Huntingdonshire
D I S T R I C T   C O U N C I L

A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in **CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN** on **WEDNESDAY, 29 MAY 2024** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. **MINUTES**

   Contact Officer: Democratic Services - (01480) 388169

(a) **Minutes 20th March, 2024** (Pages 5 - 10)

   To approve as a correct record the Minutes of the meeting of the Committee held on 20th March 2024.

   Contact Officer: David Knight - 01480 388169

(b) **Minutes - 18th April 2024** (Pages 11 - 16)

   To approve as a correct record the Minutes of the meeting of the Committee held on 18th April 2024

   Contact Officer: David Knight - 01480 388169

(c) **Minutes - 22nd May, 2024**

   To approve as a correct record the Minutes of the meeting of the Committee held on 22nd May 2024.

   Contact Officer: David Knight - 01480 388169

2. **MEMBERS' INTERESTS**

   To receive from Members declarations as to disclosable pecuniary, other registerable and non-registerable interests in relation to any Agenda item. See Notes below.

Contact Officer: David Knight - 01480 388169

3.   **INTERNAL AUDIT PEER REVIEW CHALLENGE ACTIONS - UPDATE** (Pages 17 - 30)

To update members on the achievement of LGA peer challenge review actions.

Contact Officer: Karen Sutton 01480 387072

4.   **ANNUAL GOVERNANCE STATEMENT**

To receive a report seeking approval of the Annual Governance Statement – **TO FOLLOW.**

Contact Officer: Karen Sutton 01480 387072

5.   **DRAFT STATEMENT OF ACCOUNTS 2023/24**

To receive a report from the Chief Finance Officer on the Draft Statement of Accounts 2023/24 – **TO FOLLOW**

Contact Officer: Sharon Russell-Surtees 01480 388524

6.   **INTERNAL AUDIT SERVICE: ANNUAL REPORT 2023/24**

To receive a report from the Director of Finance and Corporate Services outlining the Internal Audit Service Annual Report 2023/24

Contact Officer: Karen Sutton 01480 387072

7.   **INTERNAL AUDIT PLAN 2024/25** (Pages 31 - 48)

To receive a report from the Director of Finance and Corporate Services outlining the Internal Audit Plan for 2024/25.

Contact Officer: Karen Sutton 01480 387072

8.   **EXTERNAL AUDIT PLAN 2023/24**

To receive an update on the External Audit Plan 2023/24 – **TO FOLLOW**

Contact Officer: Karen Sutton 01480 387072

9.   **EXTERNAL AUDITOR BRIEFING**

To receive an update on the External Auditor briefing – **TO FOLLOW**

Contact Officer: Karen Sutton 01480 387072

10.   **CORPORATE RISK REGISTER** (Pages 49 - 68)

To consider a report by the Director of Finance and Corporate Resources on the latest Corporate Risk Register.

Contact Officer: Karen Sutton 01480 387072

11. **CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT** (Pages 69 - 72)

To receive the Corporate Governance Committee Progress Report

Contact Officer: David Knight - 01480 388169

29 day of May 2024

Michelle Sacks

Chief Executive and Head of Paid Service

Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests.

Further information on [Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests is available in the Council's Constitution](#)

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Please contact Democratic Services, Tel: (01480) 388169 / email: Democratic.Services@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business**.**

Agenda and enclosures can be viewed on the [District Council's website](#).

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN on Wednesday, 20 March 2024.

PRESENT:	Councillor N Wells – Chair.
	Councillors A Blackwell, E R Butler, J A Gray, J E Harvey, P J Hodgson-Jones, A R Jennings, P Kadewere and I P Taylor.
APOLOGY(IES):	Apologies for absence from the meeting were submitted on behalf of Councillors J Clarke, S A Howell and T D Sanderson.

51. MINUTES

The Minutes of the meeting of the Committee held on 24th January 2024 were approved as a correct record and signed by the Chair.

52. MEMBERS' INTERESTS

No declarations were received.

53. CORPORATE RISK REGISTER

With the aid of a report prepared by the Director of Finance & Corporate Resources (a copy of which is appended in the Minute Book) the Committee was reminded that it had requested the latest version of the Corporate Risk Register should be presented at each Committee meeting. A summation of the discussions is outlined as follows.

By way of background, the Director of Finance & Corporate Resources reported that effective risk management is a critical part of the organisation's governance. The Risk Register identifies those areas where HDC should take action to mitigate its exposure and informs the annual plan for Internal Audit. More information on this can be found in the Council's Risk Management Strategy.

As part of a full and wide-ranging discussion on the report the Committee considered the risks to HDC and if these are being. managed in line with the Risk Management Strategy. The

Committee agreed that effective risk management is a critical part of governance within HDC and that the Risk Register identifies those areas where HDC should take action to mitigate its exposure and informs the annual plan for Internal Audit.

Arising from a question raised by Councillors Gray; Jennings and Hodgson-Jones the Committee (i) asked to receive a breakdown of where and the reasons for risks having moved from one risk category to another; (ii) noted that Corporate risks are those of significant, cross-cutting strategic importance that require the attention of the Council's most senior managers and elected members. Such risks can be roughly split into two types: those that could principally affect the HDC and the residents of Huntingdonshire and others that relate more to the way HDC runs its organisation internally. Each corporate risk has a rating based on a combined assessment of how likely the risk is to occur, its probability and its potential impact after considering the controls already put in place. Such risks are reviewed and updated regularly through horizon scanning, benchmarking and in response to findings from inspections and audits, government policy changes and engagement with staff and the public; and; (iii) noted that HDC has adopted a wide range of controls to address the risks of cyber-attacks that aim to ensure the resilience of IT systems and prevent any adverse impact from daily attacks e.g. 'filtering', 'blocking' and 'scanning' to prevent breaches of the HDC IT network, council devices and systems.

As a result of observations made by Councillor Blackwell the Committee commented that it would be useful for there to be a glossary of the abbreviations used in reports to be made available to address any contextual ambiguity of such acronyms and to provide the Committee with some lucidity to aid in its discussions.

Following further discussion on the risks faced by HDC it was recognised that to ensure full understanding of the risk landscape and wider contextual factors it was important to be mindful of any potential changes in direct funding from national government together with taxes on commercial properties and residential properties could prove to be significant risks and happen swiftly at any time. Whilst the Spending Review and the quest for sustainability will remain critical concerns for HDC.

The Committee having considered and commented on the report **RESOLVED** to formally note that:

1. progress and performance made on the risks to the organisation is being managed in line with the Risk Management Strategy.

54.   IMPLEMENTATION OF INTERNAL AUDIT ACTIONS

With the aid of a report prepared by the Director of Finance and Corporate Resources (a copy of which is appended in the Minute Book) the Committee received an update on the implementation of audit actions. A summation of the discussions is outlined as follows.

By way of background, the Director of Finance & Corporate Resources introduced the report and as a result of discissions on the matters raised it was acknowledged that there are potentially risks behind every purchase and whilst they cannot be avoided, they can be managed by identifying both internal and external risks to the supply chain. Then eliminating those situations that would put HDC at unnecessary or increased risk. Therefore, it is important that HDC has effective risk management to map out those potential risks, the likelihood of their occurrence, and whether or not they can effectively avoid those risks without disturbance to the Council's supply chain.

Following comments from Councillors Gray and Jennings the Committee was in agreement that the activities of the Internal Audit team are pivotal to the organisation's governance and control processes and therefore need to be properly resourced. As the outcomes of the Audit Teams activities will establish, if there is the necessary controls and processes in place these will show where any improvements should be made. Tracking the recommendations and closure of these is key to maintaining good control and evidencing the organisation's commitment to delivering good quality, high value for money services with good control and compliance with the relevant statutory obligations.

The Committee acknowledged that procurement within HDC needs to be properly resourced as effective procurement has never been more important with increased economic pressures on the Council and its suppliers to look beyond the financial cost of a contract to consider how the services HDC commissions and procures can improve the quality of life for local people and create a better Huntingdonshire for future generations. Whilst reflecting the Council's commitment to equality, diversity and inclusion through how HDC deliver, resources and transforms all of its services in a way that is inspiring, collaborative, accountable, respectful and enterprising.

Members also wanted to make sure that the Council builds into the HDC grant applications, the cost of providing that procurement and secondly improves resilience through (i) clear governance, (ii) audit trail, (iii) effective contract management and (iv) transparency. Accordingly, the Committee therefore agreed that it needs to formally express its concerns to the Chief Executive and the Cabinet that investment in the

procurement process is essential to ensure that it functions effectively. The Committee was advised that Councillor S W Ferguson the Executive Councillor for Customer Services was meeting with the Council's Chief Executive and would be stressing that such investment takes place as a priority. In addition, the Committee Chair Councillor N Wells indicated that he would also be raising this matter with the Chief Executive.

Following comments from Councillor Hodgson-Jones the Committee asked why this issue was not on the corporate risk register as procurement has an impact, not just financial but where HDC gets the incorrect price for goods and services or purchases the inappropriate goods and services. This means the process of procuring these goods and services needs to be undertaken again and also has an impact on the reputation of HDC. Therefore, if there are audit actions on procurement that simply are not progressing as expected then the Committee should be looking at including this on the register of potential risks relating to procurement. Accordingly, the Director of Finance & Corporate Resources agreed to undertake to discuss this with the Senior Leadership Team.

The Committee also noted under the Outstanding Audit Action No. 1680 Fuel Usage and Payments (a copy of which is appended in the Minute Book) the reference to the requirement for a spare 50,000 litre tank at the Councils Eastfield House for the storing of Hydrogenated Vegetable Oil (HVO) as part of the trail to reduce the need for hydrocarbon fuel (**i.e.** diesel) the outcome of this trial will determine if there will be an ongoing need for a spare 50,000 litre tank.

Members also requested an update in regard to Outstanding Audit Action No. 1658 Shadow IT/Service-Procured Systems (a copy of which is appended in the Minute Book) about revising the Council's Code of Procurement including both new thresholds and terminology.

The Committee was informed that in regard to Outstanding Audit Action No. 1613 Small Works Contract (a copy of which is appended in the Minute Book) responsibility for this action has been reviewed and will be formalized once the contract has been let and the intention being that the new contract will be awarded in April 2024.

The Committee was notified that with regard to Outstanding Audit Action No. 1652 Corporate Enforcement Policy (a copy of which is appended in the Minute Book) an action has been included within the Community service plan to be rewritten and to then have approved as a new Corporate Enforcement Policy. It was noted that this policy is intended to inform the public of the Council's enforcement policy and operational guidance relating to the enforcement of environmental crime that covers a

diverse range of issues such as noise, litter, waste and refuse, dogs and pests.

Finally noted that the HDC Internal Audit Manager was on a leave of absence and arrangements had therefore been made to ensure continued independent evaluation of risk management, control and governance processes.

The Committee having considered and commented on the report **RESOLVED** to formally recommend to the Cabinet that as a priority.

A. The HDC Audit Team needs to be properly resourced.

B. Procurement should be included within the HDC Corporate Risk Register.

55. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

The Committee received and noted a report (a copy of which is appended in the Minute Book) on progress of actions in response to any decisions taken at previous meetings. As a result of discussions on the report:

The Chair provided an update on the Appointment of Independent Members to Corporate Governance Committee including the level of remuneration, term of office, the length of their appointment and start date.

Members requested for details on the progress of actions in response to any decisions taken at previous meetings. With regard to the Internal Audit Progress Report the Committee agreed that it was very important to have a thorough discussion with Ernst & Young at the next meeting given the number of ongoing issues concerning the progress of this report.

Members noted that with regard Local Government Association Governance Peer Challenge a report will be presented to a Sub-Group of the Corporate Governance Committee and then to Council subsequently the Committee would oversee the progress against all the recommendations.

Chair

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HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN on Thursday, 18 April 2024.

PRESENT:	Councillor N Wells – Chair.
	Councillors A Blackwell, J E Harvey, P J Hodgson-Jones, A R Jennings, P Kadewere and I P Taylor.
APOLOGY(IES):	Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler, J Clarke, J A Gray, S A Howell and T D Sanderson.

56. MEMBERS' INTERESTS

No declarations were received.

57. CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

With the aid of a report prepared by the Director of Finance & Corporate Resources (a copy of which is appended in the Minute Book) the Committee received and noted a report (a copy of which is appended in the Minute Book) that presented the findings of the subgroup established to (Minute 55 refers) review of the Terms of Reference (ToR) for the Corporate Governance Committee (CGC) and also the committee membership (inc. the size of the committee and whether this was effective. The main points covered in the discussion maybe summarised as follows:

By way of background, the Director of Finance & Corporate Resources reported that the Local Government Association (LGA) peer review of Internal Audit undertaken in March 2023 had identified the Committee's Terms of Reference had not been regularly reviewed and therefore may not reflect current legislation and Chartered Institute of Public Finance and Accountancy (CIPFA) recommendations.

Members noted that the subgroup had considered the existing ToR for the CGC against the model ToR as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for audit committees. The model ToR it was noted covered all the current legislation requirements and the CIPFA

recommendations. However, whilst linked to governance did not cover additional responsibilities which CGC holds for the Council in relation to Constitutional, Conduct and Regulatory Arrangements. Accordingly, the subgroup recommended that the model CIPFA ToR should be adopted, with an additional section added to incorporate those duties relating to Constitutional, Conduct and Regulatory Arrangements (a copy of the revised ToR is appended in the Minute Book). In addition, Members agreed that the Terms of Reference (ToR) for the Corporate Governance Committee should be regularly reviewed against CIPFA best practice standards and other examples of best practice from across the sector to ensure continuous improvement.

The Committee also recognised that its membership of CGC at twelve members plus two independent members is a larger committee than is considered to be ideal and accordingly the subgroup having (i) reviewed and compared existing terms of reference with those model terms provided by the Chartered Institute of Public Finance and Accountancy (CIPFA), (ii) identified areas not covered by the existing terms and decided to include them as a separate section; and (iii) additional section added for constitutional conduct and regulatory arrangements, including duties of the Committee within Huntingdonshire District Council (HDC).

Accordingly, the Committee having considered and commented on the report **RESOLVED** to

(a) endorse a variation to the Terms of Reference of the Corporate Governance Committee;
(b) endorse the proposal to amend the Committee's membership as detailed in paragraph 2.1; and
(c) recommend that the Terms of Reference of the Committee be reviewed on an annual basis to ensure they remain current.

58.   **LGA GOVERNANCE PEER CHALLENGE FEEDBACK REPORT**

With the aid of a report prepared by the Director of Finance & Corporate Resources (a copy of which is appended in the Minute Book). The Committee receive the LGA Governance Peer Challenge report that provided an update on progress against the recommendations since 28th February 2024. The main points of the discussion are summarised as follows:

By way of background, the Director of Finance & Corporate Resources reported that the Committee was reminded that the Council had invited the Local Government Association (LGA) to undertake an Audit Peer Challenge in March 2023. The LGA peer review team made a number of recommendations during

the review and an Action Plan was developed to address these points.

Members also noted that there is an expectation that the LGA peer review team would return to assess progress on recommendations within six months. Accordingly, following appointment of the new Chief Executive and growing national interest in local government governance, audit and risk, the Council invited the peer review team to return to assess progress and provide independent advice on questions posed by the Corporate Government Committee and consider any new recommendations that should be implemented.

Accordingly, the peer team returned on the 28th of February 2024, having reviewed a number of documents prior to their arrival and whilst on site, gathered more information from twelve meetings; during which they had met with twenty-seven people, which included a range of elected Members and Officers.

Members noted that the peer team made five further actions the first concentrating on progress of the initial seventeen actions from the March 2023 visit, and the remaining four were new, having regard to wider corporate governance aspects. Members agreed that the report also had provided helpful insight and wider observations and requested updates on the progress of those incomplete actions. Accordingly, the Committee noted that:

- ❖ Action 1 the assessment of the training needs of the committee and the completion of a skills matrix will be completed by mid-May. Members noted the very positive support provided by the Vice-Chair Councillor Harvey in facilitating in the completion of this task.

- ❖ Action 2 in regard to the terms of reference; and Action 5 the role of the corporate governance committee within HDC this has now been completed (**Item 57 refers**).

- ❖ Action 6 the skills matrix review of the Senior Leadership Team will have been completed the end of April.

- ❖ Action 9 on the risk register, and the creation of the audit plan for next year is ongoing and will be reported to the Committee on 29th May 2024.

- ❖ Action 10 Noted that the risk management maturity exercise is ongoing.

- ❖ Action 12 A calculation of auditor's chargeable time is being worked on and will be completed as part of the Annual Audit Plan. The skills and knowledge assessment

are still to be undertaken but a skills matrix for the Internal Audit team has been started to capture the qualifications, experience, skills and preferences for each auditor and will be completed by the end of May.

- ❖ Action 13 The internal assessment to reference available evidence to support conformance for each standard in preparation for a full External Quality Assessment will be dependent upon the outcomes of the report by Binder Djker Otte who have been commissioned to undertake a review that will provide a report on external quality assessment by the end of May.

- ❖ Action 14 Noted that the detailed QAIP (quality assurance & improvement plan) is dependent upon the outcomes of the report from BDO and whilst unable to complete this action by the end of May the progress can be shown to LGA.

- ❖ Action 15 Once BDO have completed their assessment a submission will be made in regard to the New Ideas process to enable investment in the appropriate skills and procurement of the necessary software.

- ❖ New Action 2 Regarding the provision of immediate additional senior officer capacity and experience to the internal audit and risk functions is to submit to SLT for funding approval. In addition, following a question raised by Councillor Jennings it was noted that once the funding has been agreed that it is anticipate that the post will be filled within a few weeks.

Councillor Wells then referenced the level of detail required in internal audit team's reports and the Committee whilst accepting that there has been a slight deficit in the current level of detail HDC are seeking additional capacity from Cambridge City Council's audit manager and the HDC Monitoring Officer to ensure there proper oversight and internal insight.

Following on from that point Councillor Kadewere asked for clarification in regard to the skills metrics for the Committee Members and it was noted that the skills required included a combination of life experiences and specific knowledge and once any gaps have been identified training will be organised to develop the necessary skills.

Finally, as a result of a question from Councillor Hodgson-Jones on the verification of the capacity of Monitoring Officer (MO) it noted that (i) Tom Lewis the current MO is accountable to the Chief Executive and that the recommendation is to verify that his capacity is sufficient for HDC; and (ii) the Chief Executive

has expressed her satisfaction with the performance of the current MO.

Accordingly, the Committee having considered and commented on the report **RESOLVED** to:

    a. to receive the LGA Governance Peer Challenge report, **Appendix 1**, and note the recommendations; and

    b. to note **Appendix 2**, which provides an update on progress against all the proposed recommendations.

    c. that **Council** receive the LGA Governance Peer Challenge report, **Appendix 1**, and note the recommendations; and

    d. that **Council** note **Appendix 2**, which provides an update on progress against all the proposed recommendations.

Chair

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Peer Review Challenge Actions - update

Meeting/Date: Corporate Governance Committee – 29th May 2024

Executive Portfolio: Executive Councillor for Customer Services, Councillor Stephen Ferguson

Report by: Karen Sutton, Director of Finance & Corporate Resources

Ward(s) affected: All Wards

Executive Summary:

The LGA peer challenge review in March 2023 identified seventeen actions to improve internal governance within the Council. The follow up to this review noted a further five actions. This paper provides an update on action progress.

Recommendation:

It is recommended that the Committee consider the report and comment on the progress achieved and state any action they wish to be taken.

1. PURPOSE OF THE REPORT

1.1 To update members on the achievement of LGA peer challenge review actions.

2. WHY IS THIS REPORT NECESSARY?

2.1 Corporate Governance Committee (CGC) is charged with the oversight of governance within the organisation and should therefore determine if the actions have been implemented.

3. BACKGROUND

3.1 The peer challenge review recommended seventeen actions to improve the effectiveness of governance within the Council. The follow up review in February 2024 recommended a further five actions.

Of the original seventeen actions:

- Thirteen have been fully completed.

- Two are in progress.

- Two cannot start until the outcomes of the two actions in progress are known.

Further details on these are listed on Appendix 1 to this paper.

Progress is ongoing for the five new actions and this is also detailed on Appendix 1.

5. KEY IMPACTS

5.1 If the Council does not maintain strong governance and control, or demonstrate that it is monitoring compliance with its controls, then it is failing in its statutory responsibilities.

6. REASONS FOR THE RECOMMENDED DECISIONS

6.1 The report is presented to Committee to give transparency on the progress being made in completing peer review actions.

7. LIST OF APPENDICES INCLUDED

Appendix 1 – Peer review actions update.

CONTACT OFFICER

Karen Sutton
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Internal Audit Peer challenge actions, tracker sheet – update as at 14th May 2024

Ref	Suggestion	Comment by HDC	Proposed Action (Mgt)	Due Date	Audit Action Taken	Progress to February 2024	Comments from Peer Review March 2024
1.	Internal Audit Manager to facilitate or feed into a CIPFA Corporate Governance Committee self-assessment exercise and help to develop a training programme for members.	An effective CGC needs to have a balance of skills across the key elements of Risk Management, Finance and Audit and, where these skills are identified as missing or skewed, appropriate training is proposed to correct this.	IAM to facilitate a self-assessment exercise for committee members, feedback outcomes at a subsequent meeting with proposed actions for members to decide upon.	Feedback to CGC at Jan 2024 meeting.	In progress. A self-assessment exercise was carried out in September. This used the CIPFA checklist rather than the extensive toolkit as an initial indicator and included a discussion on skills based around those attending the session. The assessment is to be shared with whole committee and include all members' comments the committee's effectiveness. To be effective, the assessment needs to be completed by all members.	Updates of the exercise were shared at the January 2024 committee meeting. Chair has asked for a further session to be set up to discuss actions, this is being organised by Democratic Services.	**Recommendation 1:** Complete action by May 2024 peer review. All CGC members have been reminded to send their completed skills assessment to the S151 Officer as soon as possible. These will be consolidated and linked to training plans being arranged by Democratic Services. **Action complete – skills matrix outcomes shared with Chair & Vice Chair**

2.	The Terms of Reference for the Corporate Governance Committee to be regularly/annually reviewed against CIPFA best practice standards and other example of best practice from across the sector to ensure continuous improvement.	To ensure the Council's ToR reflect current legislation and chartered body recommendations, they should be reviewed on an annual basis.	The IAM to review ToR against CIPFA best practices and propose changes to the Deputy Monitoring Officer (DMO) to reflect any updates which are necessary.	Review of ToR to be presented to CGC in Q4 of each financial year, in preparation for the new financial year. March 24	Still to be done. This has been deferred to after the self-assessment by committee has been completed so any additional responsibilities or changes can be made.	Subcommittee of CGC to review CIPFA models ToRs & report to May meeting	**Recommendation 1:** Complete action by May 2024 review. Action as agreed at March CGC **Action complete – new ToR recommended to Council**
3.	Further questions for consideration by the CGC: • Could the MO/Deputy MO be more involved with the Corporate Governance Committee, by presenting the Annual Governance Statement, Corporate Code of Governance?	The AGS and Code of Corporate Governance were drafted by the S151 Officer in collaboration with the MO.	No further action required.	Ongoing control.	.		**See Recommendation 3 below.**
	• There are no declarations of interest recorded for the last 12 months. Are there are any that have gone unrecorded? Is advice of the MO being taken on interests by the committee?	Declarations of interest are requested at the start of all meetings and recorded in minutes.	DMO to ensure new members are briefed on what is a declaration of interest as part of induction process.	Ongoing control.	Internal Audit has checked declarations made at meetings against those on declarations register. No anomalies were found.		**Action complete.**
	• Could task groups or working groups of the committee be set up to give additional capacity to review areas of risk/financial strain in more detail?	Would this be beneficial to CGC members?	CGC to consider this	TBD	CGC will consider working groups as and when the need arises.		**Action complete.**

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4.	The Corporate Governance Committee to consider receiving a briefing on CIPFA's Internal Audit Untapped Potential report highlighting areas for action.	This was the basis of the Peer Review and has already been made available to members. The Peer Review feedback, and this action plan accomplishes the action	Action complete	N/A	Completed	Done	**Action complete.**
5.	Consider a review the role of the Corporate Governance Committee within the Constitution, to ensure the role of committee is clear and transparent.	This should be part of the review linked to action 2.	Per action 2	Per action 2			**Recommendation 1:** Complete action by May 2024 review. This is part of action 2 above. **Action complete – additional section added to ToR to provide clarity**
6.	Governance review suggestions. • Internal Audit Manager, the Monitoring Officer and Director of Finance and Corporate Resources to consider regularly meeting to raise and resolve concerns. • Carrying out a governance review (stock take) as part of establishing the new management team. • Joint training for members and officers on good governance.	The IAM and S151 already meet on a regular basis, with the DMO being invited as needed. We assume this relates to CLT recruitment, which is ongoing, and will be assessed once recruitment is complete. The self-assessment exercise for members in Action 1 should be extended to CLT as	No further action Undertake self-assessment exercise for CLT once recruitment is complete, link in with member training for Action 1 where possible or organise additional training if the specific need has already been covered.	Ongoing control. To be completed within three months of all CLT members being recruited and employment commencing		CLT recruitment not yet completed (final CLT member joins mid-March). Assume this will also link in with the future peer review.	**Recommendation 1:** Complete action by May 2024 review. CIPFA skills matrix assessment to be used. **Action complete**

3

		well, with similar follow up training.					
7.	Senior management and internal audit to work together to consider whether internal audit is best placed to undertake additional tasks outside of its core purpose such as Annual Governance Statement, Code of Corporate Governance review.	It is important the IAM has the opportunity to feed into the AGS and Code of Corporate Governance, but this has been drafted by the S151 Officer recently and will continue as such.	No further action	Completed	Completed		**Action complete.**
8.	Consideration be made to keeping the Internal Audit Manager informed of the outcomes of Management Team meetings or invited where relevant to observe discussions relating to key transformation projects to enhance strategic approach to auditing.	The IAM is already able to discuss ongoing projects/programmes with the relevant managers, and the risks arising.	Service management team meetings will be asked to update the IAM with any changes to service risks discussed. The IAM will engage with the PMO regarding current projects/programmes.	With immediate effect		IAM has been given full access, and encouraged, to discuss all projects with the relevant PMO or Service Manager	**Action complete.**
9.	The Internal Audit Manager to discuss key strategic risks from the register with each service area and devise an assurance plan covering the management of key risks.	The IAM has full access to all risks on the Council's 4Risk system and should use these to develop the action plan going forward.	Future IA plans to be linked to the Council's risk registers.	With immediate effect	The Risk Register has been used to formulate the Internal Audit plan. It is still the intention to review the operational audits in the Plan once Services have	Service risks are due to be reviewed in the Service Plan review (due for submission 8th March). This will then feed into the	**Recommendation 1:** Complete action by May 2024 review. Complete by CGC **Complete – 2024/25 Internal Audit plan has been created from Risk Register and will be**

					completed their risk register.	2024/25 audit plan activity.	**presented to May 2024 CGC for approval.**
10.	Conducting a risk maturity assessment would be a good way to provide advice and increase the chances that the risk register can be relied on for planning purposes as maturity increases.	Once the Council's Risk Management Strategy has been approved and distributed, this will be the next stage of developing its risk management robustness.	A risk maturity exercise to be undertaken.	Within six months of the revised Risk Strategy being approved.	Risk Management Strategy was approved on 14th November, the risk maturity assessment can now commence.	New Risk & Controls Officer recruited to fill the vacancy left by the previous officer's resignation. Risk register review work will commence with the Service Plan development.	**Recommendation 1:** Complete action by May 2024 review. **Ongoing – Risk & Controls Officer reviewing with service managers. Increased engagement by services with other areas, e.g., Health & Safety has been noted.**
11.	Internal Audit considers areas in the assurance plan where a 'position statement' style approach could be used to provide advisory support for new or developing areas.	IA is already developing this methodology and using it in specific areas across the Council.	No further action required.	With immediate effect.	Completed		**Action complete**
12.	A calculation of auditor's chargeable time (i.e., available audit days minus annual leave, management commitments, training days and ad-hoc/investigatory work) to be undertaken.	The methodology for calculating the number of audit days available has been developed as part of the planning for 2023/24.	The calculation of available days to continue to be used as a measure of IA capacity.	With immediate effect.	The resource plan has been designed.	Resource plan designed but still be allocated to plan.	**Recommendation 1:** Complete action by May 2024 review. **Action complete – prepared as part of 2024/25 audit plan**

Internal Audit Peer challenge actions, tracker sheet – update as at 14th May 2024

	In addition, a skills and knowledge assessment of the audit team to be undertaken once an assurance plan for 2023/24 has been devised. If a shortfall is identified, this to be reported to senior management and CGC for resolution.	The skills and knowledge assessment can be undertaken once the current recruitment exercise for IA has been completed.	Undertake skills and knowledge assessment of IA team	Within three months of current recruitment exercise completing.	The skills and knowledge assessment is still to be undertaken but a skills matrix has been started to capture the qualifications, experience, skills and preferences for each auditor.		**Action complete – All IA members have completed CIPFA skills matrix to identify future training needs.**
13.	The internal assessment to reference available evidence to support conformance for each standard in preparation for a full External Quality Assessment.	The Council has a statutory duty to undertake an External Quality Assessment every five years. The internal assessment, and collection of evidence is the initial stage of this, to identify area of non-compliance.	IAM to undertake internal assessment of IA and to develop a plan for achieving areas of non-compliance.	To be completed by 31st March 2024		Update awaited from IAM.	**Recommendation 1:** Complete action by May 2024 review. BDO has since been commissioned to undertake review with report ready by May 2024 review. **BDO commenced work 7th May and are due to complete 17th May.**
14.	A detailed QAIP (quality assurance & improvement plan) to be developed shared and discussed with senior management and the CGC. QAIP to include;	This is a follow on from action 13 and is the detailed plan for achieving compliance.	IAM to develop internal assessments outcomes into a QAIP, including training needs and performance metrics.	To be completed by 30th June 2024.	Development of the QAIP has commenced.		**Recommendation 1:** Complete action by May 2024 review. This will be dependent upon the outcomes of the BDO report.

	• Areas of all perceived partial conformance with PSIAS and LGAN with actions to develop into conformance with a timeframe and responsible officer allocated for each. • Team training requirements; covering areas of emerging risk such as climate, artificial intelligence, cyber security, culture, data analytics. Performance metrics measured by the team with stretching targets to demonstrate a commitment to continuous improvement. These should be agreed with the CGC and Senior Management and reported at least annually.						
15.	Internal Audit to continue to look for opportunities to carry out data analytics and invests in skills in this area for the future. In the meantime, the team can suggest data maturity enhancements in each area audited if full population testing cannot be carried out.	These are key tools to complement the work of the IA team and their deployment is key to maintaining the effectiveness of the team. However, this is an action that should follow the development and implementation of the QAIP.	Following completion of the QAIP, the IAM to consider how these skills can be developed and implemented within the team.	To be completed by 31st December 2024.			**Recommendation 1:** Complete action by May 2024 review. Following BDO assessment a submission to be made to New Ideas process to enable investment in the appropriate skills/software.

16.	Internal Audit to consider its approach to supporting the Assurance Board forward plan and Terms of Reference review in addition to supporting the CGC in areas such as; • Statutory Compliance Framework • Health and Safety assurance • Best Interest Reports Lessons Learnt • Governance Stocktake; • Covid Review • Counter Fraud and Whistleblowing Strategy, Actions, Resources, Review of risks, • Strategic/Complex Partnerships/Collaborations review.	The IAM sits on the Assurance Board and is able to request items to be covered at the board. A forward planner for items to be discussed is being formulated and the opinion of the IAM should be sought as part of this.	No further action required.	Completed.			**Action complete**
17.	The Director of Finance and Corporate Resources and Internal Audit Manager to work together to formally appoint the outsourced IT audit provider so that assurance can be provided to support the opinion.	A tender was run, and a contract offered to the successful bidder. However, the provider declined the offer due to internal pressures on their side. The provider that was runner up to the tender has been approached.	To appoint the provider that was runner up, or to re-run the tender process.	Update to be provided to CGC at 12th July 2023 meeting.	Complete - contract signed and audit plan for IT areas assessed/ suggested, subject to agreement. 3 reviews are proposed for 2023/24 although ICT have stated they may not be able to accommodate.		**Action complete**

	New Recommendations, March 2024						
1	Accelerate the delivery of actions from the audit peer challenge in March 2023 to ensure all 17 are complete or on course to be completed by May 2024 when the corporate peer challenge takes place. Priority needs to be given to conducting the internal and external assessments.						See actions noted against the original peer challenge outcomes above.
2	Provide immediate additional senior officer capacity and experience to the internal audit and risk functions to direct and oversee audit and risk development and actions. Alongside this; ☐ consider an options appraisal for future delivery of internal audit to ensure the council has the capacity, resilience and skills required. ☐ review the content of internal audit reports to ensure they focus on core business, and other senior officer reports take responsibility for the wider items, such as the peer review action plan, governance developments and significant issues and updates.						The s151 Officer has committed considerable amounts of their time to direct Internal Audit & Risk Management. Significant progress has been made in resolving open actions and commissioning work. • The recruitment process has commenced for a new Internal Audit Manager who will lead on delivering the outputs of the BDO review. • Internal Audit reports for 2024/25 will be refocussed to provide greater clarity and guidance.

							Reports to Committee no longer cover wider aspects of governance, these will be submitted as separate reports.
3	Evaluate the capacity and status of the monitoring officer against the needs of the council to ensure accountability and leadership of governance best practice and statutory compliance in accordance with LGIU and LLG recommendations on the Changing Role of the Monitoring Officer Changing Role of the MO Report. The post would also benefit from reporting to the head of paid service.						The Chief Executive is undertaking a review of Monitoring Officer capacity and their role in the organisation and is considering how to implement the necessary changes required.
	Following approval of new terms of reference for the Corporate Governance Committee (CGC) and a review of its membership; ☐ Conduct a skills audit to support the development of a programme of training and development for members ☐ Ensure that a development plan is in place to increase the scores of the self-assessment ☐ Should the model terms of reference be approved, the additional items covered						The new ToR will be submitted to full Council for approval on 22nd May. This includes a recommendation to reduce the committee membership to seven members plus up to two Independent Members. Outcomes of the recent skills audit will be shared with Group Leaders to inform their choices for proposed committee membership. A further,

	by the CGC (standards, constitution and elections) need to be considered as to where these responsibilities should sit going forward.						more detailed, skills audit will be undertaken with the new committee to identify further training needs; training has already been organised for June to commence this process.
5	Review all governance, roles and responsibilities and working in a political environment training and development for officers as well as members. Then develop a four-year programme to include induction, role descriptions and ongoing support to increase knowledge and awareness.						Additional Officer and Member training has already commenced, and a programme of further training is being developed. The review of roles is being considered as part of the Monitoring Officer changes discussed in action 2.

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: **Internal Audit Plan and Charter 2024/25**

Meeting/Date: Corporate Governance Committee – 29th May 2024

Executive Portfolio: Executive Councillor for Customer Services, Councillor Stephen Ferguson

Report by: Karen Sutton, Director of Finance and Corporate Resources

Ward(s) affected: All Wards

Executive Summary:

The Committee has responsibility under its terms of reference for ensuring the Council undertakes effective internal audits to evaluate the effectiveness of its risk management, control and governance processes alongside the Public Sector Internal Audit Standards (PSIAS).

The plan, based on a list of assurance activities, has been prepared showing areas where audit activity is planned. This considers services where internal audit activities were either deferred from last year's plan or were unable to be completed, areas of risk highlighted in the organisation's risk registers and the mitigating actions put in place to control these, and areas of statutory review. In addition, the plan fully links back to the organisation's Corporate Plan and the respective declared risk in the risk register and their associated risk scores. This means, should new areas of risk emerge, their respective scores can be assessed against the plan and the plan adjusted to allow for higher-priority reviews to be included.

A capacity review of the Internal Audit team was undertaken, and the plan linked to the outputs of this. This is based upon the current team establishment and the use of BDO LLP for ICT audits.

The Internal Audit Charter establishes the framework within which Huntingdonshire District Council's (HDC) Internal Audit Service operates to best serve the Council and to meet its professional obligations under applicable professional standards. It defines the purpose, authority and responsibility of internal audit activity, establishes the Internal Audit Service's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Following the recommendations from the LGA Peer Challenge review, the Charter has been reviewed in line with the recommendations of CIPFA and PSIAA and is attached at Appendix 2 for approval.

RECOMMENDED

It is recommended the Corporate Governance Committee:

- Reviews and approves the Internal Audit Plan.

- Review and approves the Internal audit Charter.

- Agrees that changes can be made to the Internal Audit Plan following consultation between the Internal Audit Manager, S.151 officer and the Chairman of Corporate Governance Committee.

1. PURPOSE OF THE REPORT

1.1 To recommend to the Committee that the Internal Audit (IA) Plan for 2024/25 be approved.

2. BACKGROUND

2.1 The Accounts and Audit Regulations 2015 require that the Council '…must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards (PSIAS) or guidance'

2.2 The Public Sector Internal Audit Standards (PSIAS) require Internal Audit to "establish risk-based plans to determine the priorities of internal audit activity, consistent with the organisations goals". The risk-based plan must also:

- take into account the requirement to produce an annual internal audit opinion.
- incorporate a strategic high-level statement of how the internal audit service will be delivered and developed and how it links to the Council's objectives and priorities.
- explain how internal audit's resource requirements have been assessed; and
- include the approach to using other sources of assurance and any work required to place reliance upon those other sources.

2.3 The development of a risk-based plan takes into account the organisation's risk management framework. The process identifies the assurance (and consulting) assignments for a specific period, by identifying and prioritising all those areas on which objective assurance is required. Once the Risk Register update has been completed, it will be used to influence and feed the Audit Plan to ensure that the reviews are both risk-based and support corporate objectives.

2.4 Furthermore, Internal Audit must review and recommend adjustments to the plan as necessary, in responses to changes in risks, operations, programs, systems, and controls.

Internal Audit Plan

2.5 The audit plan should not be a static document, produced only once a year. It needs to be able to reflect the changing risk and control environment. There has always been a need to advance, defer, add or remove audit reviews throughout the year. It is proposed that a more flexible planning approach is used.

2.6 A flexible risk-based Audit plan allows for audit reviews to be moved up or down based on a revised assessment of risk and importance to the Council.

2.7 Changes to the internal audit plan will be agreed by the Head of Internal Audit after consultation with the S151 Officer and the Chair of the Corporate Governance Committee. They will also be reported to Committee.

2.8 The Audit Plan for 2024/25 is attached at Appendix 1. The plan, based on a list of assurance activities, has been prepared showing areas where audit activity is planned. This considers services where internal audit activities were either deferred

from last year's plan or were unable to be completed, areas of risk highlighted in the organisation's risk registers and the mitigating actions put in place to control these, and areas of statutory review.

2.9   In order to ensure that the internal audit service adds value to the Authority, assurance should be provided that its major business risks are being managed appropriately, along with providing assurance over the system of internal control, governance and risk management processes. It considers governance measures already in place and seeks to complement and duplicate these.

2.10   Risk-based internal audit planning starts with the Council's Corporate Plan, linking through to the priority areas and related high-level objectives. The focus is then on the risks, and opportunities, that may hinder, or help, the achievement of those objectives. The approach also focuses on the upcoming projects and developments for the Council.

2.11   The approach ensures better and earlier identification of risks and increased ability to control them. The key distinction with establishing plans derived from a risk-based internal audit approach is that the focus should be to understand and analyse management's assessment of risk and to base audit plans and efforts around that process.

2.12   The plan has been prepared after considering the aims and priorities of the Corporate Plan, the risks identified through the risk register and their respective scores and the concerns highlighted through the Annual Governance statement.

Internal Audit staffing/resourcing

2.13   The internal audit provision is through a small team of directly employed staff, supported by external resources where specific technical expertise and knowledge is required, e.g., ICT reviews.

The current ICT expertise is provided by BDO LLP (BDO). The contractual arrangement allows for BDO to also provide general internal audit services to the Council where needed.

An internal capacity review was undertaken for the current internal audit team and the proposed plan aligned to the outputs of this.

Internal Audit Charter

2.14   The Internal Audit Charter establishes the framework within which Huntingdonshire District Council's (HDC) Internal Audit Service operates to best serve the Council and to meet its professional obligations under applicable professional standards. It defines the purpose, authority and responsibility of internal audit activity, establishes the Internal Audit Service's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

2.15   It is usual practice for the Internal Audit Charter to be presented for review and approval alongside the new Internal Audit Plan. Following the LGA Peer review of Internal Audit, the Charter has been redrafted in line with the recommendations of CIPFA and PSIAS and is attached at Appendix 2 for approval.

Other sources of assurance

2.16   The PSIAS requires that the audit plan planning process takes into account other sources of assurance that will be available during the year. Managers have been requested to provide details of any independent reviews from which assurance could be obtained to avoid/minimise duplication of effort. These external or third-party assurances are captured and used to support the audit opinion. It is intended that internal sources of assurance will also be used, for example, where the service has undertaken a self-assessment. Whilst this does not allow for the same level of independence as an external source it is still considered valuable source of assurance that can be used to assist the audit process.

3.   RISKS

3.1   Non-delivery of the internal audit plan, or not undertaking sufficient work across the Council's control environment (the framework of governance, risk management and internal control) may affect the ability of the Internal Audit Manager to provide the Committee with a robust annual internal audit opinion.

4.   LINK TO THE CORPORATE PLAN

4.1   The Internal Audit Service through the audit plan contributes Priority 3 of the Corporate plan:

Delivering good quality, high value-for-money services with good control and compliance with statutory obligations.

Specifically, it supports the organisation by undertaking reviews providing assurance that:

- significant risks identified in the risk register are managed effectively,
- laws and regulations are being met,
- business and financial processes and systems are managed effectively and
- assets are safeguarded.

It also improves the performance of the Council by assessing current risks, considering emerging risks, identifying efficiency gains and process improvements.

5.   CONSULTATION

Members of Internal Audit, Senior Leadership Team and the wider governance team have been given the opportunity to input to the proposed plan.

6.   LEGAL

The Accounts and Audit Regulations 2015 require every local authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account PSIAS.

7.   RESOURCE IMPLICATIONS

7.1   The audit plan has been assessed against the Internal Audit capacity plan which is based upon the approved establishment for 2024/25.

7.2   It is essential that the Internal Audit Plan is duly flexible to address changes in the risk horizon for the organisation. Therefore, it is there should be appropriate delegation to the Internal Audit Manager to permit such changes, in consultation with the S.151 Officer and Chairman of Corporate Governance Committee, and these changes reported to the Committee.

8.   REASONS FOR THE RECOMMENDED DECISIONS

8.1   The Committee's terms of reference require it to consider and approve the Internal Audit Plan and Internal Audit Charter.

9.   LIST OF APPENDICES INCLUDED

Appendix 1 - Internal Audit Plan 2024/25.
Appendix 2 – Internal Audit Charter

BACKGROUND PAPERS
Public Sector Internal Audit Standards
HDC Risk Register
Record of other assurances

CONTACT OFFICER

Name/Job Title: Karen Sutton, Director of Finance and Corporate Resources
Email: Karen.Sutton@huntingdonshire.gov.uk

INTERNAL AUDIT - PLAN 2024/25

Ref	Audit Area	Council Priority	Risk Register Context	Inherent score	Residual Score	Rational for Plan	Estimated days	SLT RO
Audits removed from 2023/24 plan:								
#1	**Risk Management, implementation of strategy & follow up of previous actions**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	299 - Insufficient Risk Management hampers organisation's effectiveness	12	9	Organisation has implemented a new Risk Management Strategy to aid the effective mangement of risk in the organisation and the review is to assess the organisation's deployment and knowledge of the strategy.	15	Director of Finance & Corporate Resources
#2	**Minor works follow up - *now Medium Term Civils Contract procurement***	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	279 - Non Adherence and failure to follow agreed procurement policies and processes	12	6	Follow up of previous audit actions that identified a contract had expired but was still being used - procurement activities, roll out across organisation & contract management	15	Director of Finance & Corporate Resources
Audits carried forward from 2023/24 plan:								
#3	**Budget Management; financial sustainability**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	288 - Financial strain and uncertainty impacting service delivery	16	9	Financial sustainability is critical and so great reliance is placed upon those responsible for budgetary control and management. The review will seek to ensure that all officers involved in the system (decision takers, finance officers, budget holders, and those holding them to account/challenge) are all suitably trained and aware of process responsibilities.	12	Director of Finance & Corporate Resources
#4	**Corporate Governance - Scheme of delegations**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	343 - Resource and Process Deficiencies: Hindrance to Council Objectives	8	6	Assurance task linked to validation of Annual Governance Statement.

Review of sample of decisions made in year (staffing, financial and constitutional) to evidence the scheme of delegation in the Constitution was complied with. | 8 | Monitoring Officer |
| #5 | **Partnership working** | Priority 1: Improving quality of life for local people: Improving the happiness and wellbeing of residents | 308 - Public Sector Partnership Risk: financial burdens and delivery impact | 15 | 12 | 1) What governance exists for choosing partners and how are these partnerships managed? Nominated managers, regular reviews, defined outputs, where are outcomes reported to?

2) Select a small number of existing partnerships, how were these selected and approved? What policies were followed? | 20 | Corporate Director - People |
| #6 | **Development Management** | Priority 2: Creating a better Huntingdonshire for future generations | 290 - Unplanned growth due to ineffective sustainable development planning.

296 - Inadequate 5-Year Housing Land Supply Due to Outdated Local Plan | 12 | 8 | Verify project plan in place for review of Local Plan, engagement with members is evidenced, review annual monitoring on five year land supply and accuracy of data. | 12 | Corporate Director - Place |

Ref	Audit Area	Council Priority	Risk Register Context	Inherent score	Residual Score	Rational for Plan	Estimated days	SLT RO
#7	**Home Improvement Agency**	Priority 1: Improving quality of life for local people: Improving the happiness and wellbeing of residents	309 - Public Sector Pressures Risk: Financial Impact on Council	16	12	Risk mitigation is *"Active engagement with both health and public health agencies to develop shared priorities and interventions".* The Internal Audit will consider how the arrangements with the Home Improvement Agency are working, how the agreements outcome are managed, whether they are providing best value for the Council and if decision making is in line with HDC's policies.	12	Corporate Director - People
Proposed new audits:								
#8	**Operations, vehicle maintenance processes**	Priority 3: Delivering good quality, high value- for money services with good control and compliance with statutory obligations	327 - Vehicle Maintenance Staff retirement	15	3	Ensure records for service continuity exist, are kept updated and reviewed to enable service to continue without disruption	15	Corporate Director - People
#9	**All services, contract management**	Priority 3: Delivering good quality, high value- for money services with good control and compliance with statutory obligations	280 - Failure to effectively manage contracts	9	4	Review a selection of contracts across various services that have been procured in 2023/24 and review how these are being monitored and managed by service managers.	20	Director of Finance & Corporate Resources
#10	**Data Quality Standard Compliance**	Priority 3: Delivering good quality, high value- for money services with good control and compliance with statutory obligations	262 -Data Quality Standard Compliance	9	3	Lack of compliance with Data Quality Strategy leading to a potential for wrong decisions being made based on inaccurate information.	15	Chief Operating Officer
#11	**One Leisure, pool operation records**	Priority 1: Improving quality of life for local people: Improving the happiness and wellbeing of residents	328 - Mixing of pool chemicals resulting in serious injury or death to one or more people	12	8	Review of all processes and controls linked to safe operation of pools.	15	Head of Leisure & Health
#12	**Review of asset management records, HDC properties**	Priority 3: Delivering good quality, high value- for money services with good control and compliance with statutory obligations	186 - Failure to maintain Council's assets , results in assets not fit for purpose and/or possible accidental injury to users/occupiers.	16	6	Ensure all records meet statutory requirements. This should include H&S records for water hygiene, asbestos etc	15	Director of Finance & Corporate Resources
#13	**Review of commercial estates rent review processes and invoicing**	Priority 3: Delivering good quality, high value- for money services with good control and compliance with statutory obligations	288 - Financial strain and uncertainty impacting service delivery	16	8	Strategic priority to carefully consider expenditure for non-statutory services and maximise income for commercial interests.	15	Director of Finance & Corporate Resources
#14	**DFG Grant verification**					Annual need	3	Chief Operating Officer
#15	**Green bin implementation & transfer to BAU operations**	Priority 2: Creating a better Huntingdonshire for future generations	Project risk - £2m/annum income stream	15	5	High value service, will this continue to operate effectively and in line with controls once it's transferred to normal service. Verification of project to business as usual transfer plans, identification of process and control owners going forward, process notes	15	Corporate Director - People

Ref	Audit Area	Council Priority	Risk Register Context	Inherent score	Residual Score	Rational for Plan	Estimated days	SLT RO
#16	**Green credentials on projects already implemented**	Priority 2: Creating a better Huntingdonshire for future generations	307 - Environmental Sustainability Risk: Challenges to Area Attraction	9	9	The Council is investing consider resources into reducing its negative impact upon the environment; how are the returns on these investments being captured, verified and reported. What happens where projects are not achieving the expected outcomes?	15	Corporate Director - Place
#17	**Code of procurement**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	279 - Non Adherence and failure to follow agreed procurement policies and processes	12	6	Consider an extract of annual spend by supplier from TechOne. Select a sample of suppliers across multiple delegated spend levels and consider the procurement proccess followed.	15	Director of Finance & Corporate Resources
#18	**Facilities Maintenance & ICT**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	177 - Power loss to main server rooms causes significant failure or loss of IT systems inculding telephony, data systems, software and hardware.	16	6	Review of physical infrastructure e.g., emergency generator, processes and regular checks undertaken to ensure these key resources remain effective.	15	Director of Finance & Corporate Resources
#19	**Key Controls - Internal Board assurance**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	343 - Resource and Process Deficiencies: Hindrance to Council Objectives	4	3	Review of board functions against agreed ToR, follow up of action completions, demonstration of effective governance and challenge.	12	Monitoring Officer
ICT AREAS								
#20	**Critical Applications Security**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	301 - Cybersecurity Risk: Growing Threat Landscape and Vulnerabilities	20	15	Audit commenced in 2023/24 by BDO.	15	Chief Operating Officer
#21	**Follow ups, previous ICT actions**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	339 - Major ICT Failure Risk: Disruption to Council Operations	12	9	**Carry forward from 2023/24 plan** - review of a sample of previous ICT audit findings to validate if the actions were still in place and were effective.	7	Chief Operating Officer
#22	**Immutable Back ups**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	339 - Major ICT Failure Risk: Disruption to Council Operations	12	9	**Carry forward from 2023/24 plan -** The immutable backups were put in 2022/23. ICT had an independent audit to ensure that backups were separated enough from our network that should there be a cyber incident the immutable backups would not be impacted. No audit was undertaken of the processes for recovery, schedule for testing authenticity of backups and independent storage of username & passwords. ICT Management has suggested they need to ensure that we have all this in place to provide assurance that the data is protected and can be recovered when required.	8	Chief Operating Officer

INTERNAL AUDIT - PLAN 2024/25

Ref	Audit Area	Council Priority	Risk Register Context	Inherent score	Residual Score	Rational for Plan	Estimated days	SLT RO
#23	**IT Governance & Strategy**	Priority 3: Delivering good quality, high value-for money services with good control and compliance with statutory obligations	340 - Information Breach Risk: Weakness in Data Security	12	9	**Carry forward from 2023/24 plan -** Review of Information Governance arrangements, including policies, with focus on in service arrangements. Review of training, education and support provided for all staff (perm, FTC, contractors, agency) to mitigate the risk.	15	Chief Operating Officer

Internal Audit Charter

Version Control			
Version	**Author**	**Date**	**Changes**
1.0	Karen Sutton	17th April 2024	

Policy Name:	Internal Audit Charter
Post Responsible:	Internal Audit Manager
Date approved/adopted:	
Approved by:	Corporate Governance Committee
Review date:	March 2025

1 Introduction

1.1. This charter establishes the framework within which Huntingdonshire District Council's (HDC) Internal Audit Service operates to best serve the Council and to meet its professional obligations under applicable professional standards. It defines the purpose, authority and responsibility of internal audit activity, establishes the Internal Audit Service's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

1.2. It will be subject to periodic review by the Head of Service – Internal Audit ('Head of Internal Audit') and presented to the Corporate Governance Committee for approval.

2. Relevant regulations and interpretation

2.1. The requirement for an internal audit function in local government is set out in the Accounts and Audit Regulations 2015 ('the Regulations'). "Internal audit: A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

Regulation 5. (1)

Accounts and Audit Regulations 2015

2.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) is the relevant standard setter for internal audit in local government in the United Kingdom. CIPFA has published Public Sector Internal Audit Standards ('PSIAS'), which encompass the mission of Internal Audit and the mandatory elements of the Global Institute of Internal Auditors' International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing). These documents are therefore mandatory for internal audit in local government in the United Kingdom, and they are supplemented within PSIAS by additional public sector interpretation and guidance. CIPFA has also published a Local Government Advisory Note setting out sector-specific requirements for local government within the United Kingdom.

2.3. HDC's Internal Audit Service therefore operates in accordance with this mandatory definition, code, standards and advice.

2.4. Section 151 of the Local Government Act 1972 states that every local authority in England and Wales should "make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". In its Statement on the Role of the Chief Financial Officer in Local Government CIPFA has defined 'proper administration' as including compliance with the statutory requirements for accounting and internal audit. It also requires the chief executive and director of resources (S151) to ensure an effective internal audit function is resourced and maintained.

3. Definitions

3.1. Both the Global Institute of Internal Auditors and PSIAS set out the following definition of internal auditing:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's 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."

Global Institute of Internal Auditors, and

Public Sector Internal Audit Standards, 2017

3.2. The Global Institute of Internal Auditors and PSIAS also refer to the 'board' and 'senior management' and PSIAS recognises that these terms need to be interpreted in the context of the Council's own governance arrangements.

3.3. PSIAS defines the board as:

"The highest level of governing body charged with the responsibility to direct and/or oversee the activities and management of the organisation. […] 'Board' may refer to an audit committee to which the governing body has delegated certain functions."

Public Sector Internal Audit Standards, 2017

3.4. Within HDC the board is defined as the Corporate Governance Committee.

3.5. Senior management is defined as the Council's Senior Leadership Team (SLT). This comprises:

- Chief Executive,
- Corporate Director for People,
- Corporate Director for Place,
- Director of Finance and Corporate Resources (S151),
- Chief Operating Officer
- Assistant Director (Strategic Insights and Delivery).

3.6. PSIAS also refers to the 'chief audit executive' who, at HDC, is deemed to be the Head of Internal Audit.

4. **Responsibilities**

4.1. The regulations set out that HDC must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

4.2. It is the role of the Internal Audit Service to provide independent assurance that these risk management, control and governance processes are adequately designed and effectively operated. PSIAS makes clear that the provision of this assurance is internal audit's primary role and that this requires the Head of Internal Audit to provide an annual opinion based on an objective assessment of the framework of governance, risk management and control.

4.3. This assessment will be supported by the identification, analysis, evaluation and documentation of sufficient information on each individual audit assignment, and the completion of sufficient assignments to support an overall opinion for the

organisation as a whole. The scope of internal audit's work therefore encompasses all of the Council's functions and services and all of its activities.

4.4. The requirement to be independent and objective means that the Internal Audit Service cannot assume management responsibility for risk management, control or governance processes. However, the Internal Audit Service may support management by providing consultancy services. These are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control. They will also contribute to the overall assurance opinion.

4.5. Accountability for responses to the Internal Audit Service's advice and recommendations for action lies with the Council's managers, who either accept and implement the advice or accept the risks associated with not taking action. Advice, including where the Internal Audit Service has been consulted about significant changes to internal control systems, is given without prejudice to the right of the Internal Audit Service to review and recommend further action on the relevant policies, procedures, controls and operations at a later date.

4.6. The Head of Internal Audit will provide an annual report incorporating an overall opinion, a summary of the work that supports that opinion, a statement of conformity with PSIAS, and the results of the quality assurance and improvement programme.

4.7. A note of the responsibilities of SLT ('senior management') and the Corporate Governance Committee ('the board') in relation to the internal audit function are set out in the appendix to this charter. The Internal Audit Service's responsibilities are set out in PSIAS, and these are supported by detailed operational policies and procedures that are regularly reviewed and updated as necessary.

5. Independence, objectivity and integrity

5.1. The Internal Audit Service remains independent of the Council's other functions and, with the exception of its support to management in relation to counter fraud and investigatory work, no member of the Internal Audit Service has any executive or operational responsibilities. Auditors are expected to deploy impartial and objective professional judgement in all their work, whether on audit work or investigations.

5.2. The Internal Audit Service's work programme and priorities are determined in consultation SLT and the Corporate Governance Committee, but remain a decision for the Head of Internal Audit. The Head of Internal Audit has direct access to and freedom to report in their own name and without fear or favour to all officers and members, and specifically the Corporate Governance Committee. They have the formal opportunity prior to each committee meeting to meet with the chair and deputy chair of the Corporate Governance Committee.

5.3. The independence of the Head of Internal Audit is further safeguarded by ensuring that their remuneration and performance assessment are not inappropriately influenced by those subjects to audit.

5.4. All auditors make an annual declaration of their interests and update this during the year as necessary, and where any auditor has a real or perceived conflict of interest this is managed to maintain the operational independence of the service as a whole. If independence or objectivity are impaired in fact or appearance, then the nature of the impairment is disclosed as appropriate. The Head of Internal Audit makes an annual declaration that the internal audit function is operationally independent.

5.5. All auditors also make an annual declaration that they have read and are aware of the obligations placed on them by the Public Sector Internal Audit Standards and, specifically the Code of Ethics. They each acknowledge that they must adhere to the Code of Ethics and demonstrate integrity, objectivity, competence and confidentiality in the discharge of all their duties.

6. Reporting lines and relationships

6.1. The Head of Internal Audit reports functionally to the Corporate Governance Committee and organisationally to the Director of Finance and Corporate Resources, who is the Council's Finance Officer under s.151 of the Local Government Act, 1972. They have direct access to the Council's Chief Executive.

6.2. The Head of Internal Audit has, in addition, regular access to the chair of the Corporate Governance Committee which normally meets at least six times each year, and the Head of Internal Audit reports to each meeting of that committee under its terms of reference. The Corporate Governance Committee is responsible for approving the annual audit plan.

6.3. The Head of Internal Audit, the Internal Audit Service as a whole, and HDC adhere to the requirements of CIPFA's Statement on the Role of the Head of Internal Audit.

6.4. The Internal Audit Service works with the Council's external auditor, and other review bodies as necessary, to provide an efficient and effective approach to audit and inspection, which is intended to deliver effective performance and avoid any duplication of work.

7. Access to information

7.1. The Internal Audit Service has the right of unrestricted and direct access to the Council's records however held, its assets, premises and officers. In entering into partnership arrangements with external organisations the Council ensures that the same rights of audit access apply to partners' records, assets, premises and officers. The Internal Audit Service has the authority to obtain all such information and explanations as it considers necessary to fulfil its responsibilities.

7.2. Internal auditors respect the value and ownership of information they receive and the reports they produce, and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so. They are prudent in the use and protection of information acquired in the course of their duties and shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the Council's legitimate and ethical objectives.

8. Internal audit resources

8.1. HDC has taken the strategic decision to provide its internal audit service largely in-house and is committed to providing a service that meets the best quality standards. However, the Council has decided that, to meet the requirement that assignments are performed with proficiency and due professional care, it will obtain additional support where specialist knowledge is required. This is obtained specifically in respect of assurance over the Council's information technology management and control systems.

8.2. The Chief Executive and Director of Finance and Corporate Resources ensures that internal audit resources are sufficient to meet its responsibilities and achieve its objectives. If the Head of Internal Audit or the Corporate Governance Committee considers that the level of audit resources in any way limits the scope of internal audit or prejudices the ability of the Internal Audit Service to deliver a service consistent with its statutory and related requirements, they will advise the Council accordingly.

8.3. Nonetheless, the Internal Audit Service has finite resources and its workforce is therefore deployed to meet an annual audit plan that pays regard to the relative risks accepted, and levels of assurance required, by HDC.

9. Competency

9.1. The Head of Internal Audit and audit managers are required to hold appropriate professional audit qualifications. These are defined as full membership of one of the institutes of the Consultative Committee of Accountancy Bodies or professional membership of the Chartered Institute of Internal Auditors. It is expected that senior auditors will either hold or be close to and actively working towards full professional qualification but, exceptionally, they may be qualified by experience at a demonstrably professional level.

9.2. The Council's performance and development opportunities are applicable to all staff within the Internal Audit Service, which supports continuous staff performance appraisal and development.

10. Quality assurance and improvement

10.1. The Head of Internal Audit operates a quality assurance and improvement programme that both monitors the on-going performance of internal audit activity and periodically assesses the Internal Audit Service's compliance with PSIAS. This includes both internal and external assessments and is set out in a separate quality assurance and improvement programme.

10.2. The results of the quality assurance and improvement programme including any areas of non-conformance with PSIAS are reported annually to SLT and the Corporate Governance Committee. This report will include information regarding:

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

11. Corrective action plans. Non-audit work: investigations and counter-fraud services

11.1. PSIAS recognises that the Internal Audit Service may go beyond the work needed to meet its assurance responsibilities and provide services to support management, including consultancy services and or investigating suspected fraud or corruption. Such services apply the professional skills of internal audit and contribute to the overall assurance opinion.

11.2. to the Internal Audit service will work with other teams as part of the Council's approach to combating and responding to financial crime. This will include but is not limited to receiving, recording and reporting to the Corporate Governance Committee the whistle-blowing allegations received, and assisting the Council's

participation in data matching exercises including the National Fraud Initiative, which matches data from the Council's information systems with information held by other bodies to identify potentially fraudulent activity.

11.3. The Internal Audit Service is not responsible for the prevention or detection of fraud and corruption. Managing the risk of fraud and corruption is management's responsibility. Internal auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption and to any indications that fraud and corruption may have occurred. Internal audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected.

11.4. The Head of Internal Audit should be informed of all suspected or detected financial crime including fraud, corruption or impropriety and will consider the implications for their opinion on the adequacy and effectiveness of the relevant controls, and the overall internal control environment.

Responsibilities in relation to the internal audit function

The Council's Senior Management Team ('senior management')

The Senior Management Team will:

1) Consider, and contribute to the development of the risk-based internal audit plan, supporting its completion within the organisation;
2) Make appropriate enquiries to determine whether there are inappropriate scope and/ or resource limitations to the internal audit function;
3) Consider the scope of the external assessment, and internal quality assurance and improvement programme, and receive and consider the results of both, including areas of non-conformance with PSIAS.

The Corporate Governance Committee ('the board')

The Corporate Governance Committee will:

1) Approve the internal audit charter.
2) Approve the risk-based internal audit plan, including the Internal Audit Service's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
3) Approve significant interim changes to the risk-based internal audit plan and resource requirements.
4) Make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
5) Consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
   a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
   b) Regular reports on the results of the quality assurance and improvement programme.
   c) Reports on instances where the Internal Audit Service does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the annual governance statement.
6) Consider the Head of Internal Audit's annual report:
   a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the quality assurance and improvement programme that supports the statement.
   b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion, which will assist the committee in reviewing the annual governance statement.
7) Consider summaries of specific internal audit reports as requested.
8) Receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
9) Contribute to the quality assurance and improvement programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
10) Support the development of effective communication with the Head of Internal Audit.
11) Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: **Corporate Risk Register**

Meeting/Date: 29th May 2024

Executive Portfolio: Stephen Ferguson, Executive Councillor for Customer Services

Report by: Karen Sutton, Director of Finance & Corporate Resources

Ward(s) affected: All or list individual Ward(s)

Executive Summary:

The Committee has requested the latest version of the Corporate Risk Register be presented at each Committee meeting.

Recommendation(s):

The Cabinet/Committee is

RECOMMENDED

To consider the report, the risks to the organisation and if these are being managed in line with the Risk Management Strategy.

1.   **PURPOSE OF THE REPORT**

1.1   To inform the Committee of the Corporate Risk Register.

2.   **WHY IS THIS REPORT NECESSARY/BACKGROUND**

2.1   Effective Risk Management is a critical part of the organisation's governance. The Risk Register identifies those areas where the Council should take action to mitigate its exposure and informs the annual plan for Internal Audit. More information on this can be found in the Council's Risk Management Strategy.

        The Committee requested that the Corporate Risk Register be presented at each meeting.

3.   **REASONS FOR THE RECOMMENDED DECISIONS**

3.1   The Committee is asked to consider the report, the risks to the organisation, and if these are being managed in line with the Risk Management Strategy to demonstrate its effectiveness.

4.   **LIST OF APPENDICES INCLUDED**

        Appendix 1 – Corporate Risk Register – May 2024
        Appendix 2 – Heat map of Corporate Risks
        Appendix 3 – Explanation of Risk Register terms

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Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Financial and Resources	288	Financial strain and uncertainty impacting service delivery	CAUSE: Unprecedented impacts from Covid and Brexit, challenging accurate forecasting of potential shifts in consumer and business behaviour and income projections. EVENT: insufficient resources to make necessary decisions, hindering appropriate planning EFFECT: Fluctuations in income, necessitating a responsive approach to potential reductions of incre	L = 4 I = 4 Very High (16)	Strategic focus on value for money, cost control and income maximisation. Strategic priority to carefully consider expenditure for non-statutory services and maximise income for commercial interests. - Move from net budget reporting to a focus on income and expenditure separately. Regular budget monitoring and escalation is a key control measure. In year this includes an in principal decision to charge for garden waste, and a robust focus on income and numbers in one leisure service plan, alongside the continued commercialisation of traded services such as CCTV, trade waste and the development of new traded services is key. Consider ways of delivering services in more effective Timely monitoring and escalation of variances against income forecasts, for corrective action to budget holders, with appropriate oversight by SLT. That we recognise and respond to the risk of Covid changing behaviours, as well as broader macro economic threats of people having less ability to pay. Better marketing and understanding of consumer priorities to protect and grow income streams.	L = 2 I = 4 High (8)	Regular reporting to SLT, and timely forecasting to service managers.
Corporate Risks	Financial and Resources	289	Increased demand straining council finances	CAUSE: Growing population from housing growth, impacts of an ageing population, economic pressures (inflation, cost of living), and broader effects of covid and brexit. EVENT: Strain on revenue budget, risking overspend, requiring additional resources, or necessitating a reduction in performance standards to manage the surge in demand. EFFECT: Increased strain on the Council's revenue budget.	L = 3 I = 5 Very High (15)	Service planning, monitoring of development activity, active management of demand and the prompt escalation of deviations from the predicted norm. To actively track key risk and high cost services through our refreshed performance management process enabling prompt action to be taken. To actively seek to redesign this via resourcing and leading a key change programme which reviews the way we support residents in need across a range of local providers - Financial vulnerability project. This will see us work with partners to review and define working, particularly around financial distress. Seeking to develop more holistic support which address root causes and prevent issues escalating. Climate Change Strategy Action Plan. Challenge our partners to demonstrate they are tackling these risks in an effective manner to mitigate the risk implications for us.	L = 3 I = 4 High (12)	
Corporate Risks	Financial and Resources	345	Resource Shortage Risk: Hindrance to Housing Ambitions	CAUSE: Council lacks sufficient resources to fulfill housing goals. EVENT: Inadequate resources to achieve the Council's housing plans. EFFECT: Struggle to meet housing targets, potential..	L = 3 I = 4 High (12)	To seek opportunities for external funding, to support housing initiatives. To maintain the delivery of affordable properties as part of new developments. To bring forward an updated housing strategy.	L = 3 I = 3 High (9)	

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Financial and Resources	348	Funding Gaps and Operational Disruptions: Impacts of National Policy Changes	CAUSE: Introduction of new national policies lacking sufficient funding or disrupting council plans. EVENT: Implementation of new national policies affecting various aspects of council. EFFECT: Financial strain, potential disruptions in community services, challenges in achieving council goals, and the risk of legal issues for non-compliance with the introduced policies.	L = 3 I = 5 Very High (15)	"Actively monitoring government circulars, and being active members in Green paper consultations (either separately as a district or wider collaboration with CC and/or CPCA), participation in webinars, guidance updates, discussion groups on emerging policy. Working with politicians to lobby for agendas that have the greatest impact on us and take an active role to ensuring policy changes have the least negative or greatest positive impact for Hunts. Consider ways in which we can work jointly with partners to minimise the cost of administering these duties."	L = 3 I = 4 High (12)	
Corporate Risks	Legal and Contractual	350	General Election 2025 - Legislative Changes Impact	CAUSE: Potential disruption to program plans due to expected legislation changes being halted, delayed or altered. EVENT: General Election 2025 affecting legislative processes and outcomes. EFFECT: Significant impacts on HDC, potentially leading to disruptions, delays or changes in the implementation of program plans due to altered legislation.	L = 3 I = 3 High (9)		L = 3 I = 3 High (9)	
Corporate Risks	Financial and Resources	367	General Election 2025 - Local Government funding changes	CAUSE: Outcome of the general election, due before early 2025, results in a change of government and a redistribution of Local Government Finance Settlement funding to other areas. EVENT: General election due before January 2025 resulting in change of government. EFFECT: Potential significant reduction in Local Government Finance Settlement, impacting service affordability for the Council and availability of resources.	L = 3 I = 5 Very High (15)	Prepare Medium Term Financial Plan on an annual basis. Further develop the Council's financial sustainability away from reliance on central government funding. Robust financial control to ensure the Council is delivering services at the most effective level.	L = 3 I = 3 High (9)	

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Information and Technology	301	Cybersecurity Risk: Growing Threat Landscape and Vulnerabilities	CAUSE: Surge in attempted cyber attacks, identification of high-profile vulnerabilities in our supply chain and integrated applications, and insufficient cybersecurity measures, staff awareness, and training. EVENT: Increasing reliance on technology amplifies the potential impact of a cyber attack on our ability to deliver services, leading to reputational damage, financial penalties, data breaches, and potential significant downtime with data loss or encryption. EFFECT: Substantial consequences on our business operations, including reputational damage, financial losses, potential data breaches, and significant downtime, potentially leading to data loss or encryption.CAUSE: Surge in attempted cyber attacks, identification of high-profile vulnerabilities in our supply chain and integrated applications, and insufficient cybersecurity measures, staff awareness, and..	L = 4 I = 5 Very High (20)	1. services to each develop and evidence (via review by ICT/HR and emergency planning) a sound Business Continuity Plan for continued operations in the event of a cyber event that results in a) total loss of all ICT for a period of 2-3 weeks. No laptops, no network, no local applications, no cloud applications, no printing, no mobile CA (just SMS and calls) b) minimal ICT (internet access, some cloud hosted applications and some laptops/printing for 2-3 months) c) longer term BCP for on site hosted applications being out of action for 6 months+ This is to include support services BCP for HR/Payroll (how will we pay staff and support them), Comms (how to plan for external comms around event) Expansion of ICT procurement advice to enforce mandatory minimum cyber requirement for new software. (Not just buy the incumbent providers option if they don't meet cyber requirements) Investment in dedicated cyber security team. Investment in SIEM monitoring software. which is providing additional monitoring and alerting capapbilities. See ICT service plan - Work is being undertaken with DLUHC and the Cyber (security) Assessment Framework has progressed well and the new security monitoring solution has completed the installation phase has now moved to the configuration and implementation phases. Continued benchmarking against NCSC ten step approach, and monitoring by dedicated cyber security lead. At an operational level annual staff training and focus on specific actions via the compliance task list, the delivery of lunch and learn sessions and information on intranet pages/ regular reminders in staff communications etc. To bring forward targeted updates on a measured risk basis, if cyber threat incidents or risks emerge. Maintain the CPLRF Cyber Resilience plan with partners and exercise at appropriate intervals Undertaking of cyber breach exercise to test preparedness. Use and monitoring of the NCSC ten step cyber security process. Investment in dedicated cyber security team. Quarterly reports on NCSC 10 steps assessments are circulated to Shared services board, IG board and this quarter (Q2 23/24 - a more detailed briefing / presentation was done for OGC.	L = 3 I = 5 Very High (15)	More training and familiarity activity for staff. More BCP planning for services and organisationally. Recruitment and embedding of the dedicated Cyber Security resource + agreeing a programme of work fr the first 12 months. NCSC 10 steps risk management process to be implemented and embedded as part of standard working practices. Reporting to be refined to provide regular information ad updates to Shared Services board and the IG boards. ICT and Procurement teams are working together to ensure ICT requirements - such as cyber security, continuity and availability, etc are covered appropriately as part of procurement processes going forward. This should be a standard ICT requirement / part of the system specification. All service areas have been asked to review and update their BC plans (e.g. in the event of an incident that impacts the availability and security of ICT services). This is being monitored through the current set of service plans which are in the process of being peer reviewed) Investment in to SIEM implementation and adoption - Time, funding and resource is needed for FY 22/23 and beyond.

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Information and Technology	339	Major ICT Failure Risk: Disruption to Council Operations	CAUSE: Significant failure in the council's information technology (ICT) systems. EVENT: Major breakdown or malfunction in the council's ICT infrastructure or services. EFFECT: Severe disruption to council operations and services, potential data loss, service delays, and communication challenges.	L = 3 I = 4 High (12)	To reduce the risk of failure have existing steps & resources in place (dedicated network roles, security systems, UPS and generator power back-up etc)). Delivery of new peices of work that reduce the level of risk (e.g migration to new version of NSX in Q2 23/24 to improve service failover performance). Exisiting mitigations include, data centre split over 2 separate sites, immutable back-ups in place, separate systems management network to provide resilience in the event of high order failure, contract in place for 4 hour response if hardware replacement required due to faults. Data Centre software support in place. Regular maintenance in place to keep system updated and patched. In the event of failure to have organisational BCP measures and the identification of BCPs in service plans for 23/24. ICT are also performing their own BCP cyber related exercise and the outputs of that will be key to inform what and how services deliver their own BCP.	L = 3 I = 3 High (9)	
Corporate Risks	Information and Technology	340	Information Breach Risk: Weakness in Data Security	CAUSE: Potential weakness in the council's data security measures. EVENT: Significant breach of council information, involving unauthorized access or data theft. EFFECT: Exposure of sensitive information, legal consequences, financial losses, and damage to the council's reputation.	L = 3 I = 4 High (12)	Refresh of Information Governance arrangements - with focus on in service arrangements. Continued operation of compliance checklist and new assurance board to ensure more focus and accountability on compliance actions. To continue a focus on training, education and support for all staff (perm, FTC, contractors, agency etc) is paramount for mitigating this risk. To refresh IG management plans across all services supported by dedicated IG resource. Monitoring of performance in responding to FoI by SIRO to identify any services areas that present a performance risk and escalate where necessary	L = 3 I = 3 High (9)	
Corporate Risks	Legal and Contractual	294	Weak Contract and Account Management Risks Financial Inefficiency and Business Needs	CAUSE: Lack of documented processes, staff training, and consequences for non-compliance with codes/policies, leading to inadequate skills, poor planning, and time pressures. EVENT: Potential for unregulated providers, weak financial appraisals, and inefficient procurement, resulting in poor value for money and risks of non-delivery. EFFECT: Legal action from suppliers, reputational damage, financial penalties, poor value goods/services, and potential danger to customers/community	L = 3 I = 3 High (9)	Clearly defined processes. Refresh of our procurement framework. Refresh of our Social value policy. Additional resource placed in procurement. Lunch and learn sessions for staff. Promotion of Code of Procurement, use of TechOne for raising and approving purchase orders and reporting on non compliance around these areas. Promoting the completion of a contracts' register. Routine evaluation of procurement practice through audit activity. Training of all budget holders in procurement practices	L = 2 I = 3 Medium (6)	Review procurment training and processes.

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Legal and Contractual	368	Procurement resources	CAUSE: Procurement legislation is not fully complied with. EVENT: Demand on the organisation's Procurement resources exceeds capacity, resulting in non compliance with procurement regulations	L = 4 I = 4 Very High (16)	Supplement existing procurement resources with additional resource to focus on the new Procurement regulations coming into force Autumn 2024 and changes required to comply with those, to draft the Social Value Procurement policy and to propose changes which may streamline procurement processes.	L = 2 I = 4 High (8)	

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Operating Environment	305	Unforeseen Events Risk: External Factors and Civil Contingencies	CAUSE: Increasing Cyber Security threats, global pandemics like Covid, and climate change-related weather events pose risks of significant, unplanned events. EVENT: Unforeseen events with a direct impact on the organization or the area, requiring a Council response. EFFECT: Uncertain but potentially significant impacts on resources (income/funding), increased demand, and disruptions to planned methods of delivery (people, process, or technology).	L = 3 I = 4 High (12)	good visibility of risk register across organisation. Effective Business Continuity and Emergency Plan. Planning and training for a range of eventualities should hopefully provide us with options for response even if the exact risk is not entirely forecast. Gold, silver duty rotas, training for SLT on duty rota, lessons learnt form bronze response etc To continually reflect and improve emergency planning arrangements. Horizon scanning and planning work via quarterly formal attendance at CPLRF forum at Exec level, allied to monthly attendance at Bronze level for tactical Emergency Planners and direct financial contribution to the CPFRL partnership to fund resources that operate across the partnership Horizon scanning to ensure early sight of any obvious changes Local Resilience Forum training and development, including use of lessons learned Regular review of risk register.	L = 3 I = 3 High (9)	
Corporate Risks	Operating Environment	308	Public Sector Partnership Risk: Financial Burdens and Delivery Impact	CAUSE: Reduction in central government funding combined with demographic and other pressures, leading to potential risks of decisions by one partner impacting the costs or sustainability of another. EVENT: Transfer of demand among agencies due to reduced input in communities, creating challenges in controlling additional demand and budget pressures. EFFECT: Financial and capacity impacts on the authority, potential compromise of services to the public, and increased costs falling on the Council, as all partners experience significant changes and pressures.	L = 3 I = 5 Very High (15)	Using evidence base to identify areas of greatest need (e.g. Covid impact assessment/ Joint Strategic Needs Assessment). Additional burdens funding sought and chased, pursue closer alignment with partners to understand early these pressures and impacts, strategic alignment with partners to share costs (across neighbouring councils or other public sector organisations), regular review/ analysis of 'state of the district' data and demand on HDC service to be able to track and respond quickly Develop a multi agency approach, working closer with partners, communities and other stakeholders to deliver shared Huntingdonshire priorities. Development of a new Huntingdonshire Place Strategy used to provide shared aims, priorities, outcomes and actions. Identification of partners priorities and their delivery across partnerships e.g. Joint Health and Well Being Strategy. Investing senior officer time in strategic and partnership forums to support delivery of better outcomes & system wide improvements. Investing senior officer time in understanding partner issues, and looking to support partners with these issues (e.g. supporting strategy development, senior recruitment, address budget issues). ..	L = 3 I = 4 High (12)	Huntingdonshire Place Strategy adopted end 22/23.

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	Operating Environment	341	Industrial Action Risk: Disruption to Service Delivery	CAUSE: Workforce dissatisfaction or disagreement on employment issues like wages or working conditions. EVENT: Initiation of industrial action, including strikes or other forms of labor protests. EFFECT: Impact on service delivery and corporate plan objectives due to disruptions caused by the industrial action.	L = 4 I = 3 High (12)	Open and transparent conversations about pay with staff and their representatives, being clear on the cost and implications of demands. The development and maintenance of business continuity plans in the event of industrial action, to seek to mitigate the impacts. Proactive communication with residents and communities who could be impacted in the event of the threat of industrial action. The co-production with the workforce of a Workforce Strategy to prepare the Council for the changing skills needed in our future workforce, and to ensure that we can continue to attract, retain and nurture talent.	L = 3 I = 3 High (9)	
Corporate Risks	Operating Environment	342	Shared Service Breakdown Risk: Disruption to IT Services	CAUSE: Breakdown in relations between the council and 3C shared service partners. EVENT: Significant deterioration in the working relationship and cooperation between the council and 3C shared services. EFFECT: Disruption of IT services and projects, potentially resulting in IT failures, project delays, and increased costs for the council.	L = 2 I = 4 High (8)	Re-baselining of all ICT costs currently underway. Strategic conversations about the future direction of ICT scheduled for 2023, to clarify requirements and service expectations going forward. Active review of partnership working between three councils also being proposed. Regular board meetings between all parties to discuss/resolve issues and ensure services being delivered are still relevant and effective. Dispute resolution protocols.	L = 2 I = 3 Medium (6)	
Corporate Risks	Operating Environment	347	Development Management Risk: Impaired Achievement of Commitments	CAUSE:: Council lacks skills and/or resources for economic growth in the District. EVENT:: Failure to achieve housing, economic growth, and environmental commitments. EFFECT: Non-achievement of NNDR funding growth, unmet resident outcomes, and a threat to the future prosperity of the district.	L = 4 I = 4 Very High (16)	Undertake the Development Management Improvement programme to improve the performance of the planning service To continue enhanced performance management activity and focus on maintaing capacity in the team. "	L = 3 I = 3 High (9)	
Corporate Risks	People	292	Council capacity and focus risks for corporate plan delivery	CAUSE: inability to effectively manage diverse programmes and change projects, leading to challenges in achieving MTFS financial targets and improved resident outcomes. Causes include ineffective resource management, poor performance monitoring, unclear corporate priorities, and a lack of alignment between work programs and	L = 4 I = 4 Very High (16)	* Strengthen linkage between strategic and corporate priorities and programmes and projects delivered. *Ongoing review of Corporate priority programmes, projects & activities, including use of internal audit and external consultants. *Ongoing review of the Council's approach to programme and project management ensuring a significant focus on delivery across the whole Council. *All SLT members advocates and champions of adopted, proportionate and risk based approach. *Ongoing review of corporate officer governance.	L = 3 I = 3 High (9)	*Spring 22 SLT restructure * New approach to 22/23 Service Plans established by end March 22. *Q1 22/23 implementation of SLT re-structure. *By end Q322/23 review of internal officer governance completed.

Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
				between work programs and local service plans. EVENT: difficulty unifying and managing various programs, hindering the delivery of MTFS financial targets and improved outcomes. Adverse impacts on the local community, reputational damage, site-based working instead of collaboration, delayed improvements, and resources not allocated strategically. EFFECT: Impaired ability to		New corporate plan developed and endorsed by Full Council in line with the clear objectives of the Council and clarity of actions being developed to deliver this, and alignment of MTFS against this. With clear and transparent quarterly reporting regime against this. Refreshed project oversight to monitor and deliver outcomes.		

| Risk Area	Sub Risk Area	Risk Ref	Risk Title	Cause, Event, Effect	Inherent Risk Priority (IL x II)	Risk Control / Mitigation	Residual Risk Priority (RL x RI)	Action Required
Corporate Risks	People	346	Workforce Recruitment and Retention Challenge	CAUSE: Council faces difficulties in attracting and retaining well-trained staff. EVENT: Challenges in recruiting and retaining staff with the required skills and training. EFFECT: Potential workforce gaps leading to delays, diminished service quality, and difficulties in fulfilling various duties for the council.	L = 4 I = 4 Very High (16)	To deliver a renewed Workforce Strategy to prepare the Council for the changing skills needed in our future workforce, and to ensure that we can continue to attract, retain and nurture talent. To bring forward a new communications strategy which includes consideration of how to market HDC to potential employees. To reinvigorate the Employee Reps group, so that employees have a greater sense of involvement in, and commitment to, the organisation.	L = 4 I = 3 High (12)	
Corporate Risks	Policy and Process	343	Resource and Process Deficiencies: Hindrance to Council Objectives	CAUSE: Insufficient allocation, planning, governance, or internal processes within the council. EVENT: Inadequacies lead to challenges in fulfilling the council's objectives or legal responsibilities. EFFECT: Council may struggle to achieve goals or fulfill legal duties, potentially resulting in service disruptions, legal issues, and reduced effectiveness.	L = 2 I = 4 High (8)	Review of organisational governance and framework of assurance in place across organisational governance & risk, performance, project and programme delivery, strategic opportunities. ToR and membership reviewed and updated, to ensure Boards have appropriate data to review monthly, are empowered to make mitigation decisions and actively look to review and amend processes in line with emerging impacts, trends and pressures. A refresh of our Emergency Plan and Business Continuity plan activity. Organisation constitution in place that defines delegated authority limits and roles and responsibilities of Officers and Members. To complete senior recruitment .	L = 2 I = 3 Medium (6)	
Corporate Risks	Policy and Process	344	Inadequate Internal Reporting: Impeding Timely Response to Resource Challenges	CAUSE: Council's internal reporting lacks speed and coordination. EVENT: Resource shortages or increased demand occur, and the council's reporting systems cannot promptly identify and address issues. EFFECT: Delayed and ineffective responses, making it challenging for the council to address resource shortages or increased demand effectively.	L = 3 I = 3 High (9)	Complete refresh of performance management approach which will focus on more strategic measures and active management of cases that step outside agreed risk parameters. To embed greater focus on income and cost and not just net impact at financial reporting. To fully embed Risk Management thinking so that potential issues are monitored proactively.	L = 3 I = 3 High (9)	

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Risk Movement Report

Report Date	20 May 2024
Risk Status	Open
Risk Area	**Corporate Risks**, Customer and Reputational, Financial and Resources, Information and Technology, Legal and Contractual, Operating Environment, People, Policy and Process
Risk Level	Corporate

Risk Movement Report

Inherent to Residual movement
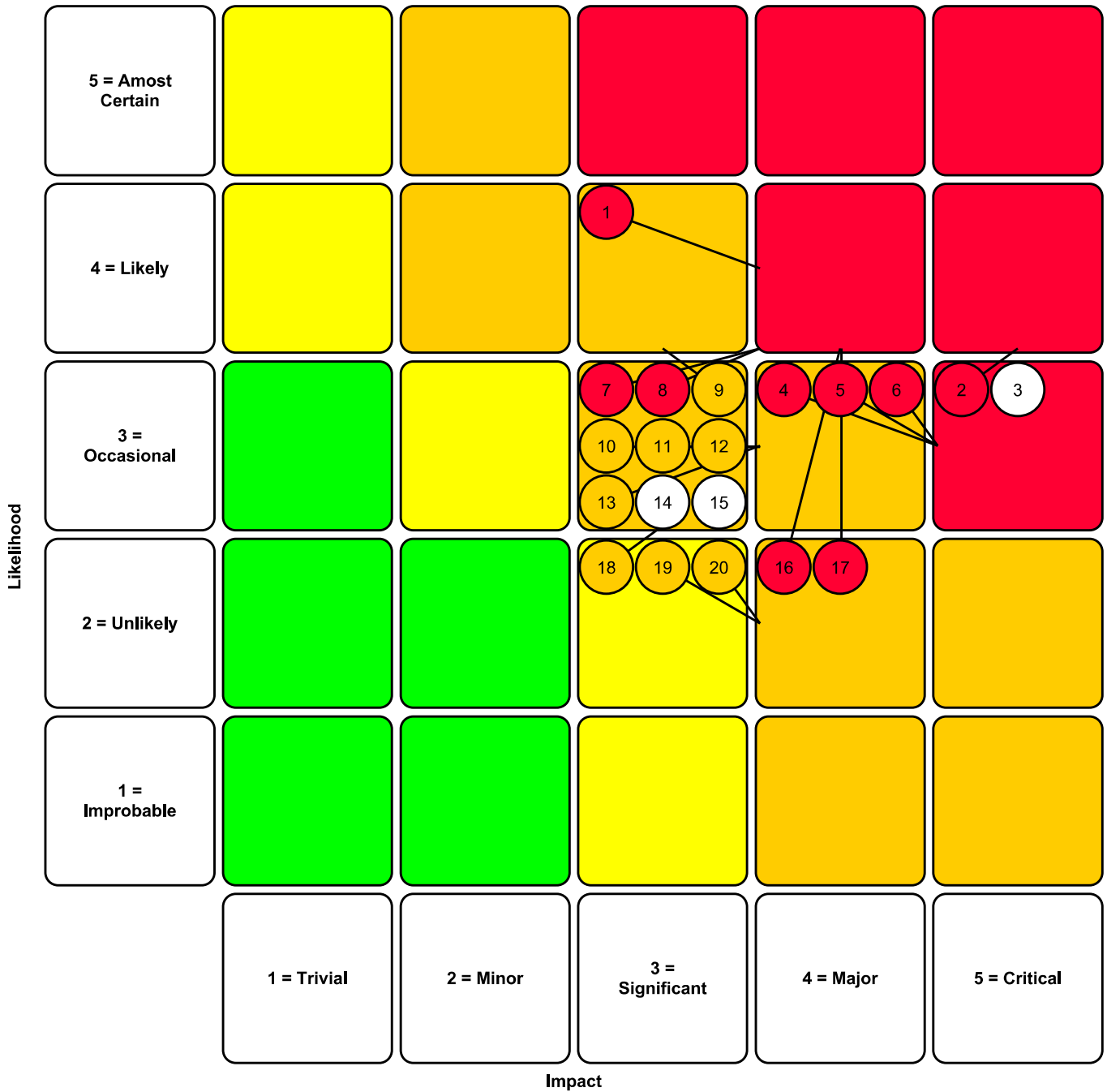
Risk Movement Report

Grid #	Risk Ref	Risk Title	Inherent Risk Priority (IL x II)	Residual Risk Priority (RL x RI)
1	346	Workforce Recruitment and Retention Challenge	L = 4 I = 4 Very High (16)	L = 4 I = 3 High (12)
2	301	Cybersecurity Risk: Growing Threat Landscape and Vulnerabilities	L = 4 I = 5 Very High (20)	L = 3 I = 5 Very High (15)
3	367	General Election 2025 - Local Government funding changes	L = 3 I = 5 Very High (15)	
4	308	Public Sector Partnership Risk: Financial Burdens and Delivery Impact	L = 3 I = 5 Very High (15)	L = 3 I = 4 High (12)
5	348	Funding Gaps and Operational Disruptions: Impacts of National Policy Changes	L = 3 I = 5 Very High (15)	L = 3 I = 4 High (12)
6	289	Increased demand straining council finances	L = 3 I = 5 Very High (15)	L = 3 I = 4 High (12)
7	347	Development Management Risk: Impaired Achievement of Commitments	L = 4 I = 4 Very High (16)	L = 3 I = 3 High (9)
8	292	Council capacity and focus risks for corporate plan delivery	L = 4 I = 4 Very High (16)	L = 3 I = 3 High (9)
9	341	Industrial Action Risk: Disruption to Service Delivery	L = 4 I = 3 High (12)	L = 3 I = 3 High (9)
10	340	Information Breach Risk: Weakness in Data Security	L = 3 I = 4 High (12)	L = 3 I = 3 High (9)
11	305	Unforeseen Events Risk: External Factors and Civil Contingencies	L = 3 I = 4 High (12)	L = 3 I = 3 High (9)
12	339	Major ICT Failure Risk: Disruption to Council Operations	L = 3 I = 4 High (12)	L = 3 I = 3 High (9)
13	345	Resource Shortage Risk: Hindrance to Housing Ambitions	L = 3 I = 4 High (12)	L = 3 I = 3 High (9)
14	350	General Election 2025 - Legislative Changes Impact	L = 3 I = 3 High (9)	
15	344	Inadequate Internal Reporting: Impeding Timely Response to Resource Challenges	L = 3 I = 3 High (9)	L = 3 I = 3 High (9)
16	288	Financial strain and uncertainty impacting service delivery	L = 4 I = 4 Very High (16)	L = 2 I = 4 High (8)
17	368	Procurement resources	L = 4 I = 4 Very High (16)	L = 2 I = 4 High (8)
18	294	Weak Contract and Account Management Risks Financial Inefficiency and Business Needs	L = 3 I = 3 High (9)	L = 2 I = 3 Medium (6)
19	343	Resource and Process Deficiencies: Hindrance to Council Objectives	L = 2 I = 4 High (8)	L = 2 I = 3 Medium (6)
20	342	Shared Service Breakdown Risk: Disruption to IT Services	L = 2 I = 4 High (8)	L = 2 I = 3 Medium (6)

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Appendix B

Understanding the Risk Register, A Guide to Terms Used

Term	Meaning
Cause	This describes why a risk might happen e.g., a driver of a car not paying sufficient attention to their driving.
Event	This is what is likely to trigger a risk event e.g., in the same example, this could be the driver hitting another car.
Effect	This describes what is envisaged to happen if the risk occurs e.g., if the driver hit another car, it could cause physical damage and possibly injury to occupants.
Inherent Risk	The inherent risk score is what the risk would be if the organisation did nothing.
Residual Risk	This is what the risk score is anticipated to be once the organisation has taken action to reduce the likelihood or impact of a risk.
Risk Control/Mitigation	This describes the action taken by the organisation to move from the inherent "do nothing" risk to the residual risk e.g., introduce driver awareness and skills training. If risk control action is taken, this is expected to lessen the likelihood or impact of a risk and therefore the residual risk score should be less than the inherent risk score. NB. It is not always possible to take action to mitigate a risk, or the cost of taking mitigating action might exceed the anticipated financial impact of the risk arising.
Risk Score	To help assess the severity of a risk, scores are allocated to it depending upon the expected likelihood or impact, the table below describes these.

Risk Assessment Scoring Matrix:

			1	2	3	4	5
Likelihood / Frequency	Almost Certain	5	Medium	High	Very High	Very High	Very High
	Likely	4	Medium	High	High	Very High	Very High
	Occasional	3	Low	Medium	High	High	Very High
	Unlikely	2	Low	Low	Medium	High	High
	Improbable	1	Low	Low	Medium	High	High
			1	2	3	4	5
			Trivial	Minor	Significant	Major	Critical
			Impact				

Likelihood / Frequency

Alternatively this could be expressed as likely to happen within the next:

5 = Almost Certain Will definitely occur, possibly frequently. Month

4 = Likely Is likely to occur, but not persistently. Year

3 = Occasional May occur only occasionally. 3 years

2 = Unlikely Do not expect it to happen but it is possible. 10 years

1 = Improbable 20 years

Can't believe that this will ever happen, but it may occur in exceptional circumstances.

When considering Health & Safety related risks, the likelihood should be expressed as being likely to happen within the next:

4 = Likely Monthly

3 = Occasional Yearly

2 = Unlikely 5 years

Further advice on assessing Health & Safety risks can be obtained from the Health & Safety Manager

Impact

Risks will be evaluated against the following scale. If a risk meets conditions for more than one category, a judgement will need to be made as to which level is the most appropriate. For example, if a particular health and safety risk was significant, could result in minor short-term adverse publicity in the local media but had only a trivial financial impact, it might still be categorised as significant.

1 = **Trivial** event or loss, which is likely to:

- cause minor disruption to service delivery on one or two consecutive days, not noticeable to customers.
- increase the Council's net cost over the 5 year medium term financial strategy (MTFS) period by £50,000 or less.
- be managed with no reporting in the local media.
- cause localised (one or two streets) environmental or social impact.

2 = **Minor** event or loss, which is likely to:

- cause minor, noticeable disruption to service delivery on one or two consecutive days.
- increase the Council's net cost over the 5 year MTFS period by more than £50,000 but less than £100,000.
- result in minor short-term (up to a fortnight) adverse publicity in the local media
- * be a Health and Safety (H&S) concern that results in an injury but 7 days or less off work
- have a short term effect on the environment i.e. noise, fumes, odour, dust emissions etc., but with no lasting detrimental impact

3 = **Significant** event or loss, which is likely to:

- cause disruption for between one and four weeks to the delivery of a specific service which can be managed under normal circumstances.
- affect service delivery in the longer term.
- increase the Council's net cost over the 5 year MTFS period by more than £100,000 but less than £250,000.
- result in significant adverse publicity in the national or local media.
- * be a Health and Safety concern that results in more than 7 days off work or is a specified injury, dangerous occurrence or disease that is required to be reported to the H&S Executive in accordance with 'Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013' (RIDDOR)
- has a short term local effect on the environment, or a social impact, that requires remedial action.

4 = **Major** event or loss, which is likely to:

- have an immediate impact on the majority of services provided or a specific service within one area, so that it requires Managing Director involvement.

- increase the Council's net cost over the 5 year MTFS period by more than £250,000 but less than £500,000.
- raise concerns about the corporate governance of the authority and / or the achievement of the Corporate Plan
- cause sustained adverse publicity in the national media.
- significantly affect the local reputation of the Council both in the long and short term
- * results in the fatality of an employee or any other person
- have a long term detrimental environmental or social impact e.g. chronic and / or significant discharge of pollutant

5 = Critical event or loss, which is likely to:

- have an immediate impact on the Council's established routines and its ability to provide any services and cause a total shutdown of operations.
- increase the Council's net cost over the 5 year MTFS period by more than £500,000.
- have an adverse impact on the national reputation of the Council both in the long and short term.
- have a detrimental impact on the environment and the community in the long term e.g., catastrophic and / or extensive discharge of persistent hazardous pollutant.

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
24/01/2024	**The Code of Procurement Waiver Procedure** Digest of all uses of the waiver procedure to be presented to the Committee.	At future meetings as required.		Procurement Lead	No
26/04/2023	**Shadow Cabinet Members** Raised by Councillor J A Gray. Elections & Democratic Services Manager undertook to take this forward in conjunction with the Managing Director (Interim) outside of the meeting.	25/09/2024	Constitutional Review Working Group appointed at Annual Council on 22 May 2024 to take forward a review and update as appropriate of the Constitution.	Elections & Democratic Services Manager	Yes
27/09/2023	**Risk Management Strategy** Suggestions to reduce the number of risks within the register and ordered based on priority, as well as consideration of	09/07/2024		Director of Finance and Corporate Resources	No

	modernising the Risk Management Strategy. Review out of date risks and suggested standardisation throughout the document of risk assessing likelihood/impact and formatting. Suggested that Councillors and Officers collaborate on the Risk Management Reporting Framework.				
27/09/2023	**Unaudited Statement of Accounts 2022/23** Information requested on why the **pension deficit/surplus** had seen significant change due to War in Ukraine; whether it had been impacted by the stock market in 2022; and whether the Pension Surplus was likely to continue for the next two years.	09/07/2024		Director of Finance and Corporate Resources	No

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

12/07/2023	**Internal Audit Progress Report** Information requested on an update on Ref.1638, Debtors Action, which had been put on hold.	09/07/2024		Director of Finance and Corporate Resources	No

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