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30 January 2024

Dear Councillor,

**Audit & Governance Committee (Additional Meeting)**  
**6:30pm, Wednesday 7 February 2024**  
**Council Chamber, Civic Centre, Cannock**

You are invited to attend this meeting for consideration of the matters itemised in the following Agenda.

Yours sincerely,

**T. Clegg**  
**Chief Executive**

To: Councillors

Dunnett, M.J. (Chair)  
Jones, P.G.C. (Vice-Chair)  
Bishop, L.            Johnson, J.P.  
Hill, J.                Stanton, P.  
Hoare, M.W.A.

# **Agenda**

## **Part 1**

### **1. Apologies**

### **2. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members**

To declare any interests in accordance with the Code of Conduct and any possible contraventions under Section 106 of the Local Government Finance Act 1992.

### **3. Revision of Internal Audit Plan 2023-24**

Report of the Chief Internal Auditor & Risk Manager (Item 3.1 - 3.8).

# Revision of Internal Audit Plan 2023-24

<b>Committee:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	7 February 2024
<b>Report of:</b>	Chief Internal Auditor and Risk Manager

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## 1 Purpose of Report

- 1.1 To present to the Audit and Governance Committee the Revised Internal Audit Plan for 2023-24.

## 2 Recommendations

- 2.1 That the Committee approves the revised Audit Plan for 2023-24.

### Reasons for Recommendations

- 2.2 The Audit Committee has to approve the Internal Audit Plan and as the plan has been revised the changes need to be approved by the committee.

## 3 Key Issues

- 3.1 Internal Audit has a duty to provide the Council with an annual opinion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement.
- 3.2 Internal Audit is required to produce a plan of work to ensure that it can give an appropriate opinion on the Council's key risk areas and systems and provide sufficient coverage to inform the Annual Governance Statement. Changes in resources in the team in the year have led to a need to revise the Audit Plan Agreed in March.

## 4 Relationship to Corporate Priorities

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

## 5 Report Detail

- 5.1 Internal Audit is an assurance function which primarily provides an independent and objective opinion to the Council on its governance arrangements and internal controls. The Internal Audit Section does this by conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole of the Council and to all levels of management.
- 5.2 The resource available for the delivery of the Audit Plan across both authorities in 2023-24 has been reduced following the resignation of the Auditor postholder. As a temporary measure to reduce the impact on the Audit Plan an experienced

auditor has been brought into the team on an Agency Staff basis for 3 months starting in December 2023 and funded from the salary saving on the vacant Auditor post. However there will be a shortfall in days which will require some audits to be deferred.

5.3 The Audit Plan agreed in March 2023 has been reviewed and audits reprioritised. In addition due to delays in 2022-23 a number of audits from that Audit Plan have been completed in the current year. As a result a decision has been taken to defer a number of audits from the 2023-24 Audit Plan, some have already been re-scheduled and will be part of the 2024-25 Audit Plan others have been removed entirely due to changes in the priorities of the Council until the new Audit Plan has been agreed.

5.4 Audits deferred from the 2023-24 are set out below:

Audit	CCDC	SBC	Notes
General Ledger	Y	Y	The finance team have been unable to accommodate this review in 2023-24 as focus has remained on addressing issues with the new ledger. Aim to complete in 2024-25 dependant on other reviews of the system and implementation.
Bank Reconciliation	Y	Y	The finance team have been unable to accommodate this review in 2023-24 as focus has remained on addressing issues with the new ledger. Plan to complete in 2024-25.
New Social Housing Building Schemes	Y		No new schemes are being progressed in the year. Therefore there was nothing to review.
Stores	Y		A decision has been taken to defer this review as it is seen as a lower risk area against other items on the plan.
Shared Service Organisational Implementation and Transformation	Y	Y	With other scrutiny of this area and delays of the roll-out of the management restructure it was not felt assurance was needed from Internal Audit on this area.
Service Transformation Projects	Y	Y	Transformation projects have been put on hold at the current time pending the management restructure. Therefore there is nothing for Internal Audit to review.
SBC Income Collection/Recording System		Y	This system was requested to be examined but it has not been progressed in the year and there is nothing for Internal Audit to review.

<b>Audit</b>	<b>CCDC</b>	<b>SBC</b>	<b>Notes</b>
SBC Leisure Contract Monitoring		Y	A revision of the risk scores led to this audit not being classed as a high priority to review in the year. It has been deferred due to changes in the way the contract will be monitored in 2024-25.
Homelessness & Housing Advice	Y	Y	It was not possible to schedule this review and it has been agreed with management that it will be deferred until Summer 2024.
Closed Churchyards	Y	Y	A revision of the risk scores led to this audit not being classed as a high priority to review in the year.

- 5.5 An additional audit has been added into the Audit Plan. This is to revisit the s106 Agreements and Projects Audit following on from major work in 2022-23 to revise the system. Management requested Internal Audit add in the review to provide assurance on the new arrangements.
- 5.6 With the proposed changes to the Audit Plan and the completion of work from the 2022-23 Audit Plan it is considered that sufficient work will be undertaken by Internal Audit to allow the Chief Internal Auditor to provide an opinion on the effectiveness of the Council's governance arrangements as required by the Public Sector Internal Audit Standards.

## **6 Implications**

### **6.1 Financial**

None

### **6.2 Legal**

None

### **6.3 Human Resources**

None

### **6.4 Risk Management**

None

### **6.5 Equalities and Diversity**

None

### **6.6 Health**

None

**6.7 Climate Change**

None

**7 Appendices**

Appendix 1: Revised Audit Plan for 2023-24

**8 Previous Consideration**

None

**9 Background Papers**

None

**Contact Officer:** Stephen Baddeley

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## Revised Internal Audit Plan for 2023-24

Audit Area	Description	Days	Head of Service	CCDC	SBC
Housing Benefits	A review of the processes and procedures for the operation of the Housing Benefits Function.	25	DCE - Resources	Y	Y
Council Tax	A review of the processes and procedures for the operation of the of the Council Tax function	20	DCE - Resources	Y	Y
National Non-Domestic Rates	A review of the processes and procedures for the operation of the National Non-Domestic Rates function.	20	DCE - Resources	Y	Y
Treasury Management	A review of the processes and procedures for the operation of the Council's Treasury Management functions	20	DCE - Resources	Y	Y
Council Tax Reduction Scheme	A review of the process for the development of the scheme and its amendments/approval. Awards are reviewed as part of the Housing Benefit Audit.	15	DCE - Resources	Y	Y
Economic Regeneration Projects	A review of major economic regeneration projects including Future High Streets, Garden Community, Station Gateway	25	Economic Development & Planning		Y
Levelling-Up Project/Town Centre Redevelopment	A review of the Levelling-up Fund projects covering Town Centre redevelopment and Civic Hub Project	20	Economic Development & Planning	Y	
S106 Agreements and Community Infrastructure Levy	A review of the processes and procedures for the operation of the Council's s106 and Community Infrastructure Levy arrangements	10	Economic Development & Planning	Y	
Land Charges Transfer to Land Registry Project	To review the project management arrangements and work being carried out to implement the transfer of searches to the Land Registry.	10	Regulatory	Y	Y
Shared Prosperity Fund	A review of the setting up of the Shared Prosperity Funds at each Council and processes for the award of grants for projects	20	Economic Development & Planning	Y	Y

Item No. 3.6

Audit Area	Description	Days	Head of Service	CCDC	SBC
Sheltered Housing Schemes	A review of the processes and procedures for the operation of the Council's Sheltered Housing Schemes.	10	Housing HRA & Corporate Assets	Y	
Leaseholder Management and Sale of Council Houses	A review of the processes and procedures for the operation of the Council's Leasehold flats and Right-to-Buy scheme.	10	Housing HRA & Corporate Assets	Y	
Landscape/Leisure Projects	A review of the Council's projects for landscaping and leisure including parks and play-areas.	25	Operations	Y	Y
Car Parking	A review of the processes and procedures for the operation of the Council's Car Parking functions.	20	Operations	Y	Y
Garden Waste Project	A review of the implementation of a charging system for the collection of Garden Waste at CCDC.	10	Operations	Y	
Bereavement Services	A review of the processes and procedures for the operation of the Council's Bereavement Services arrangements covering cemeteries and the crematoria.	20	Operations	Y	Y
Pest & Dog Control	A review of the processes and procedures for the operation of the Council's Pest and Dog Control functions.	10	Operations	Y	Y
Environmental Protection & Pollution Control	A review of the processes and procedures for the operation of the Council's responsibilities for Environmental Protection and Pollution Control	20	Regulatory Services	Y	Y
Climate Change	A review of the processes and procedures for the Council's Climate Change responsibilities and action plans	20	Regulatory Services	Y	Y
Payroll	A review of the processes and procedures for the operation of the Council's Payroll functions.	20	Transformation	Y	Y

Audit Area	Description	Days	Head of Service	CCDC	SBC
Risk Management	A review of the processes and procedures for the operation of the Council's Risk Management arrangements.	15	Transformation	Y	Y
Replacement Customer Relationship Management System Project	A review of the project to introduce a replacement Customer Relationship Management System	10	Transformation	Y	Y
Disabled Facilities Grants	A review of the Disabled Facilities Grants process including the in-sourcing of the processing at SBC and sign-off of the Assurance Statements for both Councils required by Staffordshire County Council.	15	Wellbeing	Y	Y
<b>S106 Agreements &amp; Projects (Audit Added)</b>	<b>A review of the processes and procedures for the operation of the Council's s106 arrangements including the delivery of s106 Projects.</b>	<b>10</b>	<b>Economic Development &amp; Planning</b>		<b>Y</b>
		400			

#### Items Removed from the 2023-24 Audit Plan

Audit Area	Description	Days	Head of Service	CCDC	SBC
General Ledger	A review of the processes and procedures for the operation of the General Ledger	20	DCE - Resources	Y	Y
Bank Reconciliation	A review of the processes and procedures for the reconciliation of income and expenditure to Council Bank Accounts	20	DCE - Resources	Y	Y
New Social Housing Builds	A review of the new social housing build projects currently in operation.	10	Housing HRA & Corporate Assets	Y	
Stores	A review of the CCDC Stores function at Hawks Green Depot	10	Housing HRA & Corporate Assets	Y	

<b>Audit Area</b>	<b>Description</b>	<b>Days</b>	<b>Head of Service</b>	<b>CCDC</b>	<b>SBC</b>
SBC Income Collection/Recording System	A review of the new system introduced for the recording of cash income at SBC sites (Markets, Glover Street etc)	5	Operations		Y
Closed Churchyards	A review of the processes and procedures for the operation of the Council's management of Closed Churchyards.	20	Operations	Y	Y
Shared Service Organisational Implementation and Transformation	A review of the overarching Shared Services project including review the specific overarching processes and arrangements established at a corporate level.	30	Transformation	Y	Y
Service Transformation Projects	Work to review the transformation projects being implemented at a Service/departmental level.	10	Transformation	Y	Y
Leisure Contract Management	A review of the contract management arrangements for the Council's Leisure Contract.	10	Wellbeing		Y
Homelessness & Housing Advice	A review of the processes and procedures for the operation of the Council's Homelessness and Housing Advice functions.	20	Wellbeing	Y	Y
		155			