Civic Centre, Riverside, Stafford

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Dear Members

Audit and Accounts Committee

A meeting of the Audit and Accounts Committee will be held in the **Craddock Room, Civic Centre, Riverside, Stafford on Wednesday 26 March 2025 at 6.30pm** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded.

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

Head of Law and Governance

AUDIT AND ACCOUNTS COMMITTEE

26 MARCH 2025

Chair - Councillor M G Dodson

AGENDA

1 Minutes of 18 February 2025 as circulated and published on 24 February 2025

2 Apologies

3 Officers' Reports

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Chair - Councillor M G Dodson

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

Agenda Item 3(b)

Internal Audit Update - February 2025

Committee: Audit and Accounts

Date of Meeting: 26 March 2025

Report of: Chief Internal Auditor and Risk Manager

Portfolio: Resources Portfolio

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1 Purpose of Report

1.1 To present to the Audit and Accounts Committee for information a progress report on the work of Internal Audit between 1 October 2024 and 28 February 2025.

2 Recommendations

2.1 That the Committee note the progress report.

Reasons for Recommendations

2.2 The Audit and Accounts Committee have responsibility for monitoring the work of Internal Audit.

3 Key Issues

3.1 Attached is a progress report showing the audits which have been issued between 1 October 2024 and 28 February 2025.

4 Relationship to Corporate Priorities

4.1 The system of internal controls reviewed by Internal Audit is a key element of the Council's corporate governance arrangements which cuts across all corporate priorities. Management are responsible for the control environment and should set in place policies, procedures and controls to help ensure that the system is functioning appropriately.

5 Report Detail

5.1 This report is a summary of the Internal Audit work between 1 October 2024 and 28 February 2025 and is a report of progress against the audit plan. **APPENDIX 1** contains progress monitoring information.

5.2 In previous years the progress against the approved audit plan would have been included in this update. However a change in our approach to a more flexible planning methodology which focuses on scheduling work for each quarter was agreed by the Audit Committee on 21 March 2024. The current indicative list of areas for review is contained in **Appendix 5.** This list has been compiled following discussions with Heads of Service.

5.3 As previously reported to the Audit Committee the Internal Audit Section had been carrying 2 vacancies for a significant time and work has been bought in from external contractors to support the delivery of the audit plan. Both posts were filled, and the employees joined the team in September and October. This had an impact on the amount of work that can be delivered in 2024-25 so some work has been delivered by an external a contractor. The new staff have progressed well but there has been significant learning for them which has impacted on their productivity since joining the team. However they have settled in well and are delivering audit work against the plan.

5.4 The report is a snapshot view of the areas at the time that they were reviewed and does not necessarily reflect the actions that have been or are being taken by managers to address the weaknesses identified. The inclusion or comment on any area or function in this report does not indicate that the matters are being escalated to Members for further action. Internal Audit routinely follow-up the recommendations that have been made and will bring to the attention of the committee any relevant areas where significant weaknesses have not been addressed by managers.

5.5 The table below gives a summary of the level of assurance for each of the audits completed in the period. More detailed information on each of the reports issued is contained in **APPENDIX 2**.

Number of Audits	Assurance	Definition
4	**Substantial** ✓	All High (Red) and Medium (Amber) risks have appropriate controls in place and these controls are operating effectively. No action is required by management.
2	**Partial** ▲	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are 6 or below. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.

Number of Audits	Assurance	Definition
0	**Limited** !	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are 9 or higher. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	**No Assurance** ✖	One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan.

5.6 **APPENDIX 3** lists the audits that were in progress but had not been completed to draft report stage by the end of the quarter.

5.7 **APPENDIX 4** shows information relating to follow-ups.

6 Implications

6.1 Financial

Nil

6.2 Legal

Nil

6.3 Human Resources

Nil

6.4 Risk Management

Nil

6.5 Equalities and Diversity

Nil

6.6 Health

Nil

6.7 Climate Change

Nil

7 Appendices

Appendix 1: Progress Monitoring - 1 April 2024 to 28 February 2025

Appendix 2: Audits Completed 1 October 2024 to 28 February 2025

Appendix 3: Audits in Progress February 2025

Appendix 4: Follow-ups Completed 1 October 2024 to 28 February 2025

Appendix 5: Provisional Audit Plan work for 2024-25 not yet started

8 Previous Consideration

None

9 Background Papers

None

Contact Officer:	Stephen Baddeley
Telephone Number:	01543 464415
Ward Interest:	Nil
Report Track:	Audit and Accounts Committee 26 March 2025 (Only)
Key Decision:	No

Appendix 1

Progress Monitoring - 1 April 2024 to 28 February 2025

Audits Completed to Draft	Audits In Progress
10	8

The completed and in progress figures include audits from the 2023-24 Audit Plan which have been completed this year.

Level of Assurance	No Assurance	Limited	Partial	Substantial	N/A
Number of Audits Issued in Year to date	0	0	4	5	1

N/A is where the nature of the review did not enable an opinion to be issued on the area under review. This is normally where the focus is narrow or where a project is at an early stage of progress.

Included in the above are the 6 reports issued since the last progress update (October 2024) more detail is contained in Appendix 2 for these reports.

Level of Assurance	No Assurance	Limited	Partial	Substantial	N/A
Number of Audits Issued since last update	0	0	2	4	0

Appendix 2

Audits Completed 1 October 2024 to 28 February 2025

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
Operations - Commercial Activity	Operations	Final	0	5	Partial ▲	The main findings relate to the following • It is not possible to confirm that the commercial activity function is covering its costs due to the records kept there is also limited evidence that all relevant overhead costs are allocated to the works. • There is a need for more detailed analysis and clearer coding of costs to provide clarity. • Work is needed on the method used to calculate the quote/cost of jobs. • Agreements with the clients need to be reviewed and updated.

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
IT Starters and Leavers Process	Transformation and Assurance	Final	0	5	Partial ▲	The main issues identified relating to • The process could be streamlined by the use of standard profiles which can be used as IT are not always given 10 days notice • Cyber Security and Data Protection training was not mandated on the first day for new starters. • Leaver forms are not always completed where a user transfers to a new department/role meaning previous access no longer required may not be removed. • There are no periodic checks of equipment held by employees. • There is no recorded use of the Microsoft 365 portal to verify all ex-employees have been appropriately removed.
Housing Benefits	DCE Resources	Final	0	0	Substantial ✓	

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
NNDR	DCE Resources	Final	0	0	Substantial ✓	
Council Tax	DCE Resources	Final	0	0	Substantial ✓	
Payroll	DCE Resources	Draft	0	0	Substantial ✓	

Appendix 3

Audits in Progress

Audit	Head of Service
Development Management - Receipt of Applications and Validations	Economic Development and Planning
SBC Regeneration Major Projects - Guildhall site, Coop site, Station Gateway	Regeneration
UKSPF Grants and Projects	Economic Development and Planning
Civil Contingencies	Regulatory Services
Food and Safety Arrangements	Regulatory Services
BACS Security and Processing	Transformation and Assurance
IT Service Desk, 1st Line Support and Incident Management	Transformation and Assurance
Homelessness and Housing Options	Wellbeing

Appendix 4

Follow-ups Completed 1 October 2024 to 28 February 2025

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Environmental Protection and Pollution Control	Regulatory Services	Limited !	6	3	0	9	Partial ▲	• Some overview inspections still needed to be completed. • Electronic copies of all reports and certificates need to be retained. • Policies and procedures still need to be developed.
Payroll	Transformation and Assurance	Limited !	1	7	0	8	Partial ▲	Some progress has been made and the assurance has been change to Partial. The outstanding issues relate to • Training for the manager still required but has been scheduled • Work on defining levels of access is still in progress • Procedure noted still in the process of being updated • A reconciliation document needs to be produced for pay runs.

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Pest and Dog Control	Operations	Limited !	1	3	0	4	Substantial ✓	
Office 365 Security	Transformation and Assurance	Partial ▲	3	1	0	4	Partial ▲	Work was still needed to update and approve the relevant policies in IT
Wireless Network Security 2nd	Transformation and Assurance	Partial ▲	1	1	0	2	Partial ▲	The Wi-Fi and IT Security Policies had been updated but were awaiting approval.
Streetscene - 3rd Follow Up	Operations	Partial ▲	1	5	0	6	Partial ▲	Work was still required in relation to • Mapping shrub bed maintenance and litter bin routes. • Work was needed to continue to review and reduce the need for overtime. • Funds have been agreed but work on procuring new vehicles is still outstanding. • There is still a need to review commercial activities. • The revised agreement for external works should be agreed and implemented.

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
S106 Agreements and Projects 2nd	Economic Development and Planning	Partial ▲	2	2	0	4	Partial ▲	The outstanding recommendations relate to the need to update and finalise procedure notes.
Change Control 3rd	Transformation and Assurance	Partial ▲	3	0	0	3	Substantial ✓	
Risk Management	Transformation and Assurance	Partial ▲	5	0	0	5	Substantial ✓	
Cloud Computing	Transformation and Assurance	Partial ▲	2	0	0	2	Substantial ✓	
Building Control 3rd Follow-up	Regulatory Services	Partial ▲	1	0	0	1	Substantial ✓	
Critical Applications security 2nd	Transformation and Assurance	Partial ▲	2	0	0	2	Substantial ✓	

Appendix 5

Provisional Audit Plan work for 2024-25 not yet started

Audit Area	Head of Service	Indicative Quarter
Tree Preservation Orders	Operations	Q3
Local Plan	Economic Development and Planning	Q2
Planning Enforcement	Economic Development and Planning	Q3/Q4
Development Management - Determinations	Economic Development and Planning	Q3/Q4
Public Buildings	Housing and Corporate Assets	Q3/Q4
Civica Finance	DCE Resources	Q3/4
Bank reconciliation	DCE Resources	Q3

Agenda Item 3(c)

Internal Audit Plan - 2025-26

Committee: Audit and Accounts

Date of Meeting: 26 March 2025

Report of: Chief Internal Auditor and Risk Manager

Portfolio: Resources Portfolio

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1 Purpose of Report

1.1 To present to the Audit and Accounts Committee the Internal Audit Plan methodology for 2025-26

2 Recommendations

2.1 That the Committee approve the Internal Audit Plan methodology for 2025-26.

Reasons for Recommendations

2.1 Internal Audit has a duty to provide the Council with an annual conclusion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement

2.2 The planned time allocated to audit work across the year is deemed to be sufficient to ensure that Chief Internal Auditor will be able to deliver an appropriate conclusion on the control environment and governance arrangements at the Council as required by the Global Internal Audit Standards (UK Public Sector).

3 Key Issues

3.1 Internal Audit has a duty to provide the Council with an annual conclusion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement.

3.2 Internal Audit is required to produce a plan of work to ensure that it can give an appropriate opinion on the Council's key risk areas and systems and provide sufficient coverage to inform the Annual Governance Statement.

3.3 In 2024-25 Internal Audit developed a flexible planning methodology which has proved successful in being reactive to changes in risk in the year and allowed Internal Audit to be more proactive and responsive in the work carried out.

3.4 This proved successful in allowing Internal Audit to develop a fluid Audit Plan which was discussed and updated quarterly with Heads of Service and allowed the team to be reactive to developing areas of risk. It is therefore proposed that the same methodology will be used for 2025-26. There will also be a focus on Compliance as a key theme underpinning the work of Internal Audit in 2025-26.

3.5 In addition the Council has launched a revised risk management methodology which will see risk registers updated quarterly. These will feed into the audit planning process to further focus the work of Internal Audit onto the highest risk areas.

4 Relationship to Corporate Priorities

4.1 This report supports all of the Council's Corporate Priorities by helping to ensure that there are effective governance arrangements in place.

5 Report Detail

5.1 Internal Audit is an assurance function which primarily provides an independent and objective opinion to the Council on its governance arrangements and internal controls. The Internal Audit Section does this by conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole of the Council and to all levels of management.

5.2 To provide this assurance Internal Audit conducts an annual risk assessment and determines an audit plan for the year. Meetings are held with Heads of Service and the Council's s151 Officer as part of the risk assessment process to obtain views and comments in relation to the composition of the Internal Audit Plan.

Resources

5.3 The resource available for the delivery of the Internal Audit Plan across both authorities in 2025-26 is estimated to be 515 days for general audit work plus an additional 60 days for IT Audit work; the full details are shown in **APPENDIX 1**. This is an increase from the 482 days for the 2024-25 which is due to the team being fully staffed and which will also mean there is no need to buy-in additional support for General Audit work which amounted to 150 days in the 2024-25 plan.

5.4 The Internal Audit Section has previously carried out work for Cannock Chase District Council's Leisure Contractor, IHL in return for a small fee. However despite putting time in the plan no work was carried out in 2024-25 and there are no plans to deliver any audit work for IHL in 2025-26 which means all of the resources of the team can be focused on delivering audit work for the two Councils.

5.5 The resources can be broken down into:

Allocation of Resources to Audit Plan Requirements

Audits covering both Councils	**350**
SBC only Audits	75
CCDC only Audits	90
IT Audit Plan	60
Total Days	**575**

Time allocated to CCDC only audits is proportionally larger than SBC only audits due to the Housing functions.

5.6 The resources available for the year are considered sufficient to cover enough work to adequately inform the Annual Audit Conclusion for 2025-26

Annual Audit Plan

5.7 Normally, a full review of the "Audit Universe" would take place and be presented to Committee setting out all the possible areas for review and the risk scores determined for 2024-25. A review of the Audit Universe has been undertaken and discussions held with managers to inform the outline audit plan included as Appendix 2.

5.8 We are proposing to retain the more flexible approach introduced in 2024-25 in 2025-26 so that we can be more responsive to a number of factors including:

- Local Government Reorganisation / Transformation
- Work relating to the delivery of both Council's Improvement Plans
- New External Auditor's and any additional requirements from them on the Internal Audit Team
- Delivery of a number of high-profile major projects

We are also looking to have an underlying theme to focus Internal Audit work on compliance in the year and focus on the Corporate Plan priorities and Strategic Risks following the launch of a revised more comprehensive risk management framework for the Council.

5.9 The Audit Plan methodology is that the Chief Internal Auditor in consultation with the Deputy Chief Executive Resources and s151 Officer and the Head of Transformation and Assurance will compile an indicative work plan for each quarter alongside a higher level outline plan listing of areas for potential review later in the year which will be informed by information and requests from managers.

5.10 The quarterly plan will be derived from discussions with Leadership Team and other relevant Managers as well as awareness of work being carried out on the Corporate Improvement Plans and Major Projects. The plan will also take into account any changes to the risks following the quarterly update of the risk registers. Where necessary the plan will be flexible and be revised and updated within each quarter to focus on the highest risk areas and emerging issues.

5.11 The Audit Committee will receive updates on the indicative list of audits for each quarter and progress on the delivery of audit work throughout the year.

5.12 Work this year will focus on the following areas:

(i) Corporate Improvement Plans, Transformation and Local Government Reorganisation Plans;

(ii) major projects;

(iii) key financial systems;

(iv) Compliance

5.13 Any additional time will be spent on operational areas deemed to be higher risk or where low assurances have previously been provided by Internal Audit

5.14 A table setting out the key areas for audit work which have already been identified and how they relate to each Council grouped to align with corporate objectives is set out **in APPENDIX 2.**

5.15 An IT Audit Plan has not yet been produced. Discussions will take place with the IT Audit Contractor, the Chief Technology Officer and the Chief Internal Auditor and Risk Manager to determine an IT Audit Plan for the year which will be reported to Audit Committee separately.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

None

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

APPENDIX 1: Available Audit Resources 2025-26

APPENDIX 2: Internal Audit Plan Areas - 2025-26

8 Previous Consideration

None

9 Background Papers

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

Contact Officer:	Stephen Baddeley
Telephone Number:	01543 464415
Ward Interest:	Nil
Report Track:	Audit and Accounts Committee 26 March 2025 (Only)
Key Decision:	No

Appendix 1

Internal Audit Plan 2025-26

Estimated Available Audit Resources 2025-26

	General Audit Total	IT Audit Support	Total Days
Staffing of the Team (Excludes Chief Internal Auditor)	**4**		
In House Total Days	**1,044**		**1,044**
External Support	0	60	**60**
Days Available	**1,044**	**60**	**1,104**
Less Non-Operational (leave, training etc)	379		**379**
Chargeable Days	**665**	**60**	**725**
Chargeable Work			
NFI	8		**8**
Advice, Consultancy	22		**22**
Contingency Budget	90		**9**
Follow-ups	30		**30**
Audits	**515**	**60**	**575**
Chargeable Days	**665**	**60**	**725**

Appendix 2

Internal Audit Plan 2025-26

Audit Plan Outline Areas - 2025-26

The Economy

Shared Areas	CCDC	SBC
CCDC Levelling Up Scheme	Y	
SBC - Regeneration Schemes (Future High Streets/Levelling-up) • Guildhall Site • Coop Site • Station Gateway		Y
Delivery of Planning Review Outcomes	Y	Y
Planning Enforcement (deferred from 2024-25)	Y	Y

Health and Wellbeing

Audit Area	CCDC	SBC
Housing Improvement Plan Actions • Building Safety and Compliance • Aelfgar Project	Y	
Housing Rents and Arrears	Y	
Leisure Contracts, New Procurement and Changes in Service Delivery	Y	Y
Housing Partnership Arrangements	Y	Y
Private Sector Housing	Y	Y
Health Agenda	Y	Y

Community, Environment and Climate Change

Audit Area	CCDC	SBC
Private Water Supply and Distribution	Y	Y
Community and Voluntary Sector Grants	Y	Y
Licensing arrangements	Y	Y
Land Charges Transfer and New System	Y	Y
Vehicle Workshop	Y	
Fleet Management Compliance	Y	Y
Tree Management IT Project	Y	Y
Food Waste Project	Y	Y
Closed Churchyards	Y	Y
Pest and Dog Control	Y	Y

The Council

Audit Area	CCDC	SBC
Key Systems (for Q3/4) • HB • Council Tax • NNDR • Payroll	Y	Y
Corporate Improvement Plan Actions • Asset Management and Compliance	Y	Y
Industrial and Commercial Lease Management	Y	Y
New Customer Relationship System (GOSS)	Y	Y
HR • Recruitment and Selection • Managing Absence	Y	Y
Data Quality Arrangements (Deferred from 2024-25)	Y	Y
Finance • New finance System Implementation Lessons Learnt • Bank Reconciliation (Deferred 2024-25) • Creditors and Purchasing Cards	Y	Y
Sub-Contractor Management	Y	Y
Major Project Governance	Y	Y
Local Government Reorganisation/ Transformation Plans	Y	Y
Grants Procedures	Y	Y

Agenda Item 3(d)

VFM Progress Report - Quarter 3 2024-25

Committee: Audit and Accounts Committee

Date of Meeting: 26 March 2025

Report of: Head of Transformation and Assurance

Portfolio: Resources Portfolio

The following matter was considered by Cabinet on 6 March 2025 and is submitted to Audit and Accounts Committee as required.

1 Purpose of Report

1.1 To advise Members on the progress in the delivery of the VFM Improvement Plan at the end of Quarter 3 2024/25.

2 Recommendations

2.1 To note the progress at the end of Quarter 3 2024/25 in the delivery of the VFM Improvement Plan set out at **APPENDIX 1**.

Reasons for Recommendations

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

3 Key Issues

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

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

3.3 This report sets out the progress made at the end of Quarter 3 2024/25. Of the 26 actions due to be completed, 80% have been completed or are on target.

4 Relationship to Corporate Priorities

4.1 Good governance and financial management specifically links to the Council's priority to be "a well-run, financially sustainable and ambitious organisation, responsive to the need of our customers and communities and focussed on delivering our outcomes". It also underpins the delivery of the Council's other corporate priorities and operational services.

5 Report Detail

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

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

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

5.4 A VFM improvement plan was been produced to address the issues raised in the AAR. The timescales for implementation were revised in discussions with the Council's new External Auditors and approved by Cabinet in December 2024. A commentary on progress for each of the actions up to the end of quarter 3 of 2024/25 is set out in **APPENDIX 1**. Overall progress is summarised in the table below:

Table 1: Summary of Progress - VFM Improvement Plan

Quarter	★	✓	▲	✖	Not applicable	Total Actions
	Action completed	Work on target	Work < 3 months behind schedule	Work > 3 months behind schedule		
Q4 2023/24	13					13
Q1 2024/25	1					1
Q2 2024/25	1	1				2
Q3 2024/25	2	3	3	1	1	10
TOTAL	**17 (65%)**	**4 (15%)**	**3 (12%)**	**1 (4%)**	**1 (4%)**	**26**

5.5 At the end of quarter 3, of the 26 actions due for delivery:

- 21 (80%) have been completed or are in progress; and
- 5 (20%) of the actions are behind schedule or are no longer applicable.

5.6 Steady progress continues to be made in completing the actions set out in the improvement plan. All but one of the actions for quarter 4 (2023/24) through to quarter 2 (2024/25) have now been completed in full. The outstanding action relates to recruitment of Finance staff which has to date been unsuccessful. There has been some minor slippage in quarter 3.

5.7 Progress in delivering the actions set out in the improvement plan are being overseen by:

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

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

6 Implications

6.1 Financial

There are no direct financial implications arising from the report.

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

Failure to deliver the improvement plan and address the External Auditor's recommendations has been included in the Council's Strategic Risk Register.

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: VFM Improvement Plan - Summary of Progress

8 Previous Consideration

Cabinet - 6 March 2025 - Minute No CAB66/25

9 Background Papers

Report to Audit and Accounts Committee 13 February 2024

Contact Officer:	Judith Aupers
Telephone Number:	01543 464411
Ward Interest:	All
Report Track:	Cabinet 6 March 2025 Audit and Accounts Committee 26 March 2025
Key Decision:	No

VFM Improvement Plan - Progress Report

Summary of Progress at 31 December 2024

Quarter					No longer applicable	Total Number of Projects
	Action completed	Work on target	Work < 3 months behind schedule	Work > 3 months behind schedule		
Q4 2023/24	13					**13**
Q1 2024/25	1					**1**
Q2 2024/25	1	1				**2**
Q3 2024/25	2	3	3	1	1	**10**
Q4 2024/25						**11**
Q1 2025/26						**14**
Q2 2025/26						**5**
Q3 2025/26						**5**
Q4 2025/26						**3**
Cumulative Total to Date	**17 (65%)**	**4 (15%)**	**3 (12%)**	**1 (4%)**	**1 (4%)**	**26 at the end of Q3**

Commentary on Progress

Steady progress continues to be made. 2 key strategies/policies have been approved in quarter 3 (transformation and digital) with work is progressing on the review of hybrid working.

Capacity in the Finance Team continues to be an issue. The recruitment to the 2 senior posts has been unsuccessful but recruitment has commenced for 2 other posts and shortlisting is in progress.

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

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
		(Decision to be made on outstanding audits as there is a consultation taking place as to how to clear the backlog of audits nationally at present)			The Accounts for both years have been completed and reported to the Audit & Accounts Committee (20 November 2024).	
5.	Financial Sustainability (Statutory Rec 1)	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) and S151 Officer	Quarter 4 - 2023/24	The draft accounts for 2021-22 and 2022-23 have been published.	★
7.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Align the MTFS to the corporate priorities in the Council's Business Plan including the costed climate change actions	Deputy Chief Executive (Resources) and Head of Transformation and Assurance		Completed as part of budget setting 2024/25	★
8.	IT (Key Rec 2)	Implement outstanding recommendation from Cyber and Network Security Audit - staff to complete cyber training	Chief Technology Officer and Information Manager	Quarter 4 - 2023/24	Staff have completed cyber training	★
9.	IT (Key Rec 2)	Finalise the change management strategy	Chief Technology Officer	Quarter 4 - 2023/24	Change Management Strategy has been approved by Leadership Team	★

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
10.	IT (Key Rec 2)	Finalise Information Governance Framework	Head of Law and Governance	Quarter 4 - 2023/24	Completed - approved by Cabinet	★
11.	Risk Management (Improvement Rec 2)	Review of risks in annual budget report to be consistent with corporate process	Deputy Chief Executive (Resources) and S151 Officer		Completed	★
12.	Other Related Actions	Review of Audit Reporting to Leadership Team and escalation protocols	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 2023/24	Completed - quarterly progress reports are being discussed at Leadership Team	★
13.	Risk Management (Improvement Rec 2)	Review of risk management policy and framework - includes review of format of the Strategic Risk Register (SRR)	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24	Approved by Leadership Team. To be approved by Cabinet on 5 December 2024.	★
14.	Risk Management (Improvement Rec 2)	Review of guidelines on risk implications for committee reports	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2023/24	Approved by Leadership Team.	★

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	Quarter 1 2024-25					
16.	Financial Sustainability (Statutory Rec 1)	Restructure of the Finance Team and creation of additional capacity	Deputy Chief Executive (Resources) and S151 Officer	Quarter 1 - 2024/25	Restructure agreed.	★
	Quarter 2 2024-25					
25.	Financial Sustainability (Statutory Rec 1)	Commence recruitment to new Finance team structure	Deputy Chief Executive (Resources) and S151 Officer and Deputy S151 Officer	Quarter 2 - 2024/25	Recruitment for 2 senior posts was unsuccessful. Recruitment in progress for two other vacant posts; currently shortlisting.	✓
40.	Other Related Actions (from AGS 2023-24)	Review of project management arrangements and project planning for the delivery of the town centre schemes.	Head of Economic Development and Planning	Quarter 2 - 2024/25	Additional interim consultancy resource has been appointed to support the programme/project management of the Stafford town centre regeneration projects. Board meetings, steering groups and weekly project team meetings have been re-established; with regular review of project plans and programmes.	★

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
	Quarter 3 2024-25					
17.	Financial Sustainability (Statutory Rec 1)	Regular performance monitoring to be re-established with budget managers and Leadership Team.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	Period 6 monitoring for 2024-25 has been completed and has been reported in the budget setting report for 2025/26.	
18.	Financial Sustainability (Statutory Rec 1)	Reporting on the delivery of savings to be established and discussed at Strategic Leadership Team meetings. Where appropriate, project plans will be developed to support the delivery of significant/complex savings.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	As per the 2025/26 budget, there is no material savings programme in place.	N/A
19.	IT (Key Rec 2)	Update IT security policy and adopt a cyber security policy	Head of Transformation and Assurance and Chief Technology Officer	Quarter 3 2024/25	The policy has been updated and is back with the Head of Service for review. There has been some slippage and the draft will be now be submitted to Leadership Team for approval in Q4.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
20.	IT (Key Rec 2)	Provide refresher training to ensure compliance with process for 3rd party data transfers and completion of privacy impact assessments	Chief Technology Officer and Information Manager	Quarter 3 2024/25	The Data Transfer Policy has been reviewed and the refresher training has been delivered.	
21.	IT (Key Rec 2)	Complete the IT strategy	Deputy Chief Executive (Resources)	Quarter 3 2024/25	The Digital Strategy was approved by Cabinet on 5 December 2024.	
23.	HR related issues (Improvement Recs 1 and 3)	Complete review of hybrid working. This will inform the development of the workforce strategy and the review of the Code of Conduct as well as support the development of an asset strategy.	Head of Transformation and Assurance and HR Manager	Quarter 3 2024/25	A report had been drafted and is with the Head of Service for review. The report will now be presented to Leadership Team in Q4	
26.	Financial Sustainability (Statutory Rec 1)	Lesson learnt exercise to be undertaken of implementation of the finance system	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	Work on this has been deferred due to the ongoing capacity issues in the Finance Team and the need to prepare the budget. It has now been rescheduled for Q1.	

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
27.	Financial Sustainability (Statutory Rec 1)	Training of managers in budget management and use of the new finance system.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 3 2024/25	The first session has been delivered to Leadership Team. The sessions with managers will be delivered during Q1 25/26.	✓
33.	Performance Management (Key Rec 4)	Establish corporate project resources to support transformation work (funding allocated in 2024/25 budget)	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 3 2024/25	The team structure was approved as part of the report to Cabinet on the Transformation Strategy (5 December 2024).	✓
43.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Process to be established for developing a service transformation and efficiency programme. Initial steps for both: • a discussion with the Cabinet to review priorities and key projects; • engagement with Heads of Service and Service Managers to review current service levels for statutory and discretionary services (to include high level benchmarking) - this will be a pre-cursor to bringing the services together and establish the baseline for service transformation (this will	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 3 - 2024/25	A transformation strategy and plan has been developed. This was approved by Cabinet on 5 December 2024. A workshop has been held with managers setting out the transformation process and the preparatory work stages are underway.	✓

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
		build on the initial work done on SLAs). • Range of options for efficiency savings and transformation Transformation: • Transformation options to be assessed and added to transformation programme for prioritisation. Will need to consider any investment required to deliver savings/service improvements; resourcing to deliver the changes, etc • Project Manager and Project support officer to be recruited to support delivery of transformation programme, funding allocated in budget 2024/25 to fund posts; • Training of managers and key officers in transformation techniques			A review of key priority projects has been undertaken and this was approved by Cabinet on 7 November 2024. The transformation team structure was approved as part of the report to Cabinet on the Transformation Strategy (5 December 2024).	
	Quarter 4 2024-25					
5.	Financial Sustainability (Statutory Rec 1)	Draft accounts published up to 2023/24	Deputy Chief Executive (Resources) and S151 Officer	Quarter 4 - 2024/25		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
6.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Consultation to take place with stakeholders as part of development of new corporate plan and priorities.	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 4 - 2024/25		
15.	Procurement and Contract Management (Improvement Rec 5)	Update the contracts register and ensure it is compliant with transparency requirements	Head of Transformation and Assurance and Leadership Team	Quarter 4 - 2024/25		
22.	HR related issues (Improvement Recs 1 and 3)	Establish our culture, values and type of organisation we want to be. This work will inform the following actions	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 4 - 2024/25		
24.	Risk Management (Improvement Rec 2)	Training for Leadership Team, managers, team leaders/principal officers on risk management	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 4 - 2024/25		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
30.	IT (Key Rec 2)	Develop assurance reporting for IT eg report on outcome of annual health check/penetration testing to Leadership Team and Audit Committee	Head of Transformation and Assurance and Chief Technology Officer	Quarter 4 - 2024/25		
31.	IT (Key Rec 2)	Review of what we include in procurements re ICT controls and information governance	Head of Transformation and Assurance, Chief Technology Officer, Head of Law and Governance and Information Manager	Quarter 4 - 2024/25		
34.	Performance Management (Key Rec 4)	Review of all projects, the current governance arrangements and establish project reporting to Leadership Team	Deputy Chief Executive (Resources) and Deputy Chief Executive (Place)	Quarter 4 - 2024/25		
37.	Procurement and Contract Management (Improvement Rec 5)	Review and update the Procurement Regulations	Deputy Chief Executive (Resources), Head of Transformation and Assurance and Head of Law and Governance	Quarter 4 - 2024/25		

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

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
36.	Risk Management (Improvement Rec 2)	Establish escalation process between other risk registers and the SRR eg services, projects	Head of Transformation and Assurance and Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
39.	Procurement and Contract Management (Improvement Rec 5)	Provide training for managers on procurement and contract management	Head of Transformation and Assurance	Quarter 1 - 2025/26		
41.	Other Related Actions (from AGS 2023-24)	Preparation of a transformation plan for Development Management to further reduce the backlog of planning applications and to manage this within the approved budget.	Head of Economic Development and Planning	Quarter 1 - 2025/26		
44.	Corporate Service Transformation and Efficiency Programme (Key Rec 1)	Consultation and engagement to be embedded into the planning for the delivery of key projects where appropriate to ensure schemes meet community needs eg regeneration projects, redevelopment of play areas	Deputy Chief Executive (Resources) and Head of Transformation and Assurance	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
45.	Fraud (Key Rec 3)	Review Anti - Fraud and Bribery Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
46.	Fraud (Key Rec 3)	Review of Confidential Reporting Policy	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
47.	Fraud (Key Rec 3)	Assess compliance against Cipfa 2014 Code for Fraud and develop an action plan as necessary	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
57.	Performance Management (Key Rec 4)	Develop and adopt a performance management framework to establish golden thread from Corporate Plan to service plans through to employee reviews. Framework to include protocols for ensuring data quality	Head of Transformation and Assurance	Quarter 1 - 2025/26		
58.	Performance Management (Key Rec 4)	Review our performance report style - delivery plans and KPIs. To consider the development of performance outcome measures	Head of Transformation and Assurance	Quarter 1 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
59.	Performance Management (Key Rec 4)	Performance reporting for waste and leisure: • review of KPIs for monitoring and reporting on performance; • establish internal validation process of contract performance; and • review information reported to Cabinet / Scrutiny	Head of Transformation and Assurance, Head of Operations and Head of Wellbeing	Quarter 1 - 2025/26		
60.	Other Related Actions	Review of Code of Governance	Head of Transformation and Assurance	Quarter 1 - 2025/26		
61.	Fraud (Key Rec 3)	Review the information we report on fraud work (including data matching) to the Audit Committee.	Chief Internal Auditor & Risk Manager	Quarter 1 - 2025/26		
	Quarter 2 2025-26					
29.	Financial Sustainability (Statutory Rec 1)	Training for managers on Financial Regulations	Deputy Chief Executive (Resources)	Quarter 2 - 2025/26		

No	Theme	Action	Lead Officer	Revised Timescale	Progress Update	Progress Rating
32.	Performance Management (Key Rec 4)	Establish a Corporate Project Management Methodology. Provide templates, guidelines, and training for key officers (LT, Service Managers and key Principal Officers/Team	Deputy Chief Executive (Resources) and S151 Officer and Head of Transformation and Assurance	Quarter 2 - 2025/26		
48.	HR related issues (Improvement Recs 1 and 3)	Develop a hybrid working policy and review other related policies and processes.	Head of Transformation and Assurance and HR Manager	Quarter 2 - 2025/26		
54.	Financial Sustainability (Statutory Rec 1)	Implementation of remaining module of the finance system, ongoing development and maximising use of system functionality	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2 - 2025/26		
55.	Financial Sustainability (Statutory Rec 1)	Performance reporting for Cabinet and Scrutiny to be developed. This will be done alongside the review and development of performance and risk reporting.	Deputy Chief Executive (Resources) and S151 Officer	Quarter 2 - 2025/26		

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

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