, broadly speaking, on track.	Risk reviewed 11/04/22 - Comments updated.
L15-	Workforce Strategy The lack of effective workforce strategies could impact on our ability to deliver Council priorities and services.	Limit our ability to recruit, retain and develop staff Impact on our ability to deliver high quality services Overreliance on temporary staff Additional training and development costs	3	4	12	Analysis of workforce data and on-going monitoring of issues. Key staff in post to address risks (e.g. strategic HR business partners) Weekly Vacancy Management process in place Ongoing service redesign will set out long term service requirements	Partially effective Fully Fully Partially	Councillor Ian Corkin	Yvonne Rees	Claire Cox	3	4	12	↔	Development of relevant workforce plans. Development of new L&D strategy, including apprenticeships. Development of specific recruitment and retention strategies. It is planned for CDC to join the Commensurate Managed Services contract which is in place at OCC to ensure that the Council has access to a much wider pool of staffing agencies at competitive rates. There are indications that specific service areas are beginning to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods. New IT system is being implemented to improve our workforce data. The ability to interrogate and access key data (ongoing) in order to inform workforce strategies.	HR continues to work closely with all service heads at the council, to address a range of HR requirements. Work continues with the implementation of iTrent, the HR payroll system, to improve the quality of data and reporting from the system. Sickness absence continues to be monitored along with the impact on services across the council. HR is working with areas experiencing recruitment difficulties. There are a number of emerging issues in terms of recruitment and retention within the local government workforce especially at entry level roles where competition with the private sector is fierce and in senior management roles where there tends to be an ageing workforce. HR is working with areas experiencing recruitment and retention difficulties.	Risk reviewed 11/04/2022 - Risk owner and manager updated
L16-	Covid-19 Community and Customers	Possible reductions in frontline service delivery, events, meetings and customer contact. Economic hardship impacting local business and potentially the local workforce. Impact on vulnerable residents who may find it harder to access services.				Business Continuity Plans have been reviewed and tested to ensure the ongoing delivery of priority services. Remote (home based) working in place, to facilitate self isolation and limit impact on service delivery. Communications stepped up, to support remote working, reinforce national guidelines and set out the current organisational response.	Fully Partially Fully							Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. Outbreak planning and Standard Operating Procedures are in place and regularly reviewed.	The nature of the risk is such that national public health guidelines will determine the councils' response. Oxfordshire Health Protection Board. There is continuing monitoring of case numbers and infection rates in population through the Oxfordshire System and Cherwell are involved with these groups to understand any increase in risk .	Risk reviewed 06/04/2022 Mitigating Actions and Comments Updated	



Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
	consequences of prolonged social distancing or isolation, economic impacts to business, including but not limited to the visitor economy.	Increased demand on both frontline and enabling services. Prolonged risk of social isolation and the mental and physical consequence thereof.	5	4	20	Regular updates from Director of Public Health, shared internally and externally. Partnership communications. Partnership communications enhanced and regular conversations convened.	Partially	Councillor Barry Wood	Yvonne Rees	Rob MacDougall	4	4	16	↔			
L17-	<b>Covid-19 Business Continuity</b> Significant staff absence due to the Covid-19 19 virus results in potential impacts on frontline service delivery and the ability to run the councils' business on a day to day basis.	Possible reductions in frontline service delivery, events, meetings and customer contact. Potential confusion amongst staff with regards to how to plan and respond to reduced service availability, professional support and maintain business as usual. Requirement to reprioritise service delivery. Requirement to offer mutual aid to partner organisations. Potential impact in the medium to long term resilience of staff may result in wider wellbeing issues.				Business Continuity Plans have been reviewed and tested. Guidance has been prepared for managers to support agile working and is updated in response to changing conditions. Remote working in place. Staff communications stepped up, to support remote working, reinforce national guidelines and set out the current organisational response.	Fully Partially Fully Fully							Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. Full health, safety and HR response in place. IT remote working arrangements are sustainable. With the return to 'Plan A', managers working with all staff to oversee return to the office alongside longer term planning for Agile working.	The nature of the risk is such that national public health guidelines will determine the councils' response.	Risk reviewed 07/04/2022 - Comments and inherent scoring Updated	
			3	4	12	Regular updates from Director of Public Health, shared internally and externally. Regular teleconference with local councils and emergency services discussing updates, concerns and best practice. (in-line with usual business continuity and emergency planning protocols). Regular communication messages following Public Health advice. Sanitisers in washrooms. Agile working being tested further across services, ensuring equipment and access is in place. Posters around the offices encouraging regular hand washing. Hand sanitisers available in washrooms and shared spaces.	Fully Fully Fully Fully Fully	Councillor Barry Wood	Yvonne Rees	Richard Webb	3	3	9	↔		Requirements of national lockdown arrangements are in place. Staffing absence is monitored weekly. Plans in place as part of the national government's pathway to open up. Monitoring of impacts is ongoing and there are arrangements in place to stand-up heightened Covid response as required. Agile working and flexibility to continue. Hybrid meetings are tested and operational. Arrangements are in place for council meetings to accommodate greater staff and member presence in the office, hybrid working remains in place to facilitate flexibility, resilience and on-going business continuity.	
L18-	<b>Post Covid-19 Recovery</b> challenges associated with adverse impact on customers, our workforce and the budget.	Long term response to the current covid-19 pandemic Requirement to review service delivery Budget implications				Local plans have been revised in line with the national winter plan and revised contain strategy. Most legal restrictions now removed. CDC fully participates in cross county partnerships to plan for the post-pandemic period. New Council business and budget plans reflect financial, service and community impact.	Partially Partially							Governance programme reviewed, shared and implemented. Programme support arrangements continue in place and joint Recovery and Renewal Framework due to review at Cabinet in March, 2022.	Work is ongoing to support recovery from Covid, necessarily focused on support for voluntary groups and implementing the various grants and support arrangements available.	Risk reviewed 01/05/22 -Risk Manager updated	
			4	4	16			Councillor Barry Wood	Yvonne Rees	Nathan Elvery	3	3	9	↔			

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
L19-	<b>Cessation of joint working between CDC and OCC</b> - Ending of the section 113 arrangement (formal partnership agreement) between Cherwell and Oxfordshire results in increased costs or service delivery impacts.	Without an effective transition plan, relevant advice, capacity and a partnership approach to the withdrawal from the formal relationship there is a risk that the of service disruption and additional financial implications for either authority. Uncertainty and change can also impact upon staffing and performance.	5	4	20	Legal, governance and employment advice for both parties in place and a transitional plan is under development. Arrangements in place to establish at pace separate statutory officers for each organisation. Parties continuing to collaborate within a transitional framework and may seek to continue collaboration in some areas under different operating or service delivery models. Additional programme/project resources to be sought to oversee and implement transition. Communications plan. Decoupling delivery group established. Joint officers transitional working group and Joint service & personnel committee established. Agreed set of service reviews and established set baseline position and an agreed transition plan timeframe.	Partially	Cllr Barry Wood	Yvonne Rees	Nathan Elvery	4	3	12	↔	Statutory officer posts in place - approved by Full Council on the 7th Feb. External independent Legal support in place. Transition plan, financial analysis underway. Joint officer transition group set up. Regular staff and Cllr communications in place to keep up to date with changes. High level risk, dependencies and assumptions are regularly reviewed by the JOTWG and reported to the JSSP.	Transition plan has identified 19 service reviews, of which one are has been approved (Housing services) and the meeting of the JSSP committee is due to receive three areas on 25/04	Risk reviewed 05/04/2022 - Mitigating actions, control assessment and comments updated
L20-	<b>Safeguarding the Vulnerable – Operational and partnership actions-</b> Failure to work effectively with partners to identify and protect vulnerable people in the district and disrupt exploitation leaving vulnerable people at risk or subject to exploitation.	Increased harm and distress caused to vulnerable individuals and their families. Council subject to external reviews Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent. Reputational damage to the council.	4	4	16	Community Safety Partnership monitors risks and oversees the actions needed to reduce risks of exploitation Engagement with Joint Agency Tasking and Co-ordinating Group (JATAC) and Cherwell Operations Group to share information and plan actions on known risks and vulnerable people with partners. Representation at county Child Exploitation sub-group of the Safeguarding Children Board, the countywide Modern Slavery Partnership and Safer Oxfordshire Partnership. Representation at the Children Missing and Exploited Network meetings for north Oxfordshire. Engagement at an operational and tactical level with relevant external agencies and networks to deliver community based disruption and preventative actions. Arrangements in place to ensure local framework of partnership meetings are effective and robustly identify and tackle risks.	Partially Fully Fully Fully Partially Partially	Cllr Andrew McHugh	Steve Jordan	Richard Webb	3	4	12	NEW	Engagement with CE workstream following the Jacob CSPR to identify improvements to local arrangements. Implement local changes to the child exploitation system to address findings in the Jacob CSPR. CSP to adopt improved oversight of the local arrangements to ensure these are effective. Community based exploitation disruption models to be developed and implemented. Continue to engage with partnership arrangements in place to identify risks.	Previously part of risk L08 revised April 2022 to separate internal processes supporting the council to protect the vulnerable from externally focussed operational activities.	Risk reviewed 05/04/2022 - New Risk

## **Cherwell District Council**

### **Account Audit & Risk Committee**

**27 July 2022**

### **Regulatory Compliance Report**

### **Report of Interim Monitoring Officer**

This report is public

If the Committee has any queries on any aspect of the report that may disclose information under paragraphs 1 – 7 of Schedule 12A of Local Government Act 1972, the Interim Monitoring Officer will advise the relevant paragraph and it will be necessary for the Committee to resolve to exclude the press and public whilst exempt information is considered

### **Purpose of report**

To provide the Committee with an update regulatory compliance.

### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To consider and comment on the report.

### **2.0 Introduction**

2.1 The Council has a number of statutory obligations, which, taken collectively, give a picture of its compliance in such matters and can form part of the suite of evidence to be used to compile the Annual Governance Statement.

2.2 The figures detailed in this report are categorised into 8 regulatory compliance areas and represent the first quarter of the municipal year 2022-23, 1 April – 30 June.

- Freedom of Information requests
- Environmental Information Regulations
- Subject Access Requests (SAR)
- Corporate Complaints
- Local Government and Social Care Ombudsman (LGSCO)
- Data Breaches
- Whistleblowing
- Regulation of Investigatory Power Act (RIPA)

### 3.0 Report Details

#### Regulatory Compliance Statistics

#### Freedom of Information (FOI) and Environmental Information Regulations (EIRs)

- 3.1 The Freedom of Information Act 2000 provides public access to information held by public authorities, unless that information is subject to any of the exemptions specified by law.
- 3.2 It does that in two ways: public authorities are obliged to publish certain information about their activities; and members of the public are entitled to request information from public authorities.
- 3.3 Responses must be provided to the requester within 20 days of receiving the request, unless notification has been given that more time is required.

Period	Total Received	Responded to / remain within statutory time limit.
1 April – 30 June 2022	42	42

- 3.4 The Environmental Information Regulations 2004 provide public access to environmental information held by public authorities, unless that information is subject to any of the exemptions specified by law.
- 3.5 The definition of environmental information is very wide. It includes information, decisions, measures and affecting or likely to affect air, water, soil, land flora and fauna, energy, noise, waste and emissions. It also includes information about human health and the food chain and cultural sites.
- 3.6 Responses must be provided to the requester within 20 days of receiving the request, unless notification has been given that more time is required.

Period	Total Received	Responded to / remain within statutory time limit.
1 April – 30 June 2022	11	11

- 3.7 The figures below provide a breakdown of FOI and EIR requests by Service Area

- Customer Services & Dev 1
- Environmental Services 2
- Finance 1
- HR & Payroll 4
- Law & Gov 4
- Place & Growth 1
- Planning & Economy 8
- Regulatory/ Community Safety 10
- Revs & Bens 12
- Social Care & Housing 9
- Wellbeing

- Total 53

### **Subject Access Requests (SAR)**

- 3.8 A Subject Access Request (SAR) is a request made by, or on behalf, of an individual for the information which they are entitled to ask for under Article 15 of the UK GDPR.
- 3.9 SARs should be responded to within one month of the receipt of the request. If a number of requests have been made or the request is complex, the response time can be extended to two months.
- 3.10 The data is not yet readily accessible, but this is being worked on.

### **Corporate complaints**

- 3.11 The council has adopted a [complaints policy and procedure](#).
- 3.12 If the Service or Department a member of the public has an issue with are unable to resolve the problem, a formal complaint can be made.
- 3.13 A stage 1 complaint will be investigated by an appropriate senior officer from the Service or Department and a response provided within 10 full working days, unless a longer period has been agreed.
- 3.14 If the complainant is unhappy with the response, the complaint is escalated to Stage 2. A Stage 2 will be investigated by a member of the senior management team and a response send to the complainant within 15 full working days, unless a longer period has been agreed.
- 3.15 There is a separate complaints process for complaints against the code of conduct of a member of Cherwell District Council or a member of a town or parish council in the district.

<b>Period</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>TOTAL</b>
1 April – 30 June 2022	33	5	38

- 3.16 Appendix 1 provides a breakdown of complaints.

### **Local Government and Social Care Ombudsman (LGSCO)**

- 3.17 If a complainant is not satisfied with the council's stage 2 response to their complaint, they are able to request an external investigation by the Local Government and Social Care Ombudsman (LGSCO) who will make a judgement about the conclusions and procedure.
- 3.18 One decision has been received from the LGSCO during this period, relating to an investigation raised in January 2022.
- 3.19 The LGSCO final decision, recorded the category as: Benefits & Tax and the decision as: Upheld: maladministration and injustice. The LGSCO found fault in

the Council's handling of Ms. X's vulnerability as a debtor. To remedy this, the Council has agreed to apologise to Ms. X, review Ms. X's case with the bailiffs and make a service improvement.

### **Data Breaches**

- 3.20 A Data breach is a security violation, in which sensitive, protected, or confidential data is copied, transmitted, viewed, stolen, or used by an individual unauthorized to do so.
- 3.21 Data is not yet readily accessible, but this is being worked on.

### **Whistleblowing**

- 3.22 Cherwell District Council is committed to having effective whistleblowing arrangements in place to safeguard individuals who have genuine case for raising concerns in the work place and to promote good governance and safeguard the public interest.
- 3.23 The [Council's current Whistleblowing Policy](#) was adopted by this Committee in July 2020. It sets out how to raise concerns within the council and is designed to encourage and enable employees to raise concerns within the Council in person, rather than overlooking a problem or using other methods to report concerns.
- 3.24 No whistleblowing allegations have been received during this period.

### **Regulation of Investigatory Power Act (RIPA)**

- 3.25 The Regulation of Investigatory Powers Act 2000 (c.23) (RIP or RIPA), an Act of the Parliament of the United Kingdom, regulating the powers of public bodies to carry out surveillance and investigation, and covering the interception of communications
- 3.26 There were no RIPA requested in this period

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 This report provides Members with information on regulatory compliance in Quarter one 2022-23.

## **5.0 Consultation**

None

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

None as this report is submitted for information and comment only, however the Committee could request additional information.

## 7.0 Implications

### Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance & S151 Officer, 01295 221845  
[Michael.furness@cherwell-dc.gov.uk](mailto:Michael.furness@cherwell-dc.gov.uk)

### Legal Implications

7.2 There are no legal implications directly arising from the contents of this report.

Comments checked by:

Shahin Ismail, Interim Assistant Director Law, Governance & Democratic Services & Monitoring Officer, [Shahin.ismail@cherwell-dc.gov.uk](mailto:Shahin.ismail@cherwell-dc.gov.uk)

### Risk Implications

7.3 There are no risk implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director Customer Focus, 01295 221556, [Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### Equalities and Inclusion Implications

7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director Customer Focus, 01295 221556, [Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

## 8.0 Decision Information

### Key Decision

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

N/A

**Lead Councillor**

N/A

**Document Information****Appendix number and title**

- Appendix 1 – Corporate Complaints Summary

**Background papers**

None

**Report Author and contact details**

Sharon Hickson, Democratic and Elections Officer,  
Tel: 01295 221554, [sharon.hickson@cherwell-dc.gov.uk](mailto:sharon.hickson@cherwell-dc.gov.uk)



Appendix A

Summary of data												
<b>Submitted</b>	Total											
	38											
<b>Stage</b>	Stage 1	Stage 2										
	33	5										
<b>Service area</b>	Benefits	Building Control	Community Safety	Community Services	Council Tax	Customer Services	Development Other	Development Planning	Environment/ Health	Environment Services	Planning Policy	Waste
	3	2	2	1	12	2	2	4	3	1	3	3
<b>SLA Service Total met 26 /missed 11/ 1 Not assessed</b>	Met	Missed	Not assessed									
	26	11	1 it is overdue and remains open									
<b>(of the 11 SLA Missed) Reasons</b>	Not Missed	Complexity of the case	Blank/ Not given	Staffing issues e.g. staff shortage, staff sickness(not annual leave)								
	7 sent to customer within deadline but missed input in internal system	2	1	1								
<b>(of the 11 SLA Missed) Actual SLAs missed</b>	Total	4										
<b>Reason for Complaint</b>	A disagreement about a decision	A policy Decision	Failure to follow agreed policies or procedures	Malice, Bias or unfair discrimination	Neglect or Delay in responding to customer	On line	Poor communication	Service not being delivered or at lower standard	Attitude of the person delivering the service			
	6	2	4	1	6	0	3	12	4			
<b>Completed as of 11/07</b>	Closed	Open										
	36	2										
<b>Closure Reason</b>	Upheld	Not upheld										
	18	20										

<b>(of the 18 Upheld complaints) Lessons Learnt Reasons</b>	Needs a clear pathway	better communication with customer	Staff leaving causing delays	Additional access to those with no internet	Talked to crew	Talked to crew	Staff to access support if unsure how to handle a call	Talked to crew
	caseload communication issues	clarity of how verbal information is given	Talked to crew not to miss bins	system error	Failure to respond timely	older system issues - pre 2010 banding	Check name of buyers	not given

## **Cherwell District Council**

### **Accounts Audit and Risk Committee**

**27 July 2022**

### **Update on Counter Fraud Annual Plan 2021/22 and presenting the Counter Fraud Annual Plan 2022/23**

### **Report Assistant Director of Finance & S151 Officer**

This report is public

#### **Purpose of report**

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2021/22, which was previously presented to the Accounts, Audit & Risk July 2021 committee. The report also presents the new Counter Fraud Plan for the year 2022/23.

The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

#### **1.0 Recommendations**

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2021/22.
- 1.2 Comment and note the Counter Fraud Plan for 2022/23.
- 1.3 Comment and note the Investigation Report in Annex 1.

#### **2.1 Introduction**

- 2.1 The Counter-Fraud team's purpose is to apply and to promote the zero-tolerance approach to fraud detailed in the Council's Fraud Strategy, by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.
- 2.2 The Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally was launched in 2020. The Council's Counter-Fraud arrangements are designed to adhere to the "6 C's" Themes contained within this national Strategy, which are:

- **Culture** – creating a culture where fraud and corruption are unacceptable
- **Capability** - assessing the full range of fraud risks and ensuring that the range of counter fraud measures deployed is appropriate
- **Capacity** - deploying the right level of resources to deal with the level of fraud risk that is monitored by those charged with governance
- **Competence** - having the right skills and standards commensurate with the full range of counter fraud and corruption activity
- **Communication** - raising awareness internally and externally, deterring fraudsters, sharing information, celebrating successes
- **Collaboration** - working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

The Council has a Counter-Fraud Strategy which guides the Council’s approach to its fraud response. The Strategy states that “the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to a **zero-tolerance** approach to fraud, corruption and theft.”

The Counter-Fraud team’s purpose is therefore to apply and to promote the zero-tolerance approach to fraud by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.

### 3.0 Report Details

#### Counter-Fraud Service & Resources Update

- 3.1 The team has delivered a successful first full year of the new Counter-Fraud service (2 Counter Fraud Officers and 1 Intelligence & Data Officer), operating across both OCC (Oxfordshire County Council) and CDC (Cherwell District Council).
- 3.2 The new networks built by the Team within CDC and externally are working well. Monthly meetings between the Counter Fraud Team and the manager of Revenues & Benefits to discuss and progress joint cases is working very effectively to progress cases. Some meetings have been held with DWP investigation team locally and it is planned that these will take place more regularly going forwards as their teams are stood up after the pandemic in order for joint investigations to resume.
- 3.3 The Counter Fraud Officer who is also an Accredited Financial Investigator (AFI) has used their AFI skills on multiple investigations to obtain and analyse financial information.
- 3.4 The Intelligence & Data Officer post in the team has proven extremely beneficial as they are a resource dedicated to undertaking intelligence checks for investigations and working through the NFI (National Fraud Initiative) matches. They are midway through their apprenticeship in Intelligence Analysis, completing each section very successfully.

- 3.5 This year the Counter Fraud team established a fraud risk assessment and register process. Every two months the team meets to review the register and update this with reference to new cases, intelligence and audit outcomes. This then informs areas to target for proactive fraud work such as training.
- 3.5 The Counter Fraud team delivered a Fraud Awareness session to all Finance staff in February 2021, which was very beneficial. Over the coming year this will be followed up with a dedicated session for the Revenues & Benefits team.
- 3.6 Going forwards there will be a change to resourcing and the team structure following the resignation of the Audit Manager Counter Fraud Lead, who will be leaving the Council in August. An interim structure for the Counter Fraud team will be implemented from August 2022. It is proposed that the two existing Counter Fraud Officers will be given additional responsibilities and act up as Senior Counter Fraud Officers. A new apprenticeship post of Counter Fraud Assistant will be recruited. This structure will be trialled for a period of 6 months. The Interim Structure Chart for Internal Audit and Counter Fraud 2022/23 is included within Annex 2.
- 3.7 The monthly Performance meetings will continue between the Chief Internal Auditor and the Assistant Director of Finance (S151) for CDC following the cessation of the formal partnership between OCC and CDC. There will also be regular communications/meetings with the new CDC Interim Monitoring Officer, to update and discuss individual cases.
- 3.8 During 2021/22 there were 91 cases received and logged by Counter-Fraud of actual, suspected or alleged fraud / whistleblowing, of which 10 are still open under investigation. Of the cases closed so far 55 were not proven and no further action was taken and 25 were proven with appropriate action taken and 1 partially proven. In total the value of recoveries for the year was £49k and future loss prevented (calculated as 12 months of the benefit that was removed) was £11k. There are still some open cases under investigation that are of high value and will be reported to the Committee once complete.

#### Key Performance Indicators & Trends for year 2021/22:

Indicator	Value
Number of cases 2021/22	91
Current open cases 2021/22	10 cases currently open from 2021/22
With the Police	There are currently no cases with the Police
2021/22 Cases by type	Single Person Discount (SPD): 45 Housing – Subletting: 7 Housing Application: 7 Council Tax Support (CTS): 7 CTS & SPD: 4 Housing – Tenancy: 3 Council Tax: 4 Covid Business Grants: 1 Employee: 2 Housing – Abandonment: 2 Business Rates: 1 Council Tax/Planning: 1

	<p>Electoral: 1  Housing Benefit: 1  Test &amp; Trace Grant: 1  Disabled Facilities Grant: 1  Non Domestic Rates (NNDR): 1  Small Business Rates Relief (SBRR): 1  Bribery: 1</p>
Cases by referral source	<p>Employee/internal control: 34  Member of public Anon (webform): 25  DWP: 12  Member of public Anon (phone): 4  Housing Association: 2  Member of public Anon (letter): 7  Member of public (webform): 1  Member of public (phone): 2  Member of public Anon (email): 1  NATIS: 1  Whistle blower: 2</p>
Outcomes (dismissals, prosecutions, repayments, Investigation Reports etc)	<p>Out of the 81 cases closed, 55 were closed not proven NFA and 25 were proven with 1 partially proven. Of these 26 proven/partially proven, the outcomes were:</p> <p>CTS Re-calculated: 2  Not added to electoral roll: 1  SPD removed: 14  SPD and CTS removed: 3  CTS removed: 1  Enforcement notice served: 1  Disciplinary: 1  Housing Application withdrawn: 1  SBRR recovered and removed: 1  Property recovered by Housing Assc: 1</p>
<p>Recovery and prevented future loss</p> <p>Note:</p> <p>Recovery = the value of council tax or benefit recovered, ie. retrospectively added to council tax bill</p> <p>Future loss prevented = 12 months worth of the discount/benefit</p>	<p>CTS:  Recovered = £914.22  Future loss prevented = £1103.76</p> <p>SPD:  Recovered = £7771.79  Future loss prevented = £5831.77</p> <p>SPD &amp; CTS:  Recovered = £739.03  Future loss prevented = 555.35</p> <p>SBRR:  Recovered = £39,324.29  Future loss prevented = £3792</p> <p><u>Totals:</u></p> <p>Recovered = £48,749.33</p>

	Future loss prevented = £11,282.88
Fraud Awareness, Comms and Training sessions delivered YTD	<p>Finance Fraud Awareness Session Q4</p> <p>Comms: International Fraud Awareness Week Nov: News Headlines on the Intranet; Update from Yvonne newsletter</p> <p>Fraud Awareness session with the Revenues &amp; Benefits team being scheduled.</p>

### Update against the Counter-Fraud Plan 2021/22

Objective	Actions	Update Nov 2021	Update Feb 2022	Update July 2022
<p><b>Strategic:</b> Establish BAU referral and investigation processes; agree and start using the Performance framework; move into building proactive anti-fraud work</p> <p><b>Culture Capacity Competence</b></p>	<ol style="list-style-type: none"> <li>1. Document key processes and flow charts for the Counter-Fraud Team (Q2)</li> <li>2. Sign-off the proposed Performance Framework to monitor the team's performance, case levels and outcomes. (Q2)</li> <li>3. Monitor team performance and outcomes (Ongoing)</li> </ol>	<ol style="list-style-type: none"> <li>1. Counter-Fraud Strategy agreed</li> <li>2. Performance Methodology with PI's agreed</li> <li>3. Costs Methodology developed and in use</li> <li>4. PI s/s developed to monitor cases &amp; progress &amp; outcomes</li> <li>5. Regular Performance Meetings scheduled and taking place (with S151)</li> <li>6. Process flowchart for SPD documented</li> <li>7. Housing investigation roles clarified</li> </ol>	All complete. Fraud risk assessment process started Q3 and this is feeding into proactive work plan for 2022 (see below).	Complete
<p><b>Proactive:</b> Undertake proactive counter-fraud activities to reduce the risk of</p>	<ol style="list-style-type: none"> <li>1. Complete and routinely update the Fraud Risk Register (Q2)</li> <li>2. Deliver fraud</li> </ol>	<ol style="list-style-type: none"> <li>1. Fraud RR developed and populated. Meeting</li> </ol>	1. Fraud RR now BAU (bi-monthly review meetings)	Complete and further fraud awareness training

<p>fraud in the Council.</p> <p><b>Culture Capability Capacity Communication Collaboration</b></p>	<p>awareness training (as identified from fraud risk assessment) (ongoing and by Q4)</p> <p>3. Undertake joint fraud/audit exercises (ongoing and by Q4)</p> <p>4. Deliver fraud communications in line with a comms strategy under development (internal and external)</p> <p>5. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4)</p>	<p>scheduled Nov to agree methodology for use.</p> <p>2. Fraud awareness training not yet delivered but starting to scope areas that would benefit.</p> <p>3. Comms Fraud Awareness Strategy under development. Comms awareness due for International Fraud Awareness Week w/c 16<sup>th</sup> November.</p> <p>4. Fraud pages updated with new contact details.</p>	<p>2. Fraud awareness training delivered for Finance staff</p> <p>3. Multiple fraud comms issued as per the comms plan (see KPI's above)</p>	<p>being scheduled, with the Revenues &amp; Benefits team.</p>
<p><b>Reactive:</b> Manage fraud referrals and investigations</p> <p><b>Capacity Competence Collaboration</b></p>	<p>1. Manage fraud referrals</p> <p>2. Investigate</p> <p>3. Implement appropriate sanctions</p> <p>4. Make recommendations to improve the control environment</p> <p>5. Work with partner agencies and teams.</p>	<p>1. Fraud referrals received and investigated ongoing as appropriate. Currently 34 open cases.</p> <p>2. Sanctions applied as appropriate (see KPI's above).</p>	<p>See KPI's above</p>	<p>As per KPI's above.</p>
<p><b>Data:</b> Use data to detect and prevent fraud</p> <p><b>Competence Collaboration</b></p>	<p>1. Complete the 2020 NFI data matching (ongoing and by Q4)</p> <p>2. Continue to participate into potential data matching exercise</p>	<p>NFI data matching is ongoing – on track to complete by end Q4 (see summary in next section).</p>	<p>NFI data matching ongoing</p>	<p>See below for summary on the NFI exercise.</p>



	with other LA's.			
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### Key Performance Indicators & Trends 2022/23 (figures as at end June 2022):

Indicator	Value
Number of new cases received April – June 2022	24 (of which 7 have been closed)
Current open cases as at end June 2022	27 cases currently open (17 from 2022/23 and 10 from 2021/22)
With the Police	There are currently no cases with the Police
2022/23 Cases by type	SPD: 8 Housing Application: 2 Council Tax Support (CTS): 6 CTS & SPD: 3 Council Tax: 2 Housing – Abandonment: 1 SBRR: 2
YTD New Cases by referral source	Employee/internal control: 6 Member of public Anon (webform): 10 DWP: 1 Member of public Anon (phone): 1 Housing Association: 2 Member of public Anon (letter): 1 Member of public (webform): 1 Member of public (phone): 1 Member of public Anon (email): 1
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Out of the 7 cases closed, all were not proven NFA.

### Cases to Note (open/closed)

- 3.9 There are currently no cases to note that are under joint investigation with the Police.
- 3.10 As noted in the KPI's, by far the largest number of referrals received are for SPD and Council Tax support. The Counter Fraud Team and Revenues & Benefits manager now have monthly meetings to discuss, progress and close down cases, which is working very effectively. There are currently two SPD/CTS investigations still open that could prove material; however, it is too early to say whether these will be substantiated. There was one Small Business Rates Relief (SBRR) case that was first identified as a result of a Covid small business grant application, which has concluded and a significant sum recovered (£39k).
- 3.11 An investigation into procurement and other practices within the BUILD! Team was completed this year, with an investigation report and action plan shared and agreed with the Assistant Director – Growth and Economy. A summary of the report is included in Annex 1 for the Committee to review and note.

**Other updates (NFI, Strategies, Proactive Reviews, Fraud Comms and Fraud Risk Register)**

3.12 The National Fraud Initiative (NFI) reports from the 2020/21 upload have been reviewed and the majority closed down. In total there were 58 reports to review and a total of 453 matches that the Counter Fraud team reviewed. The NFI system has estimated that so far the total recovery for this exercise has been £36,717.94 and the total estimated saving is £39,716.82. The main match reports that produced financial results were as follows:

Housing Benefit claims to Student Loans: 4 cases of undeclared student loans/grants identified as customer errors. Total recovery = £30,671 and estimated saving = £6,176.

Waiting List to Housing Tenants: 1 removed from housing list = saving of £3,240

Waiting List to DWP Deceased: 9 removed from housing list = saving of £29,160

Council Tax Reduction scheme to Payroll: One overpayment of £235.90 from undeclared income

Council Tax Reduction scheme to HMRC Earnings and Capital: 2 matches where customer error identified resulting in recoveries = £3,382.91 and estimated savings = £1,077.72.

Council Tax Reduction Scheme to HMRC Household Composition: 1 recovery of £2,428 identified.

3.13 Some of the Covid business support grants matches are still being assessed by the Revenues and Benefits team.

3.14 This Autumn the next upload of NFI data will be due and the Counter Fraud team are starting to plan for this next exercise.

**Counter Fraud Plan for 2022/23**

The plan for the coming year will be to build on the work the team has done to date to establish themselves in the organisation, build relationships internally and externally and prevent the Council from becoming a victim of fraud.

Objective	Actions
<p><b>Strategic:</b> Continue to build the Counter Fraud team to support the Council to prevent and detect fraud and irregularity.</p>	<ol style="list-style-type: none"> <li>1. Trial the interim team structure with a view to agreeing a permanent solution</li> <li>2. Recruit a new Counter Fraud Apprentice</li> <li>3. Identify any appropriate training for members of the team.</li> </ol>
<p><b>Culture</b></p>	

<b>Capacity Competence</b>	4. Senior CF Officer to undertake CIPFA Accredited Counter Fraud Specialist (ACFS) training.
<b>Proactive:</b> Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.  <b>Culture Capability Capacity Communication Collaboration</b>	5. Complete and routinely update the Fraud Risk Register 6. Deliver fraud awareness training 7. Undertake joint fraud/audit exercises 8. Deliver fraud communications in line with a comms strategy 9. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4)
<b>Reactive:</b> Manage fraud referrals and investigations  <b>Capacity Competence Collaboration</b>	10. Manage fraud referrals 11. Investigate 12. Implement appropriate sanctions 13. Agree and track actions to improve the control environment 14. Work with partner agencies and teams.
<b>Data:</b> Use data to detect and prevent fraud  <b>Competence Collaboration</b>	15. Prepare for and undertake the 2022 NFI data upload (Q2) 16. Continue to participate into potential data matching exercise with other LA's.

## 4.0 Conclusion and Reasons for Recommendations

- 4.1 In conclusion, this paper presents a summary of activity against the Counter Fraud plan for 2021/22. The team has embedded well within the Council and has established the fraud referral and investigation processes and is increasing proactive work to prevent fraud against the Council. The Counter Fraud team has recovered a total of £85k through its investigation and NFI data matching and has prevented a further £50k in future losses. This is due to effective joint working with the Revenues and Benefits team as well as Housing and other teams within CDC.
- 4.2 The Committee are requested to review and comment on the update on activity as well as to comment on the 22/23 Plan, which will continue to build upon the robust work undertaken by the team to date.

## 5.0 Consultation

Not applicable

## 6.0 Alternative Options and Reasons for Rejection

- 6.1 Not applicable

## 7.0 Implications

### Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

[michael.furness@cherwell-dc.gov.uk](mailto:michael.furness@cherwell-dc.gov.uk)

### Legal Implications

7.2 There are no legal implications arising directly from this report.

Comments checked by:

Helen Lolas, Team Leader, Legal Services, [helen.lolas@cherwell-dc.gov.uk](mailto:helen.lolas@cherwell-dc.gov.uk),  
07801400941

### Risk Implications

7.3 There are no risk management issues arising directly from this report. Any arising risks will be managed through the service Operational Risk and escalated to the Leadership Risk Register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### Equalities and Inclusion Implications

7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

## 8.0 Decision Information

### Key Decision

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

**Wards Affected**

**All**

**Links to Corporate Plan and Policy Framework**

**N/A**

**Wards Affected**

All wards are affected

**Links to Corporate Plan and Policy Framework**

All corporate plan themes.

**Lead Councillor**

Councillor Adam Nell – Portfolio Holder for Finance

## **Document Information**

**Appendix number and title**

Appendix 1 – Summary Report of investigation into BUILD! Procurement

Appendix 2 – Internal Audit and Counter Fraud interim structure chart

**Background papers**

None

**Report Author and contact details**

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Sarah Cox, Chief Internal Auditor, [sarah.cox@cherwell-dc.gov.uk](mailto:sarah.cox@cherwell-dc.gov.uk)

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## **Appendix 1 – Summary Report of investigation into BUILD! Procurement**

An investigation was undertaken into procurement and contract management practices within the BUILD! Team, which concluded (May 2022) that there were some control weaknesses, with regards the use of the current external supplier:

- Non-compliance to the Council's Procurement procedures to ensure a transparent and competitive process was followed when selecting this supplier. There was no evidence of due diligence checks. There is no formal written contract in place.
- Potential failure to transparently declare and document a conflict of interest.
- Potential failure to achieve value for money, due to lack of formal contract terms, absence of a competitive procurement process, insufficient detail recorded on invoices from the supplier and the operating procedures within the team.
- Lack of assurance that staff used by the external supplier all had up-to-date DBS (Disclosure and Barring Service) checks in place.

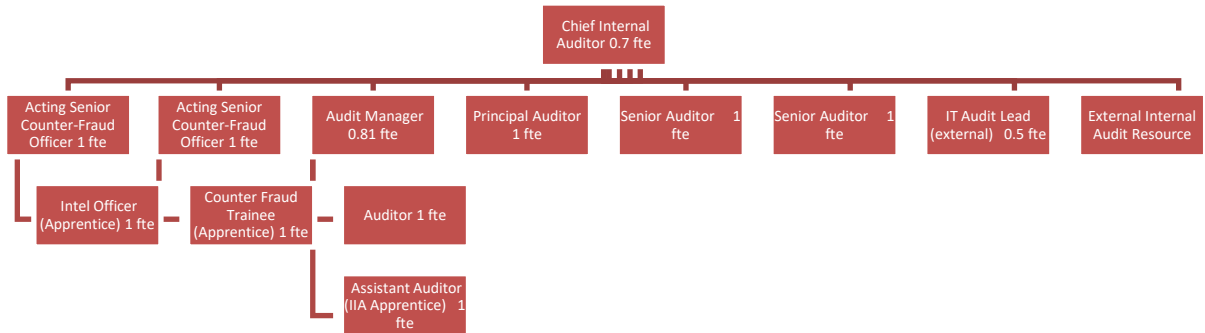
During the investigation the two relevant officers left the organisation. The action plan to address the control weaknesses identified has therefore been agreed with the Assistant Director – Growth & Economy, who is leading on the implementation of the improvement actions. Good progress is being made to address the weaknesses identified. The actions include:

- Working with Legal, Finance & Procurement to formalise the current contract arrangements with the existing supplier. This will include agreement of a standard schedule of charges. A review of the service is currently being undertaken, once that is complete there will be a robust and competitive procurement process undertaken if any services require external commissioning.
- The implementation of new standard operating procedures. These have been reviewed by the Internal Audit/Counter Fraud Team. They provide clear guidance for the arrangement of repairs and the operational expectations of the supplier. We suggested some further enhancements to the procedures, and these have been adopted. The standard operating procedures have been now been agreed with the supplier and became operational from 4 July 2022.
- The Assistant Director – Growth & Economy has met with the supplier and in agreeing the standard operating procedures, this has included agreeing what is expected in terms of the level of detail required for the invoices and timeliness of submitting them. This greater level of information combined with the new procedures within the team for ordering and checking works invoiced, alongside a standard schedule of charges will enable the team to ensure value for money is achieved.

- The team have confirmed that all staff working for the supplier and entering resident's homes had been DBS checked, but these had not been recorded by the Council, therefore no actual safeguarding risk existed. A further improvement action has been instigated by the team to offer safeguarding training to the staff working for the supplier.



## APPENDIX 2: Interim Structure – Internal Audit & Counter Fraud 2022/23



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## **Cherwell District Council**

### **Accounts, Audit & Risk Committee**

**27 July 2022**

### **Internal Audit Charter**

### **Report of Assistant Director of Finance & S151 Officer**

This report is public

### **Purpose of report**

This report presents the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2022/23.

### **1. Recommendations**

The committee is Recommended to:

- 1.1 Approve the Internal Audit Charter.
- 1.2 Note the Quality Assurance and Improvement Programme.

### **2. Introduction**

- 2.1 This report presents both the Internal Audit Charter and the Quality Assurance and Improvement Programme for 2022/23. These are subject to annual review.

### **3. Report Details**

#### **Internal Audit Charter**

- 3.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1 April 2013. (Updated 1 April 2017). These are the first Internal Audit standards to apply across the whole public sector. The PSIAS requires that an Internal Audit Charter is in place for each local authority. The Cherwell District Council Internal Audit Charter is included within Appendix 1.
- 3.2 The Charter sets out the purpose, authority and responsibility of the Internal Audit function, in accordance with the PSIAS. The Charter establishes the position of Internal Audit within the organisation, access and reporting requirements. It also outlines the key responsibilities of the Accounts, Audit & Risk Committee.

- 3.3 This Internal Audit Charter is subject to approval by the Accounts, Audit & Risk Committee of Cherwell District Council on an annual basis, in line with PSIAS requirements. There have been no material changes made since the Charter was last approved by the Committee in July 2021.

### **Quality Assurance Improvement Programme (QAIP)**

- 3.4 The PSIAS require that the internal audit activity maintain a Quality Assurance and Improvement Programme (QAIP). This is included within Appendix 2.
- 3.5 The Chief Internal Auditor is required to communicate to senior management and the Accounts, Audit & Risk Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing monitoring at least annually, internal assessments upon completion and external assessments conducted at least every five years. The QAIP details what will be reported to the Accounts, Audit & Risk Committee and the frequency.

### **PSIAS – Self Assessment / External Assessment Update**

- 3.6 Internal Audit received a CIPFA external assessment against the Public Sector Internal Audit Standards (PSIAS) during November 2017. The assessment outcome was very positive with only a small number of minor improvements to documentation required and an overall conclusion that the service is highly regarded.
- 3.7 There is a requirement for an annual self-assessment against PSIAS to be completed (with external assessment scheduled every 5 years). The self-assessment was completed during June 2022 and it can be confirmed that Internal Audit continues to comply in full, with the standards.
- 3.8 Internal Audit will look to schedule an external assessment towards the end of the financial year. We are currently prioritising the recruitment of two new apprentices – one in Internal Audit and the other in Counter Fraud.

## **4. Conclusion and Reasons for Recommendations**

- 4.1 This report presents the Internal Audit Charter to the Accounts, Audit & Risk Committee which is requirement of PSIAS.

## **5. Consultation**

None

## **6. Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: No alternative options have been identified as this report is for information only.

## **7. Implications**

### **Financial and Resource Implications**

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

[michael.furness@cherwell-dc.gov.uk](mailto:michael.furness@cherwell-dc.gov.uk)

### **Legal Implications**

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Shahin Ismail, Monitoring Officer & Assistant Director – Law, Governance & Democratic Services (interim)

[shahin.ismail@cherwell-dc.gov.uk](mailto:shahin.ismail@cherwell-dc.gov.uk)

### **Risk Implications**

- 7.3 There are no risk management issues arising directly from this report. Any arising risks will be managed through the service Operational Risk and escalated to the Leadership Risk Register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### **Equalities and Inclusion Implications**

- 7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

## **8. Decision Information**

### **Key Decision**

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

**Wards Affected**

All

**Links to Corporate Plan and Policy Framework**

N/A

**Wards Affected**

All wards are affected

**Links to Corporate Plan and Policy Framework**

All corporate plan themes.

**Lead Councillor**

Councillor Adam Nell – Portfolio Holder for Finance

**Document Information**

**Appendix number and title**

- Appendix 1 - Internal Audit Charter 2022/23
- Appendix 2 - Internal Audit Quality Assurance and Improvement Programme 2022/23

**Background papers**

None

**Report Author and contact details**

Sarah Cox, Chief Internal Auditor, [sarah.cox@cherwell-dc.gov.uk](mailto:sarah.cox@cherwell-dc.gov.uk)

## APPENDIX 1:

# **Cherwell District Council Internal Audit Charter**

## **Introduction**

The Public Sector Internal Audit Standards (PSIAS) came into force on 1 April 2013. (Updated 1 April 2017). These are the first Internal Audit standards to apply across the whole public sector. The PSIAS requires that an Internal Audit Charter is in place for each local authority.

The Standards form part of the wider mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) which includes the mission, core principles, definition of Internal Audit and Code of Ethics which define the way in which Internal Audit should be established and undertake its functions

This Charter sets out the purpose, authority and responsibility of Cherwell District Council's Internal Audit function, in accordance with the PSIAS and additional requirements for Local Government which are published via the Chartered Institute of Public Finance and Accountancy (CIPFA)

This Internal Audit Charter has been drawn up in line with the PSIAS requirements and replaces all previous Internal Audit Terms of Reference.

This Internal Audit Charter is subject to approval by the Accounts, Audit and Risk Committee of Cherwell District Council on an annual basis, in line with PSIAS requirements.

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## **Definition of Internal Audit**

Internal Audit has adopted the PSIAS definition of internal auditing as follows:

*"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".*

## ***Mission of Internal Audit***

The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

## ***Core Principles***

To achieve Internal Audit's mission the following core principles for the professional practice of Internal Auditing are present and applied by Internal Audit:

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of Cherwell District Council.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

## ***Code of Ethics***

The Internal Audit function for Cherwell District Council has adopted the PSIAS Code of Ethics:

### Integrity

- The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement

### Objectivity

- Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal Auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

### Confidentiality

- Internal Auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal obligation to do so.

### Competency

- Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.



Internal Audit will also have a regard to the Committee on Standards of Public Life's Seven Principles of Public Life as contained within Cherwell District Councils Constitution and Officer's Code of Conduct

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

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## **Statutory Requirement**

Section 151 of the Local Government Act 1972 requires that authorities "make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs." In Cherwell District Council, that officer is the Assistant Director of Finance.

Specific requirements are detailed in the Accounts and Audit Regulations 2015, in that a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control. Any officer or member of a relevant body must, if the body requires:

- a. make available such documents and records as appear to that body to be necessary for the purposes of the audit; and
- b. supply the body with such information and explanation as that body considers necessary for that purpose.

In accordance with these regulations, internal audit staff should have access to any financial or non-financial records maintained by the council, or its partners in delivering council services, that are relevant to the audit activity being performed.

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## **Definition of the Chief Audit Executive (CAE)**

Chief Audit Executive describes a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. Within Cherwell District Council the Chief Internal Auditor is the designated 'Chief Audit Executive'

## **Definition of the Board**

The PSIAS lays out the role of a Board in relation to specific standards. In a local authority the role of the Board may be satisfied by an Audit Committee. In Cherwell District Council the Accounts, Audit and Risk Committee, for the purposes of the key duties laid out in the PSIAS, is the Board.

The key duties of the Board (Accounts, Audit and Risk Committee) as laid out in the PSIAS are as follows:

- Approve the Internal Audit charter
- Receive the risk based Internal Audit plan including the Internal Audit resource plan
- Receive communications from the Chief Internal Auditor on internal audit's performance relative to its plan and other matters
- Receive an annual confirmation from the Chief Internal Auditor with regard to the organisational independence of the internal audit activity
- Receive the results of the Quality Assurance and Improvement Programme from the Chief Internal Auditor.
- Make appropriate enquiries of the management and the Chief Internal Auditor to determine whether there are inappropriate scope or resource limitations.

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## **Definition of Senior Management**

The PSIAS anticipates the role of Senior Management includes the following:

- Input to the risk based Internal Audit plan
- Receive periodic reports from the Chief Internal Auditor on internal audit activity, that includes follow up reports
- Receive the results of the Quality Assurance and Improvement Programme from the Chief Internal Auditor

Within Cherwell District Council 'Senior Management' is defined as the Section 151 Officer (Assistant Director of Finance)

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## **Professionalism**

The Internal Audit function for Cherwell District Council will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The Internal Audit function for Cherwell District Council maintains an Audit Procedures Manual which is consistent with PSIAS requirements. These procedures are applied for all audit engagements.

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## **Authority**

The Internal Audit function for Cherwell District Council, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are required to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to, and communicate and interact directly with, the Accounts, Audit and Risk Committee.

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## **Organisation**

The Chief Internal Auditor will report functionally to the Accounts, Audit and Risk Committee, for example approving the charter and internal audit plan, and administratively to the Assistant Director of Finance, such as approving the internal audit budget.

The Chief Internal Auditor will communicate and interact directly with the Accounts, Audit and Risk Committee, including in executive sessions and between meetings as appropriate.

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## **Independence and objectivity**

The internal audit function within Cherwell District Council will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited within Cherwell District Council. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal Audit will ensure through the planning and resourcing process that any potential conflicts of interest are recognised and addressed through internal audit staff not undertaking an audit for at least two years in an area where they have had previous operational roles and/or undertaken consulting activity and that responsibilities for audit assignments are rotated periodically within the internal audit team.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being

examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. Internal auditors will disclose any impairment of independence or objectivity, in fact or appearance, to the appropriate parties.

The Chief Internal Auditor will confirm to the Accounts, Audit and Risk Committee, at least annually, the organisational independence of the internal audit activity.

The Chief Internal Auditor will disclose to the Accounts, Audit and Risk Committee any interference and related implications in determining the scope of internal auditing, performing work, and communicating results.

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## **Responsibility- Scope & Objectives**

Internal audit is an assurance service that provides an independent and objective opinion to the council on the entire control environment comprising risk management, performance, control and governance by evaluating the effectiveness in achieving the organisation's objectives. Internal Audit objectively examine, evaluate and report on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

Internal Audit is accountable to the Assistant Director of Finance (Section 151 Officer) for the terms of reference, scope and coverage of its audit activities. In addition there is a responsibility to those charged with corporate governance being the council (through the Accounts, Audit and Risk Committee) and the Head of Paid Service to give an annual opinion on the whole system of internal control and to support the Monitoring Officer in respect of matters of standards/ legality.

The council's external auditor relies on Internal Audit to undertake a continuous programme of audits of key corporate controls. Also, due priority needs to be given to the key strategic risks of the council including the requirements of the Section 151 Officer. Audit work is included to ensure an opinion can be given on the whole of the control environment. These priorities constitute most of the Annual Plan the balance being risks identified by Internal Audit. The Chief Internal Auditor collates an annual report on the effectiveness of the council's internal control environment.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation. It may also evaluate specific operations at the request of the Accounts, Audit and Risk Committee or management, as appropriate.

Based on its activity, Internal audit is responsible for reporting significant risk exposures and control issues identified to the Accounts, Audit and Risk Committee and to Senior Management, including fraud risks, governance issues, and other matters needed or requested.

## **Internal audit plan**

At least annually, the Chief Internal Auditor will submit to the Accounts, Audit and Risk Committee an internal audit plan for review and approval. The Chief Internal Auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Accounts, Audit and Risk Committee.

The internal audit plan will be developed using a risk-based methodology, including input of senior management, including the Chief Executive, Assistant Director of Finance, Corporate Directors and Assistant Directors. It will be developed in accordance with the Internal Audit Charter and will link to the strategic objectives and priorities of Cherwell District Council. Prior to submission to the Accounts, Audit and Risk Committee for approval, the plan may be discussed with appropriate senior management. Any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process.

The audit plan is dynamic in nature and will be reviewed and realigned on a regular basis to take account of new, emerging and changing risks and priorities. It will be based on a risk assessment that covers financial materiality and business risks as well as any suspected or detected fraud, corruption or impropriety that has come to the attention of the Chief Internal Auditor.

Internal Audit will consult with the Council's external auditor and with other relevant inspection/assurance and review bodies, as required, in order to co-ordinate effort, ensure adequate coverage and minimise any duplication.

As part of the planning process, the Chief Internal Auditor will identify other potential sources of assurance and will include in the risk-based plan the approach to using other sources of assurance and any work required to place reliance upon those other sources.

For each audit assignment, Internal Auditors will develop and document a plan including the objectives of the review, the scope, and timing and resource allocations. In planning the assignment, auditors will consider, in conjunction with the auditees, the objectives of the activity being reviewed, significant risks to the activity and the adequacy and effectiveness of the activity's governance, risk management and control processes.

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## **Reporting and monitoring**

A written report will be prepared and issued by the Chief Internal Auditor or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Accounts, Audit and Risk Committee. The internal audit report will include an opinion on the adequacy of controls in the area that has been audited.

The draft report will be discussed with the auditees and management actions agreed for the weaknesses identified, along with timescales for implementation. The final report will be issued to the relevant Assistant Director, Assistant Director of Finance and other officers in line with directorate protocols.

The internal audit activity will be responsible for appropriate follow-up on engagement findings and monitoring and reporting on the implementation of management actions.

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## **Arrangements for appropriate resourcing**

Internal Audit must be appropriately staffed in terms of numbers, grades, qualification levels and experience, having regard to its objectives and to the standards. All Internal Auditors will hold a professional qualification or be training towards a professional qualification.

In the event that the risk assessment, carried out to prepare the annual plan, identifies a need for more audit work than there are resources available, the Chief Internal Auditor will identify the shortfall and advise the Assistant Director of Finance followed by the Accounts, Audit and Risk Committee as required to assess the associated risks or to recommend additional resources are identified.

The audit plan will remain flexible to address unplanned work including responding to specific control issues highlighted by senior management during the year.

Internal audit work is prioritised according to risk, through the judgement of the Chief Internal Auditor, informed by the Council's risk registers and in consultation with senior management and External Audit.

All internal auditors have a personal responsibility to undertake a programme of continuing professional development (CPD) to maintain and develop their competence. This is fulfilled through the requirements set by professional bodies and through the Council's appraisal and development programme.

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## **Fraud and Corruption**

In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to an effective Anti-Fraud and Corruption culture, Internal Audit fully considers the risk of fraud and corruption when undertaking its activities by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities.

The Council's Anti-Fraud and Corruption Strategy sets out responsibilities in this area.

Internal Audit – Counter Fraud Team within Cherwell District Council is responsible for developing and implementing the Anti-Fraud and Corruption Strategy and monitoring the investigation of any reported issues. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this strategy and that action is identified to improve controls and reduce the risk of recurrence. Internal Audit - Counter Fraud Team maintains the fraud log for Cherwell District Council. Internal Audit – Counter Fraud Team undertakes investigations into potential financial irregularities. In some circumstances this may be delegated to the service itself following an assessment of risk and financial impact.

Internal Audit – Counter Fraud Team also facilitates Cherwell District Council's participation in the National Fraud Initiative (NFI) in which data from the Council's main systems are matched with data supplied from other Local Authorities and external agencies to detect potentially fraudulent activity.

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## **Definition of Assurance Services**

The PSIAS defines assurance services as follows: *"An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation."*

Internal Audit provide this assurance across all parts of the Council reviewing the Council's "control environment" comprising risk management, control and governance, this enables the Chief Internal Auditor to provide an annual opinion on the effectiveness of these arrangements. This opinion supports the Council's Annual Governance Statement.

## **Definition of Consulting Services**

The PSIAS defines consulting services as follows: *"Advisory and client related service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training."*

The PSIAS requires that approval must be sought from the Accounts, Audit and Risk Committee for any significant additional consulting services not already included in the audit plan, prior to accepting the engagement.

## Quality assurance and improvement programme

The internal audit activity will maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity and evaluates the activity's conformance with the Standards and application of the Code of Ethics. As such, the programme assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Chief Internal Auditor will communicate to senior management and the Accounts, Audit and Risk Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing monitoring at least annually, internal assessments upon completion and external assessments conducted at least every five years. Disclosure will include:

- The scope and frequency of both internal and external assessments.
- The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.
- Conclusions of assessors.
- Corrective action plans.

The results of the quality assurance and improvement programme and progress against any improvement plans must also be included in the annual report.

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### Signed by:

Sarah Cox, Chief Internal Auditor  
Michael Furness, Assistant Director of Finance  
Councillor Donna Ford, Chair of the Accounts, Audit and Risk Committee

Date approved: 27 July 2022 – Accounts, Audit and Risk Committee  
Date of next review: July 2023



# **Internal Audit - Quality Assurance and Improvement Programme**

## **Introduction**

Internal Audit's Quality Assurance and Improvement Program (QAIP) is designed to provide reasonable assurance to the various stakeholders of Cherwell District Council Internal Audit function that Internal Audit:

- Performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards, Definition of Internal Auditing and Code of Ethics.
- Operates in an efficient and effective manner.
- Is adding value and continually improving the service it provides.
- The Chief Internal Auditor is ultimately responsible for maintaining the QAIP, which covers all types of Internal Audit activities. The QAIP must include both internal and external assessments. Internal assessments are both ongoing and periodical and external assessments must be undertaken at least once every five years.

## **Internal Assessments**

Internal Assessment is made up of both ongoing reviews and periodic reviews.

### **Ongoing Reviews**

Ongoing assessments are conducted through:

- Supervision of audit engagements
- Regular, documented review of work papers during engagements by appropriate Internal Audit staff
- Applying relevant audit policies and procedures, including those set out in the Internal Audit Manual, to ensure applicable audit planning, fieldwork and reporting quality standards are met
- Review of all audit reports and agreed management actions by the Chief Internal Auditor prior to formal circulation.
- Feedback from Customer Satisfaction Questionnaires (CSQs) on individual audit assignments
- Established key performance indicators (KPIs) designed to improve Internal Audit's effectiveness and efficiency. These are signed off each year by the Accounts, Audit & Risk Committee.
- Corporate performance monitoring

## Appendix 2

- In assigning audit work to an individual auditor consideration is given to their level of skills, experience and competence and an appropriate level of supervision exercised
- Feedback from CSQs, performance against KPIs and reviews of working papers and audit reports will form part of the discussion during regular meetings / 121 discussions.

### Periodic Reviews

Periodic assessments are designed to assess conformance with Internal Audit's Charter, the Standards, Definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Periodic assessments will be conducted through:

- Chief Internal Auditor / Audit Manager file reviews to ensure performance in accordance with Internal Audit's Quality Procedures Manual.
- Review of internal audit Key Performance Indicators by the Chief Internal Auditor on a monthly basis, including elapsed time between start of audit and exit meeting, elapsed time between exit meeting and issue of draft report, elapsed time between issue of draft report and issue of final report, % of planned activity completed and % of management actions implemented.
- Quarterly activity and performance reporting to the Accounts, Audit & Risk Committee and Section 151 officer.
- Annual self-review of conformance with the Public Sector Internal Audit Standards. Any resultant action plans will be monitored by the Chief Internal Auditor on a quarterly basis.
- Independent annual review of the effectiveness of Internal Audit by the Council's Monitoring Officer, with results reported to and reviewed by the Accounts, Audit & Risk Committee.

## **External Assessment**

External assessments will appraise and express an opinion about Internal Audit's conformance with the Standards, Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

An external assessment will be conducted every 5 years by a qualified, independent assessor from outside the Council. The assessment will be in the form of a full external assessment, or a self-assessment with independent external validation. The format of the external assessment will be discussed with the Accounts, Audit & Risk Committee.

## **Reporting**

Internal Assessments – Quarterly activity and performance reporting to the Accounts, Audit & Risk Committee and Section 151 officer.

## Appendix 2

External Assessments – results of external assessments will be reported to the Accounts, Audit & Risk Committee and Section 151 officer at the earliest opportunity following receipt of the external assessor's report. The external assessment report will be accompanied by a written action plan in response to significant findings and recommendations contained in the report.

Follow Up - the Chief Internal Auditor will implement appropriate follow-up actions to ensure that action plans developed are implemented in a reasonable timeframe.

### **Signed by:**

Sarah Cox, Chief Internal Auditor

Michael Furness, Assistant Director of Finance

Date approved: July 2022

Date of next review: July 2023

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## **Cherwell District Council**

### **Accounts, Audit and Risk Committee**

**27 July 2022**

### **Treasury Management Report – Q4 (March 2022)**

#### **Report of the Assistant Director of Finance**

This report is public

#### **Purpose of report**

To receive information on treasury management performance and compliance with treasury management policy and Prudential Indicators for 2021-22 as required by the Treasury Management Code of Practice.

#### **1. Recommendations**

The meeting is recommended:

- 1.1 To note the contents of the Q4 (March 2022) Treasury Management Report.

#### **2. Introduction**

- 2.1 In 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports. This quarterly report provides an additional update.
- 2.2 The Council's Treasury Management strategy for 2021-22 was approved at a meeting on 22 February 2021. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Council's treasury management strategy.
- 2.3 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 22 February 2021.

### 3. Report Details

#### Summary Position & Strategy

- 3.1 At the financial year end, 31<sup>st</sup> March 2022, the Council had borrowing of £199m and investments of £52.2m - a net borrowing position of £147.8m (31/12/21 - £113.6m).
- 3.2 With interest rates increasing to 0.25% in December 2021 and then to 0.50% in February 2022 the Council has seen a small increase in investment returns. As a loan of £25m was arranged at a lower rate earlier in the year (prior to the rate increases), the Council is in a favourable position of having an average interest rate of just 1.75% on long term loans.
- 3.3 All treasury management activities undertaken during the financial year 2021-22 complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy, and all Prudential Indicators were met during, and at the end of, the reporting period (see 3.10 and 3.18 below).

#### Borrowing performance for year ending 31 March 2022

- 3.4 The Council requires external borrowing to fund its capital programme and had total debt of £199m at the report date. £100m (50%) of the current debt is at fixed rate for the medium to long-term from the Public Works Loan Board (PWLB), with the remainder borrowed short term from other local authorities (at fixed rates, but on a rolling basis with various durations, therefore effectively variable rate).
- 3.5 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
- 3.6 The table below shows the borrowing position during and at the end of the reporting period:

	<b>Borrowing Amount £</b>	<b>Interest Rate</b>	<b>Interest Budget* £</b>	<b>Interest Actual* £</b>	<b>Variance £</b>
Apr 2021 - Mar 2022	£179m (average)	1.12% (annualised)	£2.192m	£2.004m	(£188k)
As at 31/03/22	£199m	1.12%	-	-	-

\* Interest payable relates to external loans only, excluding finance lease and other interest of £224k

- 3.7 The table below shows average borrowing rates for the reporting period:

<b>Borrowing Benchmarking</b>	<b>5-year</b>	<b>10-year</b>	<b>20-year</b>	<b>50-year</b>
PWLB Maturity rate	1.45%	1.78%	2.10%	1.85%

- 3.8 Interest payable for the full year was £188k below budget (positive variance) due to interest rates being low when short term loans were arranged.

3.9 A full list of current borrowing is shown below:

<b>Lender</b>	<b>Principal Borrowed £</b>	<b>Maturity Date</b>
Wandsworth BC	5,000,000	23/05/2022
Oxfordshire County Council	5,000,000	15/07/2022
Middlesbrough Council Account B	5,000,000	29/07/2022
Crawley BC	5,000,000	16/08/2022
East Sussex County Council	5,000,000	16/08/2022
Derbyshire County Council	5,000,000	19/08/2022
North of Tyne Combined Authority	10,000,000	29/09/2022
Portsmouth City Council	5,000,000	28/10/2022
North of Tyne Combined Authority	5,000,000	14/11/2022
West Northamptonshire Council	2,000,000	15/12/2022
North Tyneside Council	5,000,000	16/12/2022
East Sussex County Council	5,000,000	13/01/2023
West Yorkshire Combined Authority	10,000,000	17/01/2023
North Northamptonshire Council	10,000,000	31/01/2023
Portsmouth City Council	5,000,000	13/02/2023
Derbyshire County Council	5,000,000	16/06/2023
Guildford Borough Council	5,000,000	13/07/2023
Craven DC	2,000,000	15/11/2023
PWLB - ref 506477	21,000,000	19/10/2024
PWLB - ref 116158	6,000,000	25/09/2025
PWLB - ref 114322	6,000,000	19/09/2026
PWLB - ref 507455	10,000,000	31/05/2028
PWLB - ref 116160	6,000,000	25/09/2029
PWLB - ref 114324	6,000,000	19/09/2030
PWLB - ref 507456	5,000,000	31/05/2033
PWLB - ref 116162	5,000,000	25/09/2034
PWLB - ref 114326	5,000,000	19/09/2035
PWLB - ref 507457	5,000,000	31/05/2048
PWLB - ref 435439	25,000,000	10/11/2071
<b>Total Borrowing</b>	<b>199,000,000</b>	

3.10 Compliance with the authorised limit and operational boundary for external debt is demonstrated in the table below:

	<b>2021/22 Maximum</b>	<b>31/03/22 Actual</b>	<b>2021/22 Operational Boundary</b>	<b>2021/22 Authorised Limit</b>	<b>Complied?</b>
Borrowing / Total debt	£238m	£199m	£270m	£300m	Yes

### **Treasury Investment performance for year ending 31 March 2022**

3.11 Funds available for investment are on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme.

- 3.12 The Council has seen an increase in interest income in the fourth quarter in line with the Bank of England Monetary Policy Committee increasing interest rates in December 2021. The short-dated money market investments have performed better than forecast ((£44k) forecast in Dec 21) and the trend is set to continue in the next Financial year.
- 3.13 The table below shows the investment position during and at the end of the reporting period:

	<b>Investment Amount £</b>	<b>Interest Rate</b>	<b>Interest Budget £</b>	<b>Interest Actual £</b>	<b>Variance £</b>
Apr 2021 – March 2022	£53.9m (average)	0.11% (annualised)	(£101k)	(£63k)	£38k
As at 31/03/22	£52.2m	0.28%	-	-	-

- 3.14 The average money-market rates for the reporting period:

<b>Investment Benchmarking</b>	<b>Overnight</b>	<b>7-day</b>	<b>1-month</b>	<b>3-month</b>
SONIA*	0.14%	0.13%	0.12%	0.09%

\*Sterling Overnight Index Average is an important interest rate benchmark published by the Bank of England.

- 3.15 Interest receivable for the full year was £38k below budget (adverse variance).
- 3.16 The Council's cash investments are held primarily for liquidity purposes and therefore are only available for relatively short-term deposits in a restricted selection of high-quality instruments e.g., the UK Debt Management Office (part of HM Treasury) which is highly secure but earns only a low rate of interest.
- 3.17 A full list of current investments at is shown below:

<b>Counterparty</b>	<b>Principal Deposited £</b>	<b>Maturity Date/ Notice period</b>
<u>Fixed Term Deposits</u>		
Suffolk County Council	3,000,000	28/04/2022
Suffolk County Council	2,000,000	28/04/2022
Debt Management Agency Deposit Facility	9,000,000	10/05/2022
Debt Management Agency Deposit Facility	1,500,000	16/05/2022
Windsor and Maidenhead	5,000,000	22/08/2022
Surrey Heath Borough Council	1,000,000	23/08/2022
Merthyr Tydfil County Borough Council	3,000,000	21/09/2022
Thurrock Borough Council	2,000,000	13/10/2022
Thurrock Borough Council	3,000,000	14/10/2022
Slough Borough Council	3,000,000	17/11/2022



Merthyr Tydfil County Borough Council	2,000,000	14/07/2022
Debt Management Agency Deposit Facility	470,000	13/04/2022
Debt Management Agency Deposit Facility	1,400,000	13/04/2022
Debt Management Agency Deposit Facility	4,410,000	04/04/2022
Debt Management Agency Deposit Facility	5,460,000	20/04/2022
Money Market Accounts		
Goldman Sachs Asset Management	913,000	
Federated Investors UK	5,000,000	
<b>Total investments</b>	<b>52,153,000</b>	

3.18 Compliance with investment limits is shown in the table below:

	<b>2021/22 Maximum</b>	<b>31/03/22 Actual</b>	<b>2021/22 Limit</b>	<b>Complied?</b>
Any single organisation, except the UK Government	£5.0m	£5.0m	£5m	Yes
UK Central Government	£22.2m	£22.2m	Unlimited	Yes
Any group of organisations under the same ownership	£5.0m	£0m	£5m per group	Yes
Any group of pooled funds under the same management	£5.0m	£0m	£5m per manager	Yes
Money Market Funds total	£10.0m	£5.9m	£15m in total	Yes

### **Non-treasury investment activity**

3.19 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council. This is replicated in the government's Statutory Guidance on Local Government Investments, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

3.20 As of 31 March 2022, the Council holds £107.2m of investments in the form of shares (£35.6m) and loans (£71.6m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.

3.21 The loan elements of these non-treasury investments generate a higher rate of return than earned on treasury investments, but this reflects the additional risks to the Council of holding such investments.

3.22 For the financial year ending 31 March 2022 these loans have earned interest of £4.332m, a positive variance of £0.036m against budget income of £4.296m.

## Overall performance

3.23 The overall performance for the financial year ending 31 March 2022 is as follows:

	Budget £k	Actual £k	Variance £k
Borrowing costs	2,192	2,004	(188)
Finance lease and other interest	253	224	(29)
Treasury income	(101)	(63)	38
Non-treasury income	(4,296)	(4,332)	(36)
<b>Total cost/(income)</b>	<b>(1,952)</b>	<b>(2,167)</b>	<b>(215)</b>

## 4. Conclusion and Reasons for Recommendations

4.1 This report details the Treasury Performance and compliance with the Prudential Indicators for the Council for the period ending 31 March 2022. It is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice.

## 5. Consultation

None

## 6. Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request further information on the performance reported.

## 7. Implications

### Financial and Resource Implications

7.1 There are no financial implications arising directly from any outcome of this report.

Comments checked by:

Joanne Kaye, Strategic Finance Business Partner (D151)  
01295 221545, [joanne.kaye@cherwell-dc.gov.uk](mailto:joanne.kaye@cherwell-dc.gov.uk)

### Legal Implications

7.2 As the report is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice, there are no legal implications arising directly from this report.

Comments checked by:

Helen Lolas, Team Leader and Solicitor - Legal Services  
07801400941, [helen.lolas@cherwell-dc.gov.uk](mailto:helen.lolas@cherwell-dc.gov.uk)

### **Risk Management Implications**

- 7.3 It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the Council's Treasury Management Policy has been avoided

Comments checked by:  
Celia Prado-Teeling, Interim Assistant Director – Customer Focus  
01295 221556, [celia.prado-teeling@cherwell-dc.gov.uk](mailto:celia.prado-teeling@cherwell-dc.gov.uk)

### **Equalities Implications**

- 7.4 There are no equalities implications arising directly from any outcome of this report.

Comments checked by:  
Celia Prado-Teeling, Interim Assistant Director – Customer Focus  
01295 221556, [celia.prado-teeling@cherwell-dc.gov.uk](mailto:celia.prado-teeling@cherwell-dc.gov.uk)

## **8. Decision Information**

**Key Decision:** N/A

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

### **Wards Affected**

All.

### **Links to Corporate Plan and Policy Framework**

Links to all areas of Corporate Plan.

### **Lead Councillor**

Councillor Adam Nell, Portfolio Holder for Finance

## **Document Information**

### **Appendix number and title**

- None

### **Background papers**

None

### **Report Author and contact details**

Janet du Preez – Finance Business Partner  
01295 221606, [janet.du-preez@cherwell-dc.gov.uk](mailto:janet.du-preez@cherwell-dc.gov.uk)

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## **Cherwell District Council**

### **Accounts, Audit and Risk Committee**

**27 July 2022**

### **Support to Subsidiaries**

### **Report of the Assistant Director of Finance & S151 Officer**

This report is a public report. Appendix 1 to this report is exempt from publication by virtue of paragraph 3 of Schedule 12A Local Government Act 1972

### **Purpose of report**

To inform the Committee of the overall level of support provided to the Council's subsidiaries and how this is considered as part of the external audit.

### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To note the report and raise any queries on the exempt appendix.

### **2.0 Introduction**

- 2.1 The Council has several subsidiaries which are consolidated into its Group Accounts. Each of these subsidiary companies are required to be audited externally and each audit requires a Letter of Support from the Council as Parent. The Letter of Support is a document which demonstrates that the Parent will ensure its subsidiaries are able to meet their liabilities and are relied upon by the subsidiary auditors in determining the Going Concern status of the company. A Going Concern is a company which is financially stable enough to meet its obligations and continue to trade for the foreseeable future.
- 2.2 The Council also needs to demonstrate its status as a Going Concern to its external auditors. Having a robust understanding of its financial commitments is crucial in assessing whether the Council has the financial security to support itself and its subsidiaries.

### **3.0 Report Details**

- 3.1 Demonstrating that the Council is a Going Concern is increasingly important to the Council's external auditors, and auditors across all sectors, not least because of the legacy of the Covid-19 pandemic and the cost-of-living crisis and their impact on businesses. Those charged with governance are responsible for assessing its status as a Going Concern and part of how that is done is by preparing detailed

forecasts which reflect potential scenarios and the organisation's plans to deal with them.

- 3.2 For the 2020/21 assessment of Going Concern, the Council provided a detailed cashflow forecast with assumptions of its own cash in- and outflows. This forecast was then tested for sensitivities to expected cash inflows (e.g. 5% reduction in Council Tax collection) and outflows (e.g. a subsidiary requiring financial assistance).
- 3.3 The external auditors were keen to determine what the overall cash position of the council would be if all of the identified risks happened on the same day; could the Council manage financially? Appendix 1 details the level of support committed to the Council's subsidiaries in their Letters of Support and quantifies, where possible, the level of financial exposure this entails. Each is then assessed for its potential impact on the Council's cashflow and the likelihood of the Council being called on to step in. The document then details the mitigations and governance arrangements the Council has in place to manage the risk.
- 3.4 Sections 3 and 4 of the Appendix assesses the ability of the Council to cope financially with the worst-case scenario which consist of a selection of the identified risks occurring on the day the Council is forecasting its lowest cash position. This scenario results in the Council being required to borrow in the short term to manage its cashflow, but comfortably within the limits which were set as part of the Capital Strategy approved by Council in February 2022.
- 3.5 The document that is Appendix 1 has now become an integral part of the Council's Going Concern assessment and will continue to be regularly updated and brought to this committee as part of the governance and mitigation to which it refers. It is also used to ensure the borrowing boundaries in the Capital Strategy are set appropriately.

## **4.0 Conclusion and Reason for Recommendations**

- 4.1 The information in Appendix 1 summarises the support the Council has extended to its subsidiaries. It is important that the Committee is aware of the level of support extended in order to ensure good governance, manage risk and to inform decision making.

## **5.0 Consultation**

- 5.1 None

## **6.0 Implications**

### **Financial and Resource Implications**

- 6.1 There are no new financial implications to the Council arising as a result of this report. The report does however set out the scale of the financial support provided to its subsidiaries and the Council should be mindful of this in the future.

Comments checked by:  
Michael Furness, Assistant Director of Finance,  
01295 221845, [Michael.Furness@cherwell-dc.gov.uk](mailto:Michael.Furness@cherwell-dc.gov.uk)

### **Legal Implications**

6.2 There are no new legal implications arising directly as a result of this report.

Comments checked by:  
Shahin Ismail, Interim Assistant Director of Law & Governance and Monitoring  
Officer  
07887 550472, [Shahin.Ismail@cherwell-dc.gov.uk](mailto:Shahin.Ismail@cherwell-dc.gov.uk)

### **Risk Implications**

6.3 There are no new risk management implications to the Council arising directly from this report. In the case of any new risks arising in the future, these will be managed through the service Operational Risk and escalated to the Leadership Risk Register as and when appropriate.

Comments checked by:  
Celia Prado-Teeling, Interim Assistant Director – Customer Focus  
01295 221556, [celia.prado-teeling@cherwell-dc.gov.uk](mailto:celia.prado-teeling@cherwell-dc.gov.uk)

### **Equalities Implications**

6.4 There are no equalities implications arising directly from any outcome of this report.

Comments checked by:  
Celia Prado-Teeling, Interim Assistant Director – Customer Focus  
01295 221556, [celia.prado-teeling@cherwell-dc.gov.uk](mailto:celia.prado-teeling@cherwell-dc.gov.uk)

## **7.0 Decision Information**

**Key Decision** N/A

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

**Wards Affected**  
All.

**Links to Corporate Plan and Policy Framework**

N/A

**Lead Councillor**

Councillor Adam Nell, Portfolio Holder for Finance

**Document Information**

**Appendix No and Title**

- 1 Support to Subsidiaries [Exempt]

**Background Papers**

None

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## Account Audit & Risk Committee Work Programme 2022/2023

28 September 2022	<p>2021/22 External Audit Plan                  Report of Those Charged with Governance 2021/22                  External Audit - Annual Audit Opinion 2021/22                  Final Statement of Accounts and Letter of Representation 2021/22                  Performance, Finance and Risk Monitoring Report - Q1                  Treasury Management Q1 Update 2022/23                  Internal Audit Progress Update 2022/23                  Ombudsman Annual Report &amp; Complaints &amp; FOI Update                  Work Programme Update</p>
16 November 2022	<p>Treasury Management Q2 2022/23                  Performance, Finance and Risk Monitoring Report - Q2 2022/23                  Counter Fraud Update 2022/23                  Work Programme Update                  Chief Internal Auditor - Private Session                  External Auditor - Private Session</p>
25 January 2023	<p>Internal Audit Progress Update 2022/23                  Auditors Annual Report and VFM Commentary                  AGS 2021/22 Actions Update                  Draft Capital and Investment Strategy and Draft Treasury Management Strategy 2023/24                  Complaints &amp; FOI Update                  Work Programme Update                  TRAINING - Treasury Management</p>
22 March 2023	<p>Counter Fraud Update 2022/23                  Annual Report of AARC                  Performance, Finance and Risk Monitoring Report - Q3 2022/23                  Treasury Management Q3 2021/22                  Housing Benefit Subsidy Audit                  Housing Benefit Risk Based Verification Policy                  Work Programme Update</p>

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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