Public Document Pack

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A meeting of the **Corporate Governance & Audit Committee** will be held in virtual on **Monday 9 January 2023** at **2.00 pm**

MEMBERS: Mr F Hobbs (Chairman), Mr J Brown (Vice-Chairman), Miss H Barrie, Mr A Dignum, Mr T Johnson, Dr K O'Kelly, Mr D Palmer and Mr P Wilding

AGENDA

1 **Chairman's Announcements**
Any apologies for absence that have been received will be noted at this point.

2 **Urgent items**
The chairman will announce any urgent items that due to special circumstances are to be dealt with under the Late Items agenda item.

3 **Declarations of Interest**
These are to be made by members of the Corporate Governance and Audit Committee or other Chichester District Council members present in respect of matters on the agenda for this meeting.

4 **Public Question Time**
The procedure for submitting public questions in writing by no later than noon 2 working days before the meeting is available here or from the Democratic Services Officer (whose contact details appear on the front page of this agenda).

5 **Enforcement Agent Contract** (Pages 1 - 4)
Recommendation

The Committee is asked to note the contents of the report.

6 **Capital Strategy Report 2023-2024** (Pages 5 - 33)
Recommendation

The Committee is requested to:

1. Consider the Council's draft Capital Strategy for 2023-24 to 2027-28 and recommend it to Cabinet and Council for approval.

7 **Audit Plan Progress Report** (Pages 35 - 37)
Recommendation

The committee is requested to note performance against the Audit Plan for 2022-23.

8 **Exclusion of the Press and Public**

The Committee is asked to consider in respect of the following item(s) whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Parts I to 7 of Schedule 12A of the Local Government Act 1972, as indicated against the item and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information. **The reports dealt with under this part of the agenda are attached for members of the Corporate Governance & Audit Committee and senior officers only (salmon paper)**.

Or

There are no restricted items for consideration.

9 **Late items**

The committee will consider any late items as follows:

a) Items added to the agenda papers and made available for public inspection
b) Items that the chairman has agreed should be taken as a matter of urgency by reason of special circumstances to be reported at the meeting

NOTES

1. The press and public may be excluded from the meeting during any item of business where it is likely that there would be disclosure of “exempt information” as defined in section 100A of and Schedule 12A to the Local Government Act 1972.

2. Restrictions have been introduced on the distribution of paper copies of supplementary information circulated separately from the agenda as follows:
   a) Members of the Corporate Governance & Audit Committee, the Cabinet and Senior Officers receive paper copies of the supplements (including appendices).
   b) The press and public may view this information on the council’s website here here unless they contain exempt information.

3. The open proceedings of this meeting will be audio recorded and the recording will be retained in accordance with the council’s information and data policies. If a member of the public enters the committee room or makes a representation to the meeting, they will be deemed to have consented to being audio recorded. If members of the public have any queries regarding the audio recording of this meeting, please liaise with the contact for this meeting at the front of this agenda.

4. Subject to the provisions allowing the exclusion of the press and public, the photographing, filming or recording of this meeting from the public seating area is permitted. To assist with the management of the meeting, anyone wishing to do this is asked to inform the chairman of the meeting of their intention before the meeting starts. The use of mobile devices for access to social media is permitted, but these should be switched to silent for the duration of the meeting. Those undertaking such activities must do so discreetly and not disrupt the meeting, for example by oral commentary, excessive noise, distracting movement or flash photography. Filming of children, vulnerable adults or members of the audience who object should be avoided.

Chichester District Council

Corporate Governance and Audit Committee 09/01/2023

Corporate Enforcement Agent Contracts - Update

1. Contacts

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2. Recommendation

2.1 That the committee notes the contents of this report.

3. Background

3.1 The Council uses Enforcement Agents to collect unpaid debts in relation to Penalty Charge Notices, Council Tax, Non-Domestic Rates and BID Levy debts. Whereas most customers pay, a small number of debtors do not and therefore it is important to have Enforcement Agents in place.

3.2 The Council carries out debt collection in line with the Council's Corporate Debt Recovery policy. Enforcement Agents are only utilised where all other collection options have been exhausted.

3.3 Enforcement Agents work in line with The Taking Control of Goods Regulations 2013. There is no cost to the Council for the use of their services. Warrants are obtained through the Traffic Enforcement Centre for debts which remain unpaid; Enforcement Agents collect debts and where possible, return monies in full to the Council. Additional fees collected by the Enforcement Agents are strictly in line with the scale of charges as stipulated in regulations.

3.4 The use of Enforcement Agents ensures that the Council maintains a fair, consistent, and thorough approach to debt collection which demonstrates that it is not acceptable to avoid payment, while also identifying debtors who are unable to, or need help to, clear a debt.

3.5 Two Enforcement Agents were appointed in September 2020 and contracts are in place for the period from November 2020 – October 2023, with the option to extend by two years.

3.6 The Council has an in-depth specification to ensure the companies meet a high standard of service. The contracts are robust and managed by Officers to monitor activities and performance, this includes through regular contract monitoring meetings and review of any complaints received.

4. Update

4.1 The Enforcement Agents are continuing to provide a good level of service, successfully collecting unpaid debts.

4.2 In April 2020, due to the Covid 19 pandemic temporary regulations were introduced which prevented Enforcement Agents carrying out visits to customer properties. Regulations were lifted in August 2020 and measures were subsequently agreed with the Enforcement Agent to make contact with all debtors to address any new vulnerability issues and to assist them with making payment arrangements where possible.

4.3 The Council continue to closely monitor the performance of Enforcement Agents and work with them to promote the best performance.

4.4 Collection rates vary between different locations across the UK. CIVEA (the Civil Enforcement Association) who represent Civil Enforcement Agencies reported in 2019 that the national average collection rates for PCNs was 23% and Council Tax was 28.7%. The Chichester District is considered to be a more affluent area and as such, collection across all debt types is considered to be good. Taking into account the current financial climate and recent disruption to the Enforcement Agent activities during Covid 19, collection rates are higher than expected. These collection rates represent a 'snap-shot in time' and they will increase across all debt types as further work is carried out by the Enforcement Agents.

4.5 Collection Rates

April 2020 - March 2021

Debt Type	No. of Debts	No. Debts Successfully Collected	Amount Collected £	% Collection Rate
Road Traffic (PCNs)	995	375	£37,530.00	38%
Council Tax	901	333	£433,344.17	39.66%
Non -Domestic Rates*	71	36	£142,912.58	30.60%

* Non-Domestic Rates include BID cases

April 2021 - March 2022

Debt Type	No. of Debts	No. Debts Successfully Collected	Amount Collected £	% Collection Rate
Road Traffic (PCNs)	639	233	£23,021.00	36%
Council Tax	1866	496	£733,735.55	25.90%
Non-Domestic Rates*	192	62	£166,942.82	21.88%

* Non-Domestic Rates include BID cases

5 Corporate Enforcement Agent Contract

5.1 The Council has a responsibility to ensure that those who can pay, do and to identify those who cannot pay.

5.2 Without Enforcement Agents, the Council's income across different service areas will be affected.

6 Alternatives Considered

6.1 Not having Enforcement Agents was considered, however, this would mean that debts were uncollectable which would affect income. The use of Enforcement Agents when all other options have been exhausted also encourages debtors to pay earlier to avoid further action which improves collection at earlier stages of the statutory processes. The Council's Agency Agreement with West Sussex County Council for the provision of a Parking Civil Enforcement service requires the authority to have contracts in place with a minimum of two Enforcement Agents for debt recovery.

7 Resource and Legal Implications

7.1 There are no costs to the Council for the use of Enforcement Agents, costs are covered through the debt collection process.

7.2 Enforcement agents work in line with The Taking Control of Goods Regulations 2013 and associated regulations. Legislation was updated in light of Covid 19 where there was a period of time where attendance or entry to properties was suspended.

8 Consultation

8.1 This update does not require consultation; however, a full procurement process was undertaken.

9 Community Impact and Corporate Risks

9.1 Enforcement Agents have comprehensive policies to identify and assist vulnerable debtors, in line with the regulations, and information is shared between the Council and debt collection staff.

9.2 The contracts are monitored, and measures put in place should an Enforcement Agent underperform. The Council purposely appoints two Enforcement Agents in order that performance can be benchmarked which encourages higher collection rates. Cases can also be allocated based on performance if deemed necessary.

9.3 It is ensured that customers are aware of the action the Council can take if debts are not paid and the Council signpost to support services and offer advice, within the statutory processes undertaken.

10 Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder		✓
Biodiversity and Climate Change Mitigation		✓
Human Rights and Equality Impact		✓
Safeguarding and Early Help		✓
General Data Protection Regulations (GDPR)		✓
Health and Wellbeing		✓

11 Appendices

11.1 None

12 Background Papers

12.1 Corporate Debt Recovery Policy.

Chichester District Council

Corporate Governance and Audit Committee

9 January 2023

Draft Capital Strategy 2023-24 to 2027-28

1. Contacts

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2. Recommendation

2.1. **That the Committee considers the Council's draft Capital Strategy for 2023-24 to 2027-28 and recommends it to Cabinet and Council for approval.**

3. Background

3.1. This capital strategy report gives a high-level overview of how capital expenditure and its financing, contribute to the provision of local services, and describes how risks to future sustainability are managed.

3.2. Decisions made as part of the spending plans for the forthcoming year will have financial consequences for the Council and its community for many years into the future.

3.3. Linked to the capital strategy is the Treasury Management and Investment Strategies for 2023-24, which this Committee recommended to Cabinet and Council, at its October 2022 meeting. These documents underpin the financial management of the Council and adheres to the national regulatory framework and the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

4. Outcomes to be achieved

4.1. The Council's Capital Strategy for 2023-24 to 2027-28 are approved before 1 April 2023 in accordance with CIPFA's Capital Strategy Guidance (2021) "A whole organisation approach".

5. Proposal

5.1. The Capital Strategy should be a whole organisation approach, which is linked to the Council's Corporate Plan which sets the priorities for the next three years.

This strategy is underpinned by the Council's Financial Strategy, and its revenue planning and the Treasury Management Strategy.

5.2. In terms of capital planning the Capital Strategy is a key document to put the Council's vision and ambition to provide assets and infrastructure to support the delivery of its services to the community. This is the reason for acknowledging in the development of the Council's capital spending is influenced by both the Council's Local Plan and its Asset Management Plan.

5.3. Appendix 1 sets out the significant changes to the proposed capital strategy considering the 2021 guidance from CIPFA for the Prudential Code for Capital Finance in Local Authorities, and the Treasury Management in the Public Services Code of Practice.

5.4. The Committee is asked to consider the draft Capital Strategy 2023-24 to 2027-28, which sets out the governance and vision of the strategy and recommend it to Cabinet and Council for approval in preparation for the new financial year 2023-24.

6. Alternatives that have been considered

6.1. There is no 'do nothing' option as the Council is required to approve a Capital Strategy before the start of the new financial year in accordance with the guidance.

7. Resource and legal implications

7.1. The Council may be putting its financial standing at risk, with the lack of developing a capital strategy to enable a longer-term strategic planned approach to its capital investment. Following the best practice guidance of CIPFA's for helps avoid ineffective use of its valuable resources. Acceptance of the recommendations in this report would not only help avoid this risk, but would demonstrate that the Council's financial matters continue to be managed prudently

7.2. The Strategy reflects some of the Treasury Management Strategy Prudential Indicators to link the various assumptions of future interest rate movements and Government support for capital expenditure. These assumptions have been taken into account in the 5 year model under pinning the Council's Financial Strategy and resources statement. All these key documents are linked as set out in the strategic planning framework.

7.3. Due to differences in timing between the deadlines for this report and the Council's annual budget, the information contained in the documents at appendix 2 is based on that available as of December 2022. There will inevitably be some difference between these figures and the final approved budget, capital programme and corporate priorities but these will be captured as part of future iterations of these documents.

8. Consultation

8.1. The forthcoming financial year's Capital Strategy document will also be considered by Cabinet before being presented to Full Council for approval as part of the spending plans of the Council in February/March 2023.

9. Community impact and corporate risks

9.1. The development of a capital strategy is a best practice approach to the longer-term strategic planning. Done well, it adds significant value, not only to the successful management of the council, but more importantly to the future success and well-being of the community and the area that it serves.

10. Other Implications

	Yes	No
Crime & Disorder		✓
Climate Change 1. The strategies accompanying this report includes sections on responsible investing and carbon reduction.	✓	
Human Rights and Equality Impact		✓
Safeguarding and Early Help		✓
General Data Protection Regulations (GDPR)		✓
Health and Wellbeing		✓
Other (Please specify): 1. Compliance with the Local Government Act 2003. 2. Compliance with good practice guidance from CIPFA – A Capital Strategy "A whole organisation Approach."	✓	

11. Appendices

11.1. Appendix 1 – Summary of main amendments between 2022-23 and 2023-24

11.2. Appendix 2 – Capital Strategy 2023-24 to 2027-28

12. Background Papers

12.1. None.

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APPENDIX 1

Summary of the main amendments between 2022-23 and 2023-24

(This appendix reports significant changes to the strategy only)

Item Heading	Page	Comment
Strategic Aims & Objectives	2	Reflects Corporate plan objectives approved by Council in January 2022, expanded by the Strategic Leadership Team's (SLT) detailed objectives. New section on "How we will deliver."
Impact of COVID-19	-	Removed paragraph in 2022-23 Capital Strategy from document for 2023-24.
Environmental Sustainability & supporting carbon reduction	2	Commentary expended from "A Climate Emergency Initial Action Plan…" etc.
How we select and prioritise capital investment	3	New section required by the guidance.
Strategic Planning Framework	4	New pictorial diagram setting out how all the different policies and strategies work under the corporate plan.
Approach and Approval Process	4	New insert of details of approach from Linked to the ….. up to paragraph starting "Cabinet is responsible…. etc. "
Project Management	5	New to expand on procedures. Guidance recommendation.
Governance Arrangements – roles and responsibilities	7	New to expand on process, roles, and responsibilities. Guidance recommendation.
Our Investments	9	Expanded with detail of wider definition in accordance with the guidance incorporating approach to investments for service or commercial purposes.
Managing our Assets	13	Additional text from "The AMP was last renewed in…." etc.
Borrowing	14	Included Liability Benchmark Forecast. Guidance requirement.
Decision making	16	New section.
Provision for Repayment of External Debt	17	New section.
Service Investments	17	Specific details of service investments set out in a table, and additional detail regarding risks and uncertainties.
Commercial Activities	19	Section expanded to incorporate procedures for commercial investments.
Knowledge and Skills	21	Section updated to incorporate additional information required by the guidance

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Appendix 2 – Capital Strategy

Capital Strategy 2023 - 24 to 2027- 28

Contents

Introduction

This capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local services and how associated risk is manager by the council.

The Capital Strategy reflects the Council's capital investment and financing intentions in December 2022. Due to the current economic uncertainties and the Council's ongoing response which may impact the future development of its capital intentions, along with the potential effect of a new administration in May 2023 following the council elections.

Our Strategic Aims & Objectives

The Council's Corporate Plan 2022-2025 was last approved by Council on 25 January 2022, and is available on the Council's website here. The plan sets out the Council's priorities that represent the challenges and opportunities facing the District Council over the medium term.

Under the Corporate Plan the Council's priorities are:

- Homes for all
- Thriving Economy
- Supported Communities
- Financial Prudence
- A Cared-For Environment

Each of these priorities are underpinned by several objectives that set out what the Council aims to achieve and the success measures for the identified actions to be undertaken.

How we will deliver

- Focus on our residents' needs
- Push for sustainable change across the District
- Work in partnership to benefit Chichester District
- Lobby for Chichester's interests both regionally and nationally
- Provide quality public services
- Make best use of our resources, including seeking grant funding
- Adopt modern and efficient working practices

Environmental Sustainability

Following the Declaration of a Climate Emergency in 2019, the Council has committed to working towards a carbon emissions reduction across the district of 10% year-on-year until 2025, supporting the national drive to deliver net zero carbon by 2050.

A Climate Emergency Initial Action Plan was approved by the Council in January 2020. This contained a target to reduce emissions by 10% year-on-year between year-end 2019 and year-end 2025. A detailed action plan has been drawn up. It includes a recommendation for the council to reduce its own operational emissions by 10% year-on-year between year-end 2019 and year-end 2025. Both targets will require considerable effort on multiple fronts.

In this initial action plan the council committed itself to:

- Put in place a system for identifying those CDC decisions with impacts on carbon emissions, air quality and biodiversity and ensure that negative impacts are avoided or mitigated.
- To align our council statutory and non-statutory plans, policies and guidance with respective carbon reduction pathways and biodiversity restoration plans, including procurement.

Environmental sustainability is a key consideration in capital investment decisions. Caring for the environment is a Council priority and pushing for sustainable change across the district is important for all Council projects and is achieved through the governance process by requiring consideration and reporting of environmental sustainability in all Cabinet and Full Council decisions. Service Plans capture the environmental strategy plans which capture all environmental/sustainability actions with performance targets. The capital projects are captured in full detail in the service plan and include performance management through SMART targets from procurement through to design and implementation.

More about the Council's response to climate change can be found on the Council's website at https://www.chichester.gov.uk/climatechange

How we select and prioritise capital investment

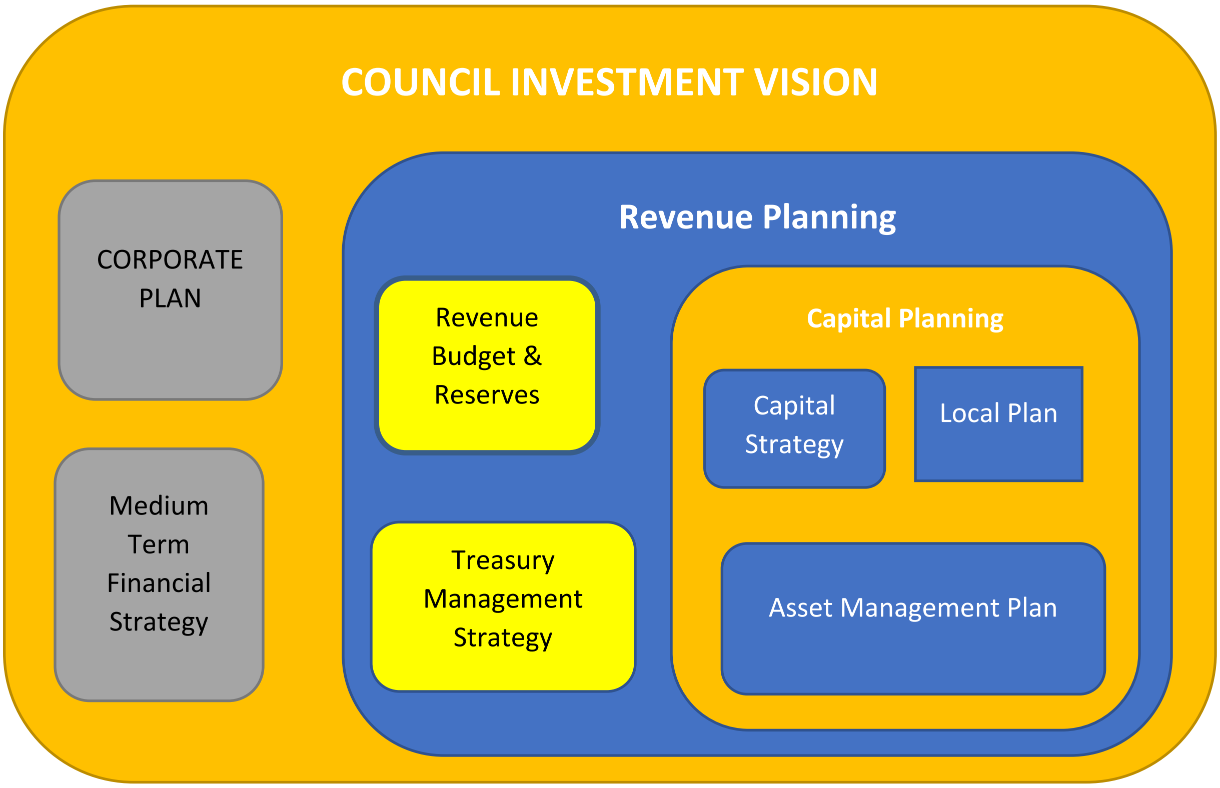
The Council's Corporate Plan and Key Financial Principles, which underpin the Council's approach to financial management of the financial affairs of the Council, and its decision about capital investment and asset management planning.

The Council currently uses the Future Services Framework (FSF) prioritisation tool to understand it's priorities each year through a ranking process with political groups of the council. Members are provided with information packs on all new and contractually uncommitted schemes and are asked to rank those schemes within their political groups. The results are combined and politically weighted and presented back to Council with recommendations based on the ranked results. The low-ranking items are not recommended to come forward but high-ranking items are. However, the FSF is a guidance tool to aid officers understanding of members' priorities and which schemes supported are still subject to further assessment by both members and officers before approval of a significant scheme.

Strategic Planning Framework

The Council's strategic planning framework is set out below:

Diagram 1: Strategic Planning Framework



Approach and Approval Process

Linked to the main financial management objective:

1. The Council maintains a **5 year rolling medium term financial strategy model** which is underpinned by the key financial principles.

2. The **key financial principles**, along with an annual position statement is reported to the Corporate Governance and Audit Committee for their consideration in relation to managing the strategic risk of financial resilience and considering the minimum level of general fund reserves that should be held. The Committee's recommendations are incorporated into the annual Financial Strategy report, considered by both Cabinet and Council ahead of the budget report for the annual budget and council tax setting required prior to the start of the new financial year.

3. A **statement of resources** is maintained to identify the current level of reserves, the commitments against those reserves, and therefore the potential funds available for the Council to invest in new schemes.

4. In year **quarterly revenue monitoring** is undertaken to identify trends and cost pressures which will inform the revenue budget for the forthcoming financial year and beyond. Along with the planned spending on capital and asset replacement projects against the approved programmes.

Under the umbrella of the **Financial Strategy** are other linked key policies and strategies which assist with ensuring the robust financial management of the Council. These are:

- the **Treasury Management and Investment Strategies** – cashflow management linked to the spending plans of the Council and the investment of surplus funds

- the **Capital Strategy** – a corporate strategy that is a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local services and how the risks are managed by the Council.

Both these strategies are updated considering any legislative changes, or relevant good practice as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Council maintains a 5 year capital programme linking the available resources directly to corporate priorities and taking into account revenue implications within the 5 year Financial Strategy Model.

There is also a 5 year planned programme to replace the assets used by the Council to deliver its services, developed from the 25 year Asset Replacement Programme Model. This is updated annually as part of the budget cycle and is in line with the Council's key financial principles; specifically, financial principle 3, that assets are maintained/ replaced, and that the investment is sustainable by not using reserves for ongoing expenditure.

Cabinet is responsible for the acquisition, management, maintenance, and disposal or letting of all council properties together with review and implementation of the Council's Asset Management Plan and this Capital Strategy. The Director of Growth & Place has delegated authority to let, manage, repair and maintain properties.

The Directors of Corporate Services and Growth & Place are responsible for providing professional advice to Cabinet and Council in the discharge of these function; with the Director of Corporate Services being responsible for making arrangements for raising and repaying loans as necessary and overall treasury management of funds until they are required.

Project Management

The Council has a corporate Project Management Guide to aid lead officers and ensure a consistent approach to all projects.

- Projects are different from everyday operations
- All projects will follow a basic three stage process to aid those involved fully understand what needs to be done to manage and deliver the project:

Project start → **Project execution** → **Project close**

Project start

- Identify what will be delivered – the outputs.
- Set out why the project should be delivered – the expected benefits.
- Identify the project costs and resources required, including the project team and governance structure.
- Consider the risks and what could go wrong.
- Produce project plans and agree how the project will be managed.
- Gain approval for the project to commence.

Project execution

- Start delivering the project.
- Manage the resources.
- Monitor and report progress.
- Report any critical issues by exception.
- Manage risks.

Project close

- Confirm delivery to business-as-usual.
- Complete all hand-over activities.
- Gain approval to close the project.
- Disband any temporary resources.
- Review the project's performance, expenditure and management.
- Confirm how outstanding outcomes will be realised and measured.

- There are various documents and mechanisms which lead officers may need to produce and use as part of the governance arrangements for projects.

Initial Project Proposal Document (IPPD)	Project Start	Mandatory: Medium & Large Projects
Project Initiation Document (PID)	Project Start	Mandatory: Medium & Large Projects
Options Appraisal	Project Start	Mandatory: Large Projects
Pentana Performance Updates	Project Execution	Mandatory: Medium & Large Projects
Issues Log	Project Execution	Recommended: All Projects
Risks Log	Project Start & Execution	Recommended: All Projects
Project Plan (initially included in the PID)	Project Start	Recommended: All Projects
Lessons Learnt Log	Project Close	Recommended: All Projects
Post Project Evaluation Document (PPE)	Project Close	Mandatory: Medium & Large Projects

Governance Arrangements

For projects to be effectively managed they require clear governance for the life of the project, with responsibilities and accountabilities clearly understood. The Council's expectations in terms of project roles are listed below.

Who	What
Council	• Approves the Council's budget spending plans, including the Capital Programme and the Council Tax for the year ahead. • Adopts the Corporate Plan which sets out the Council's future priorities and objectives.
Cabinet	• Is responsible for the review and implementation of the Council's Asset Management Plan, Asset Renewal Programme and the Capital Strategy. • Annually reviews the Corporate Plan and considers existing and future Corporate Plan projects. • Agrees the Corporate Plan and approves all related IPPDs for medium and large projects. • Approves PIDs for large projects. • Receives PPE documents for large projects. • Receives exception reports for large projects covering any critical issues such as changes (realised or anticipated) to the business case; including any reduction to the expected benefits, the project plan, level of risk, or variation against the project budget as considered appropriate by SLT or the Senior Responsible Owner.
Cabinet Member	• Has responsibility for the delivery of projects within their portfolio. • Must be involved in the development and consideration of all IPPDs, PIDs and PPEs within their portfolio and must agree the content before it reaches Cabinet. • The Cabinet Member with responsibility for Finance must consider the project costs outlined in the IPPD and PID for large projects following SLT sign-off and before they are agreed by Cabinet. • The Cabinet Member with responsibility for Finance and Corporate Services has overall responsibility for the Project Management process.
All Members	• Review the performance against the Capital Programme via quarterly Pentana reports. • Review performance against projects contained in the Corporate Plan via a mid-year Pentana report.
Overview & Scrutiny Committee	• Reviews performance against projects contained in the Corporate Plan. • Reviews the outcomes and benefits achieved for projects it feels appropriate.
Business Routeing Panel	• Considers the Council work plan. • Decides whether a new project should have member involvement and whether certain stages of a project should be routed to a specific committee or Task and Finish Group.
Senior Leadership Team	• Acts a Project Management Board. • Receives all IPPDs, PIDs, and PPE documents and agrees next steps. • Monitors progress of projects, mainly by exception.

Who	What
	• Receives requests for changes (realised or anticipated) to the business case; including any reduction to the expected benefits, the project plan, level of risk, or variation against the project budget and will refer to Cabinet as appropriate. • Supports Cabinet in the annual review of the Corporate Plan. • Considers the Council work plan and supports the Business Routeing Panel. • The Director of Corporate Services has overall responsibility for the Project Management process including training.
Corporate Improvement Team	• Review all IPPDs and PIDs for medium and large projects before they are signed off by the Senior Responsible Owner. • Maintain a schedule for when medium and large projects should report the PPE and any further reporting of benefits not yet realised. • Where requested by SLT (on a basis of corporate risk), a member of the team will form part of the project's governance structure by assuming either a project assurance or external challenge role.
Senior Responsible Owner (SRO)	• Will normally be a member of SLT but could be a senior manager for small projects. • Champions the project and has overall responsibility for its delivery. • Ensures that the business case is sound and manages the approval of the project. • Responsible for ensuring that an initial kick off meeting takes place with all the anticipated key players to discuss the vision of the project and likely issues (e.g., financial, legal, ICT) to allow for an early understanding of the level of support required internally. At this stage the SRO must also establish what level of project assurance is required. For all large projects this must include a representative of the Section 151 Officer. Where project assurance is required the SRO must ensure there is sufficient capacity for the role to be fulfilled. • Identifies the core Project Team at the kick-off meeting including the Project Manager and a substitute in case the Project Manager is absent. • Provides support to the Project Manager. • Ensures the Project Manager has all the resources necessary to deliver the project and has sufficient time to project manage. There is a risk that if the Project Manager is undertaking lots of tasks on the project (as a normal project resource) then they will not be able to monitor the overall project and could be too late to react to issues as required. • Resolves any issues at a level outside the scope of the Project Manager, for example resources/priorities. • Refers issues by exception to SLT. • Reports to the relevant Cabinet Member, Cabinet, Overview and Scrutiny Committee or Corporate Governance and Audit Committee as required. • Ensures the relevant Cabinet Member is engaged in the development and agreement of the IPPD, PID and PPE.
Project Manager	• Will normally be a senior manager or an appropriately qualified officer and can sit outside the project service area. • The role should not be shared and is the single focus for day-to-day management of the project. • Responsible for producing project documentation including the PID and PPE. • Manages the project delivery including management of the project budget and Project Team (where appropriate).

Who	What
	• Responsible for ensuring effective completion of the project as specified in the PID. • Keeps the SRO regularly informed of progress and of any significant deviation from the project plan (realised and anticipated). • Responsible for routeing relevant project documentation through the Corporate Improvement Team and ensuring the project details, together with the approved budget and project milestones, are added to Pentana and kept up to date. • Responsible for producing progress updates for Pentana. • Ensures project team meetings are arranged as appropriate. • Provides reports as required by the SRO.
Project Team	Not all projects will require a team for delivery. For some it will mean a cross service officer team, whilst others will also have member representation. • A Project Team should be made up of officers who have the required skills, experience and knowledge to deliver the project. • Project Team members must be identified in the PID and their participation must be agreed by the relevant Director to ensure there is enough capacity to support the project. • Project Team members must fully understand their roles and responsibilities. • The Project Team is responsible for carrying out tasks allocated by the Project Manager in accordance with the PID and is collectively responsible for the delivery of the project. • Provides progress updates to the Project Manager (at a frequency to be defined by the Project Manager) and raise issues as they occur. • The size of the Project Team can vary depending on the type and scope of project.

Our investments

The Council holds a significant portfolio of investments, principally categorised into:

- Treasury investments, which arise from the organisation’s cash flows or treasury risk management activity;

- Commercial investments, which are held primarily for financial return and are not linked to treasury management activity or directly part of delivering services; and

- Service investments, which are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.

The Council’s overall projection of each type of Investment over the medium term is shown below (£m)

Treasury investments (£m)	2023	2024	2025	2026	2027
Near-term investments	23	23	23	23	22
Longer-term investments	40	45	45	45	45
TOTAL	63	68	68	68	67

Commercial Investments (£m)	2023	2024	2025	2026	2027
Investment portfolio	14	14	14	14	14

Service Investments (£m)	2023	2024	2025	2026	2027
	1	1	1	1	1

Our Assets

The Council's asset base on 31 March 2022 was

Total Assets £322m

Property, Plant & Equipment
£140m

Investment Property
£14m

Other Long-Term Assets
£68m

Current Assets
£100m

Capital Programme

The Council's present capital intentions are summarised in Table 1

Table 1: Capital programme and major schemes 2022/23 to 2027/28

Capital Expenditure (£m)	2022/23	2023/24	Later	Total
Total approved spend **	33.74	14.80	34.20	82.74
Major schemes – approval by year				
Projects and Schemes (To be completed)				
St. James Industrial Estate - Refurbishment and Replacement of Units	3.28	-	-	3.28
Southern Gateway Project	2.24	-	-	2.24
Disabled Facilities Grants	2.93	1.35	5.40	9.68

Capital Expenditure (£m)	2022/23	2023/24	Later	Total
Other Capital Projects	6.20	0.54	098	7.72
Infrastructure Business Plan (To be completed)				
CIL - School places	3.00	-	6.00	9.00
CIL - Bus Lane along A259 approaching Bognor Rd Roundabout (IBP/354)	0.10	.020	1.93	2.23
CIL - Oaklands Way Cycle Scheme (IBP/937	-	-	3.00	3.00
CIL - Coast Protection - Selsey East Beach - raising of the sea wall (IBP/287)	-	-	5.00	5.00
CIL - Rebuilding and expansion of Westhampnett Waste Transfer Station/Household Waste Recycling Sit. (Project IBP/710)	0.25	2.25	-	2.50
CIL - Southern Gateway provision of bus/rail interchange & improvements to traffic & pedestrian circulation. (Project IBP/206)	3.00	-	-	3.00
CIL - Southern Gateway public realm with new city square. (IBP/775)	1.00	-	-	1.00
CIL - Early Years Places, Whitehouse Farm Development (IBP/593)	-	-	2.10	2.10
Other Infrastructure Projects	4.72	0.22	1.58	6.52
Asset replacement programme (To be completed)				
Vehicle Replacement	2.70	1.40	2.40	6.50
Public conveniences Refurbishment	0.70	-	-	0.70
Other asset replacements	2.10	1.3	5.00	8.40

Affordability

The Council recognises that, due to its nature, the capital programme is constantly changing, so the resource position is regularly updated and monitored to ensure that the programme remains affordable. The Council's resource projection as of 14 December 2022 is shown below.

Table 2: Resources available to finance our Capital programme (£m)

Resources to 31 March 2026	Total
Reserves at April 2022	66.908
New Resources expected in period - Capital receipts - Interest - Revenue contributions - External income, including CIL	 - 1.52 9.05 46.57 2.80

Resources to 31 March 2026	Total
- New Homes Bonus	0.10
- Lower tier support grant	
Total Resources	126.90
Less commitments	-24.39
- Earmarked revenue funding	-4.00
- Minimum Reserves Provision	-5.00
- LEP Grant	-8.00
- COVID 19 Recovery	-0.30
- Other	
Capital Programme	-57.25
- Approved capital projects	-15.63
- Current Asset replacements	
Available Uncommitted Resources	12.36

Tables 1 and 2, taken together demonstrate that the Council currently expects to be able to fully fund its approved capital and asset replacement programmes from existing and expected resources.

The main risk managed by the Council is that the expected resources shown in the table above will not be received or will be received significantly later than forecast. To mitigate this risk, in the above analysis the Council has not anticipated any income from capital receipts.

The receipt of capital resources is closely monitored by the Council's Finance and Estates teams and is regularly reported to the Portfolio holder and to Cabinet. An annual statement on resource projections against capital needs is included with the Council's financial strategy that is presented each year to full Council for approval.

An assessment is made by the Council's Director of Corporate Services of the best financing method for all major capital investments at the earliest stage of the proposal's development. Whilst the present intention is to remain debt free through this period, the Council will assess on a case-by-case basis what financing options exist and which represents the best value for money.

Guidance issued by the Government requires all Councils to be transparent where they plan to use capital receipts flexibility to part fund individual projects. As the Council currently makes significant revenue contributions to fund its capital programme, the Council presently does not intend to make use of this flexibility.

The Director and Corporate Services is satisfied that the proposed capital programme is prudent, affordable and sustainable and this is set out in more detail in the Council's 5-year financial strategy.

Managing our assets

To ensure that capital assets continue to be of long-term use, the Council has an asset management Plan (AMP) which provides the policy framework for the operational work of asset management, asset acquisition and disposal. The AMP was last renewed in 2016 and is pending a full review in order to ensure that the Council's assets efficiently deliver the required standards for provision of services and other operational needs. Stock condition surveys of all the Council's assets will help inform the repairs and maintenance and asset replacement programmes in future years.

Asset Replacement

The Council recognises that it is not sufficient to simply provide for the initial purchase cost of capital assets. Investment in assets requires a long-term view to be taken of the cost of those assets across their entire lifespan.

The Council's revenue budget incorporates repairs and maintenance to council buildings, removing dependency on reserves to fund what is a recurring revenue cost. Commercial investments are let on fully repairing and insuring lease terms to protect the Council's assets.

Other lifecycle costs for all Council assets are forecast for 25 years and included in the Council's approved Asset Replacement Programme (ARP). An annual contribution from the Council's revenue budget to fund this programme is made equating to approximately one 25th of the projected total ARP cost.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account and where it is economical to borrow in advance of spend.

In managing these funds, the Council has adopted the following risk statement

> "As a debt free authority the Council's highest priority in its treasury management function is the security of those investments in accordance with the priorities set out in the CIPFA Treasury Code. Whilst fundamentally risk averse the Council will however accept some modest degree of risk."

This means that, when investing its surplus cash, the Council does not limit itself to making deposits only with the UK Government and local authorities, it can, and does, invest in other areas such as money market funds and tradable instruments such as corporate bonds and pooled funds. The duration of such investments is always carefully considered to limit that risk of them having to be sold (although they may be) prior to maturity, mitigating the risk of the capital sum being diminished through price movements.

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Corporate Services and staff, who must act in line with the treasury management strategy approved by Council. Half yearly on treasury management activity is presented to the Corporate Governance and Audit Committee and Cabinet.

Investments

Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management. The Council's business model for holding treasury investments is designated as 'hold to collect', in that that Council holds these financial assets to collect their contractual cash flows, rather than with a view to selling the assets to generate cash flows. However, there is no absolute requirement that financial assets are always held until their maturity in all circumstances.

The Council prioritise security and liquidity over yield in holding Treasury investments. That is, it focusses on minimising risk rather than maximising returns.

Cash that is likely to be spent in the near term is invested securely to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments can be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy, and the Council may request its money back at short notice.

Table 3: Forecast treasury management investments in £m (31 March)

	2023	2024	2025	2026	2027
Near-term investments	23	23	23	23	22
Longer-term investments	40	45	45	45	45
TOTAL	63	68	68	68	67

These figures do not account for any delays in timing of capital payments. Delays generally increase the available cash balances temporarily above forecast levels.

Borrowing

The Council does not borrow to invest primarily for financial return or make any investment or spending decision that will increase its capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.

If the Council ever identified an expected need to borrow, it will review options for exiting relevant financial investments for commercial purposes and include this summary in the annual treasury management and investment strategy.

The Council is presently debt-free except for a small lease liability for multi-functional printers. It currently has no identified borrowing need other than that which might occur as part of routine working capital management.

The Council's detailed liability benchmark calculations are included in its Treasury and Investment strategy, summarised below

Table 4: Liability Benchmark forecast to 31 March 2027 (£m)

	2022 Actual	2023	2024	2025	2026	2027
Treasury Investments	113	85	81	81	82	83
Minimum Liquidity Allowance	(10)	(10)	(10)	(10)	(10)	(10)
(Liability)/ Investment Benchmark	103	75	71	71	72	73

Although our projections below incorporate some headroom for potential for borrowing should the need arise, funding options for major projects are assessed on a case by case basis by the Council's Financial Services Division. If any future projects are to be funded by borrowing, the project approval process will include the necessary actions to approve any necessary increase to these limits.

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each of the following three financial periods. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 4: Proposed Operational and authorised limits for borrowing (£M)

	2023/24	2024/25	2025/26	2026/27
Operational Boundary				
– borrowing	10	10	10	10
– PFI and leases	2	3	3	3
– Total external debt	**12**	**13**	**13**	**13**
Authorised Limit				
– borrowing	20	20	20	20
– PFI and leases	5	5	5	5
– Total external debt	**25**	**25**	**25**	**25**

Further details on borrowing are contained in the Council the treasury management strategy: http://www.chichester.gov.uk/article/24169/Treasury-Management-Strategy. The limits in this table are provisional until the 2023/24 strategy is approved by Full Council.

Decision making

Treasury decisions are made in accordance with the Council's constitution and the authorised scheme of delegation therein.

Responsibility for Treasury matters rests with the Council's Director of Corporate Services who is the officer charged with ensuring compliance with the Regulatory and Professional framework applicable to Investments made by Local Authorities.

The control framework for Treasury and Investment activity is set by the Council's Treasury and Investment strategy, which is reviewed and approved annually by Full Council. This is supported by operational guidelines within the Council's Treasury and Investment management practices documents.

Reports of Treasury activity are made half-yearly to both the Council's Corporate Governance and Audit Committee and the Cabinet. This includes a section on compliance with the limits and framework established by the Council's Treasury and Investment strategy as well as performance reporting against benchmarks and other locally set indicators.

Liabilities

Decisions on incurring new discretionary liabilities are taken by Divisional Managers in consultation with Director of Corporate Services and within the limits established by the Council's Constitution and Treasury and Investment strategy. The risk of liabilities crystallising and requiring payment is monitored by financial services.

Further details on liabilities, contingent liabilities and guarantees can be found in the Council's statement of accounts: http://www.chichester.gov.uk/statementofaccounts

Interest Rate Exposures

The Council is not exposed to risk associated with the maturity structure of borrowing but recognises that its Treasury investments are subject to risk from movements in interest rates. The Council manages this risk by ensuring an appropriate mix of short term fixed and variable rate investments and a portfolio of external investments in pooled funds.

Provision for Repayment of External Debt

For new borrowing whether supported by the Government or not, provision for its repayment will be made over the estimated life of the asset for which the borrowing is undertaken.

This will be done on a straight-line basis in-line with the asset life determined for depreciation purposes (with a maximum asset life determined in line with CIPFA guidance) and the repayment provision commencing in the financial year following the one in which the asset becomes operational

Further details on the revenue implications of capital expenditure are published with the Council's revenue budget which is considered each year by Cabinet and Full Council.

Service Investments

All service investments must demonstrate a clear contribution towards the Council's strategic objectives or delivery of statutory responsibilities.

Governance arrangements for any new investments are subject to the processes set out in the Council's constitution, including any delegation arrangements provided in that document.

The Council has limits on the service investments possible within its Treasury and Investment Strategy. These are shown in summary in the table below and readers should refer to the Treasury and Strategy for further information.

Category	2021/22 Actual Income %	2022/23 to 2024/25 Income %	Income Limit p.a £000	Upper lending Limit TOTAL £000
Company and Entity Loans	NIL	0.5	110	1,000

Category	2021/22 Actual Income %	2022/23 to 2024/25 Income %	Income Limit p.a £000	Upper lending Limit TOTAL £000
Loans to local individuals	0.01	0.25	55	500
Loans to employees	0.01	0.20	44	300
Financial Guarantees	N/A	N/A	N/A	N/A
Overall			180	1,800

The limits above are set to ensure that the Council's service investments are affordable, prudent and proportionate to the Council's resources.

The uncertainty and substantial risks which are the backdrop of the current year financial, it is important that any new policy decisions consider and adhere to the Council's key financial principles regarding any growth and are measured against the Future Services Framework prioritisation tool. This is important considering the latest forecast for the medium term and the risks associated with some of the key assumptions.

The Council maintains a £4m minimum level of reserves which can be used to offset any unexpected costs or loss of income in relation to previous policy decisions, including the risks associated with service investments.

It is not possible to determine a limit for any financial guarantees in advance, however, no guarantee will be entered into without explicit consideration of the requirements of the Prudential Code and approval by both the s.151 officer and that required by the Council's constitution

Any fundamentally new or additional significant service investment outside those specified in the Council's Treasury and Investment strategy are required to have direct Council approval. As part of this the Council's s.151 officer will:

- review and confirm the legality of the proposed investment (using independent and external advice as necessary), the nature of the transaction and that all authorities to proceed have been obtained;

- satisfy themselves that the documentation is adequate both to deliver the organisation's objectives and protect the organisation's interests;

- ensure that relevant due diligence has taken place;

- ensure that counterparties are judged satisfactory in the context of the organisation's creditworthiness policies and that limits have not been exceeded; and,

- ensure that the terms of any transactions have been fully checked against the market and have been found to be competitive, or that there are sufficient and valid reasons for the Council to depart from market competitive rates

Further details on service investments are within the Council's investment strategy, which is published with the Council's Treasury management strategy: http://www.chichester.gov.uk/article/24169/Treasury-Management-Strategy.

Commercial Activities

The Council's existing property portfolio generates income of approximately £2.5m million per year for the General Fund revenue account.

Most of this income (£1.6m) comes from properties held primarily to support the provision of local services, not to make a profit or for any appreciation in value. Examples of these activities include rents and licence fees from industrial units, commercial and industrial ground leases, shops, offices and other lettings to sports, community, and voluntary organisations.

Only a small proportion of the assets involved are held because rental income and/ or capital appreciation were substantial factors in the decision to acquire or hold them. These are classified as 'investment properties' and disclosed in the Council's statement of accounts. These assets generate around £900k per annum in income which is used to support font line services.

General capital investment in commercial property is likely to take three main forms.

- Freehold or Long Leasehold Purchases.

- Commercial development of property with the Council retaining ownership and receiving rental income.

- Partnerships where another party undertakes the development and the Council (as landowner) receives a proportion of the rental value.

Land and property acquisition and development is also a means of influencing regeneration and the economic development within the District. Therefore, while one objective may be to increase the financial resources the Council has available, appropriate investment can also extend service delivery or provide community improvement generally.

For these reasons the Council has an approved investment opportunities protocol that gives priority to acquiring property in the Chichester District, albeit opportunities to acquire properties elsewhere are considered if a justifiable case exists for doing so.

The protocol also provides specific guidance on the enhanced scrutiny required, including:

• Acquisitions should be within the District Council's area, or sufficiently close by to be easily managed

• Preference is given to acquisitions which achieve a community or economic benefit and strengthen the local economy

• The acquisition provides an acceptable rate of return for the additional risk taken on, and will not increase the Council's ongoing revenue costs in the longer term

• Where necessary, Specialist advisers are to be employed to provide advice and act for the Council

The Council aims to acquire land and property for the longer term (10 years or more) to reap the benefit of sustained rental income and capital appreciation as land and property values recover from the effects of economic downturn because of Covid-19, continued uncertainty relating to Brexit and more recently the Ukraine war and cost of living crisis.

There is a recognition that, in undertaking investments primarily for financial return, the Council needs to ensure that these decisions are subject to enhanced decision making and scrutiny because of the additional risk being taken on and the potential impact on the sustainability of the authority. The principal risk exposures in commercial property-based revenue strategy are:

• A downturn in the property market. This could lead to falling rents or higher vacancies, potentially meaning that the Council will need to find other sources of revenue or reduce costs to balance its budgets. This scenario could also lead to falling property values, with a risk that the asset could be worth less than the purchase price.

• Government intervention to set limits on commercial activities. This would force the Council to react, which may be against the Council's long-term interests.

• Lack of expertise in specialist areas, leading to poor acquisition decisions.

Investment purchases are evaluated using a scoring matrix approach, with a minimum score required of least 100 out of a maximum score of 168 (60th percentile). The score reflects, amongst other things, tenancy strength, tenure, occupiers lease length and repairing terms.

Decisions on commercial investments are made by Cabinet in line with the criteria and process set out in the Council's investment opportunities protocol.

For 2022-23 the Council has followed the recommendations of the former Ministry of Housing, Communities and Local Government, and included an indicator for the ratio of commercial income to net service expenditure in its investment strategy.

The income from commercial investments is expected to remain below 10% of the Council's net revenue stream in line with the prudential indicator of proportionality for commercial investments. It should be noted that forecasts for commercial income levels for 2023-24 and future years are not available at the time of writing this strategy. The figures quoted are the best estimates assuming no change, which is felt acceptable given the present budgetary intentions of the Council.

Further details on this and general risk management arrangements are contained in the Council's investment strategy and Treasury management strategy: http://www.chichester.gov.uk/article/24169/Treasury-Management-Strategy

Other long-term liabilities

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees do carry risks to the Council and as such, they are subject to separate risk mitigation procedures before they are entered into.

The only guarantees provided to date by the Council relate to possible pension liabilities associated with TUPE transfers of staff from public to private sector where staff have remained within the Local Government Pension Scheme.

In these circumstances the provision of a guarantee is a requirement of the Pension Fund. The financial risk of each guarantee is usually mitigated by a bond which is intended to cover all but the most extreme possible financial exposure.

Other than to cover mandatory requirement under the Local Government Pension Scheme, the Council does not expect to provide financial guarantees to, or on behalf of, any third party.

The Council has disclosed total long term liabilities of £9.47m in its last statement of accounts. Much of this figure (£5.64m) relates to section 106 contributions which are fees paid by applicants seeking planning permission for the mitigation of the impact of new homes on the local community and infrastructure.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions and recommendations. The Divisional Manager for Property & Growth and the Valuation & Estates Manager are both chartered surveyors and registered valuers and who have significant post qualification experience. The Senior Estates Surveyor and Estates Surveyor are also both chartered surveyors.

Each member of the Estates team undertakes continuing professional development (CPD) to ensure their skills and knowledge is suitably updated in order to remain professionally competent. This is in the form of structured learning that has clear learning objectives and identified outcomes to ensure that appropriate levels of experience and skills are obtained for the acquisition and ongoing management of our investment portfolio.

All members of the RICS must undertake and record a minimum number of hours of relevant CPD per annum as well as maintaining a relevant and current understanding of professional and ethical standards. Where necessary, specialist advisers may be employed to provide advice and act on behalf of the Council with additional due diligence, scrutiny and oversight provided by the Estates team.

The Council currently employs Arlingclose Limited as Treasury Management advisors, and individual property consultants for cases where specialist property advice is required such as major development schemes. It has also elected where possible to be treated as a professional investor under the relevant financial regulations.

For Treasury skills and knowledge, the Council employs a matrix of requirements the comprise requirements for core knowledge across the following areas:

- Accounting and Regulation
- Ethics and Corporate Governance
- Risk Management
- Treasury Operations
- Strategic Financial Management

These categories are based on the Association of Corporate Treasurers (ACT) competency framework (Global Treasury Standards). They are adapted for the public sector environment and incorporated into training programmes for Members and Officers.

The Council has applied for, and received, MIFID2 professional client status for relevant investments in Money Markets and external Pooled Funds. This process to achieve MIFID2 professional client status involves an assessment by the financial institution of the Council's knowledge and skills available against the investment activity proposed.

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Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

9th January 2023

Progress Report – Audit Plan for 2022/23

1. Contacts

Report Author:
Stephen James – Internal Audit & Corporate Investigations Manager
Tel: 01243 534736
E-mail: sjames@chichester.gov.uk

2. Recommendation

2.1 That the committee notes performance against the audit plan for 2022/23.

3. Update on 2022/23 Audit Plan

3.1. The audit reports issued as final since the last committee meeting are:

- Travel & Subsistence
- Treasury Management

3.2. Results of the audit are contained in appendix one. There have been no audits given a 'No Assurance' rating and no critical exceptions have been raised.

3.3. As advised at the July 2022 Corporate Governance and Audit Committee, Moving In/Out of Westward House Processes will be added to the 2022/23 plan, taken out of contingency time.

3.4. Following the proposed adjustments to the Audit Plan reported to the October Corporate Governance & Audit Committee this would mean that the 2022/23 plan contains 14 full audits and 3 follow-ups.

3.5. As of 9th December, 2 audit reports has been issued as final the remaining are a work in progress.

4. Background

4.1. Not Applicable

5. Outcomes to be Achieved

5.1. Not Applicable

6. Proposal

6.1. Not Applicable

7. Alternatives Considered

7.1. Not Applicable

8. Resource and Legal Implications

8.1. Not Applicable

9. Consultation

9.1. Not Applicable

10. Community Impact and Corporate Risks

10.1. Not Applicable

11. Other Implications

Are there any implications for the following?		
	Yes	No
Crime & Disorder:		√
Climate Change and Biodiversity:		√
Human Rights and Equality Impact:		√
Safeguarding and Early Help:		√
General Data Protection Regulations (GDPR):		√
Health and Wellbeing:		√
Other (Please specify):		√

12. Appendices

12.1. Audit completed since the last committee report.

13. Background Papers

13.1 None

Audits completed since the last Committee meeting (31st October 2022)

Audit title	Critical Risk	High Risk	Medium Risk	Low Risk	Total no of Exceptions	Overall Assurance level	Summary
Travel, Subsistence and Overtime	0	0	2	3	5	**Reasonable Assurance**	The 2 medium risk exceptions raised related to: - Mileage claims that could not be assessed for reasonableness still being authorised - Staff not recording/not fully recording in their Outlook calendars the details of the visits they are making The 3 low risk exceptions raised related to: - An unauthorised overtime claim being paid - VAT being recorded incorrectly on a travel expenses claim and an unreadable fuel receipt being attached to a 'with fuel VAT receipts' mileage claim - Many employees not submitting time/expenses claims in a timely manner
Treasury Management	0	0	0	1	1	**Assurance**	The 1 low risk exception raised related to: - The re-awarded contract effective from the 1st July 2022 has not been actioned or signed.

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