

Audit & Governance Committee Supplementary Agenda



7. **Annual Governance Statement (Update on Action Plan 2022/23) (Pages 3 - 8)**

Updated Appendix 2 - RIPI 2 Action Plan Progress Update.

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Status Update	Recommendation	Response	Action	Progress/Comments	Deadline	Responsible
Complete	R1. The Chief Executive supported by the Monitoring Officer and the Section 151 Officer should ensure that Cabinet papers for major projects set out clearly: R1.1 the legal powers to enter into a particular arrangement and attendant risk	The Council has taken action to improve the processes and contents of reports to Cabinet. Authors of reports must ensure comments are received from statutory officers and legal powers and risks are sufficient addressed. There is early consideration of all cabinet reports at the Corporate Management Team (CMT) and Mayor Advisory Board (MAB). The Chief Executive, Section 151 and Monitoring Officer are in attendance and do ensure the issues raised in R1 are always addressed. The process allows for much earlier consideration of papers and more opportunity for assurance of, and challenge to, advice being presented to the Cabinet and that the Council's interest is sufficiently protected. The Monitoring Officer also has in place final report clearance meetings before publication with Legal and Democratic Services Heads of Service to ensure that legal powers and risks are adequately covered in Cabinet reports. Reports on Regina Road and Purley Pool are some recent examples. This recommendation has been met.	1.1 A new report writers guide will be produced alongside a new report template for all Council reports to use regardless of which board or committee in will be presented in. This will explain the issues raised in the RIPI and why commentary is needed on the lawfulness of the council's arrangements	In October 22 a new officer report template and guidance that addresses the issue raised in R1 has been produced. Between October 22 and January 23, the Head of Democratic Services, Monitoring Officer and Deputy Monitoring Officer assisted by colleagues from Finance, Equalities and Procurement has provided training to Officer on the new template that includes guidance on risk and legal powers.	Sep-22	Monitoring Officer
Complete	R1.2 how the Council can protect its interests and secure economy, efficiency and effectiveness	See reponse to R1.1 above	1.2 The template for reports will be amended to include a reference in the legal comments section to the need to ensure legal advice is recorded in the paper on the power to enter into a particular arrangement for a major project and the actions required to ensure it remains lawful	This is contained in the current and new report guidance. Also, reports are reviewed by the Monitoring Officers and his Deputies to ensure legal powers for and lawfulness of decisions.		Monitoring Officer
Complete			1.3 The Capital Board will be asked to produce guidance on what constitutes a major project, and this will be incorporated into the new report writers' guide. This section in the report will also draw out the need for officers and those delivering on the Council's behalf to ensure the council delivers value for money within all its major projects and secures economy, efficiency and effectiveness for the taxpayers and residents of Croydon in accordance with Section 3(1) of the Local Government Act 1999 and the duty of best value. The template will stress the importance of ensuring the report provides decision makers with full information and the requirement to update the decision-making body when this information changes.	The new standard Committee Report template includes all the essential that officers must provide to assist Members to make an informed decision on major capital projects. Capital Board is yet to determine the threshold for major decisions. This will be discusse at its meeting in Febraury but the expectation is that all capital projects must meet the standard set out in R1. As a separate action point arising from the PwC Capital Framework Improvement Plan recommendations (progress against which is separately reported to A&G Committee), the Capital Internal Control Board is overseeing the development of business case templates in line with the Five Case Model and associated training and governance approval routes (for different levels of expenditure) which will be taken forward after the recruitment of capital accounting officers into the new Strategic Finance structure. This will also align with the updated thresholds to be agreed through the refresh of the financial and contract regulations underway.	Apr-24	Monitoring Officer & Director of Commercial Investment & Capital
Complete but ongoing			1.4 Progress reports on the delivery of major projects to Cabinet will also incorporate an assurance section that the requirements are to ensure the arrangements are lawful and have been met e.g. contracts signed, land corectly transferred etc prior to committing the Council contractually. These reports will also be available to the Scrutiny and Overview Committee in order to enable them to fully scrutinise the delivery of major projects based on the same full suite of information that is available to the Cabinet Members. These requirements will also be included in the new guide.	There are currently no major capital projects that are at a sufficiently developed stage to require a progress report. However, these requirements will be adhered to. An example is the Reginal Road project where progress update is reported to the Housing Transformation Board and is in the forward plan to report to Cabinet in March 24. Also, at the monthly meetings of the Capital Internal Control Board, the financial performance of the capital programme is reviewed. The board reviews the progress made with delivery of capital projects including consideration of risks, financing and contracts completion and compliance issues. The Council's Constitution contains the procurement safeguards referred to below including legality and executed contract before commencement of obligations. Expenditure delivery on all capital projects is included in the monthly Financial Performance Report to Cabinet. In 2024/25, the monthly reports include information on major project activity as well as financial spend. These reports will be available for Scrutiny and Overview Committee to review.	Apr-24	Monitoring Officer Director of Commercial Investment & Capital
Complete			1.5 Once the new guide and the new report template has been produced, it will be brought to the Audit and Governance Committee for member consultation and agreement. Training will then be developed to ensure understanding of the new requirements by report writers.	In September 2022, the new report template and guidance was taken to Audit and Governance Committee. As indicated above, officer training on the new template was provided in December 2022 and January 2023.	Dec-22	Monitoring Officer Director of Commercial Investment
Complete			1.6 The Council will make full use of its decision management software (Mod.Gov) to automate production of reports. This will have the benefit of allowing report authors to draw in expert advice earlier in the process and prevent reports from being changed after they have received legal and financial commentary. This has been amended to Share Point in Microsoft Teams.	The plan now is to use Share Point in Microsoft Teams. This was rolled out in December 2023 for Cabinet reports by the Head of Democratic Services and includes reports management guidance. Draft reports are now stored in a single location for access and help to manage issues relating to version control.	Dec-23	Monitoring Officer

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete but ongoing	R2. The Monitoring Officer should ensure that: R2.1 contracts are properly executed before entering into arrangements with third parties	The Monitoring Officer through the review undertaken and referred to in the progress/comments column is satisfied that the arrangements are in place that meet the requirements of this recommendation (i.e., R2.1 - R2.3). The proposals following the review is currently paused in view of potential changes to the Council's Tenders & Contracts Regulations which are in progress. The Monitoring Officer meets regularly with the Head of Service in Legal Services responsible for property, contracts, and planning matters to ensure that the key legal requirements and advice are adhered to and any issues of concern including risks are flagged and resolved. The Monitoring Officer has written to all Heads of Services and above and Council's lawyers reminding them of the requirements of the Contracts & Tender Regulations that contracts must be in place before arrangements for works, services or supply of good commence, in particular, for major capital projects. This was to ensure that the lessons learnt from the RIPI report is being embedded into our practices. This recommendation has been met.	2.1 The Monitoring Officer will undertake a review of existing council processes for the signing of contracts, storage of signed contracts, and assurance on underpinning legal requirements prior to arrangements being entered into. The Council will also take further action to enhance and ensure compliance with these processes.	A review has been undertaken, the details of which are set out below. The proposals arising from the review is to be implemented by March 2024. Current protections/ processes Contracts falling within the Tenders and Contracts Regulations (TCRs) There are currently protections with the TCRs for procured contracts as follows: 4. Officer Responsibilities 4.1 Officers involved in the commissioning and procurement process must comply with: These Regulations; • All UK and European Union binding legal requirements; 4.2 Officers must: a. Have proper regard for all necessary legal, financial and professional advice; o. Enter all purchase order information onto the Council's financial system prior to any goods or services being provided. Raising purchase orders, and any permitted exceptions, must be conducted in accordance with the Council's P2P Guidance documentation; q. The contract manager should ensure the safe keeping of contract documentation in line with Croydon's document retention policy and uploaded onto the Council's contract management system; 5. Director Responsibilities 5.1 Directors must: a. Ensure that these Regulations are followed and enforced within their areas of responsibility; b. Make the staff aware of the requirements of these regulations;	Jul-23	Monitoring Officer Director of Commercial Investment & Capital
Complete	R2.2 the properly executed documents are stored robustly to allow future scrutiny	See reponse to R2.1 above which refers to the review undertaken. There are arrangements in place for the safe and secure storage of contracts. The Monitoring Officer has writte to all Heads of Services and above and Council's lawyers reminding them of the requirements for the safe storage of contracts as set out in the Contracts & Tender Regulations.	2.2 The Capital Board will be given a formal role going forward in the assurance of the contracts having been signed, that they are stored, securely and all legal requirements have been met prior to approval to proceed with a major project.	This has been amended to 'The Capital Board will be given a formal role going forward in monitoring that major projects contracts have been signed, that they are stored securely and that all legal requirements were met prior to the project proceeding.' The terms of reference of the Capital Board have been updated to reflect this. This is now part of Capital Board and Procurement Board standard agenda items for monitoring purposes.	Jul-23	Monitoring Officer, Corporate Director of Resources and Director of Commercial Investment & Capital.
Complete but ongoing	R2.3 key requirements underpinning the legal advice are in place before progressing with the arrangement	See response to R1.1 above. As mentioned above, the Monitoring Officer has regular meetings with Heads of Service in Legal Services to review legal advice and ensure they are highlighted to decision makers and key requirements followed.	2.3 This review will be reported to the Statutory Officers' Board in the first instance and will include any recommendations on required changes to processes, thresholds and delegations. This review will then be brought to the Audit and Governance Committee for Member oversight and comment.	The review arising from this recommendation is yet to be reported to the Statutory Officers' Board. This is now planned for the March/April 2024 meeting.	Mar-24	Monitoring Officer Director of Commercial Investment & Capital
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R3. The Monitoring Officer should ensure that where legal advice changes after a Cabinet decision that the consideration of the implications of the changes is documented and where the Monitoring Officer considers additional legal risks are identified that the Cabinet is updated on the impact on the original decision made.	Through the CMT and MAB processes, senior officers, the Mayor and Cabinet, are kept informed by the Monitoring Officer of any legal risk arising from decisions under considerations and already made. This is a business-as-usual requirement and embedded in day to day considerations of key decisions for Cabinet. In addition, the Monitoring Officer has made changes to the Council's Protocol on Decision Making to incorporate this requirement across Directorates. This recommendation has been met.	3.1 The Monitoring Officer will review the Council's Constitution, particularly Part 5A, the Protocol on Decision Making. This review will have particular regard to setting out proportionate thresholds for decisions to be reported back to the relevant decision-making body when advice (legal or otherwise) upon which the decision was based significantly changes. The review will also consider introducing a time limitation on the delegated decisions that are made by Cabinet in order to ensure they remain relevant and are used appropriately. This will also be included in the new Report Writers Guide.	Completed – a revised Part 5A was approved by Council in March 2022. This included addition of text to require Corporate Directors to keep the implementation of decisions under review and ensure that circumstances relevant to the decision continue to apply. Where there has been a material change of circumstances, a further report must be made to the decision-making body prior to implementation.	May-22	Monitoring Officer
Complete			3.2 A standing item will be included on the Statutory Officers' meeting to identify if there have been any significant changes to advice underpinning Cabinet decisions.	This will usually be discussed at Corporate Management Team which includes the Head of Paid Service, Chief Finance Officer, and Monitoring Officer. Cabinet will be updated on material changes in the circumstances given rise to decisions made and such that will require a review of the decision.	Immediate	Chief Executive
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R4. The Section 151 Officer should ensure that prior to making payments to third parties that appropriate legal documentation is in place such as a properly executed contract or a properly executed loan agreement	The Section 151 Officer do liaise with key officers on contract compliance prior to make payment under contractual obligations. The Monitoring Officer has written to all Heads of Services and above and Council's lawyers, as part of the lessons learnt, reminding them of the requirements of the Contracts & Tender Regulations that executed contracts must be in place before arrangements for payments are made. This recommendation has been met.	4.1 The Section 151 officer will undertake a review of the Council's existing processes for ensuring payments to third parties meet the required governance controls such as a signed and dated loan agreement or contract. This review will make any recommendations that are necessary to ensure that there are proportionate thresholds, checks and balances on payments to third parties. The Council will also take further action to enhance and ensure compliance with these processes.	The Section 151 officer confirmed that this task has been completed . A further assurance will be sought by commissioning an internal audit of these processes. In relation to procured contracts, the requirements of the Tenders and Contracts Regulations (Regulation 29) in the Constitution covers the process for assurances prior to proceeding with arrangements with contractors. A reminder note will be sent to staff.	Jul-22	Corporate Director of Resources
Complete			4.2 The Capital Board will incorporate this assurance check as part of their formal programme board oversight on the progress of major projects and will amend their terms of reference to reflect this additional role.	As mentioned above, this will form part of Capital Board and Procurement Board standard agenda item. The Capital Board Terms of Reference were updated in September 2022 to incorporate these requirements.	Jul-22	Corporate Director of Resources

Still in progress			4.3 The findings of this review will be reported to the Statutory Officers' meeting in the first instance, with any changes that are required to the Council's Constitution being reported to the Council via the Audit and Governance Committee or Ethics Committee.	An update report will be provided to the Statutory Officers' meeting in March 2024.	Mar-24	Corporate Director of Resources
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete but ongoing task	R5. The Monitoring Officer and Section 151 Officer should ensure that arrangements are in place to properly consider public procurement rules and UK obligations on subsidy control rules before entering into arrangements.	The Council's Constitution, in particular, the Contract & Tender Regulations clearly sets out the required process and arrangements for entering contracts with third parties. This requires considering and applying the procurement and subsidy control rules. The Council usually engages inhouse or external legal advisers who would advise on any procurement and subsidy control issues arising from the proposed contract and whether lawful to proceed. As indicated above, these issues including any apparent risk are flagged up in the decision-making reports. For example, Purley Pool Cabinet report. The Procurement Team following a review of contract compliance, maintains a log of expired contracts that are not compliant with Contract & Tender Regulations and with a view to taking the necessary action to manage any risk and secure compliance (through variation and extensions). This recommendation has been met.	5.1 The Council's Director of Commercial Investment will review the Council's existing arrangements for ensuring compliance with subsidy control legislation. This review will be reported to the Section 151 Officer and Monitoring Officer and will highlight any risks in the Council's current arrangements. The review will also make recommendations and set out an action plan to mitigate and address any risks that are identified. The Capital Board may play a part in the assurance mechanism before entering into arrangements. If so, its terms of reference will be amended. This review is now linked to wider ORACLE/ Procurement improvement plan which is on-going.	There are representatives from Finance, Legal and Procurement at Procurement Board and Capital Board who ensure that there is compliance with statutory provisions and the Constitution's Tender and Contract Regulations. In May 23, there was a review undertaken on our procurement and contract compliance. There is now a log kept of any non-compliant contract with a view to escalation to CMT and to ensure any systemic failings are rectified. There is regular attendance at DMT's to raise awareness with a view to improving future compliance. For all contract, procurement, and subsidy related matters requiring Cabinet decision, legal advice/comments are sought to ensure compliance with procurement and subsidy control rules. Also, for compliance with the Council's Tender and Contracts Regulations where relevant. These reference the need to check for public subsidy issues. Risks of public subsidy will vary from project to project and each project will have to be reviewed on its own merits.	Apr-24	Director of Commercial Investment & Capital
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R6. The Chief Executive, Monitoring Officer and Section 151 Officer need to consider how to respond appropriately to challenge on decisions and be prepared to take corrective action where necessary.	As part of the Croydon Renewal and Improvement Plan, a range of actions have been undertaken to improve the culture of the organisation in relation to openness, transparency, accountability and challenge. The various actions are all designed to facilitate constructive challenge and open dialogue from Members, residents, officers and each other. To date, this work has included: - Introducing a 'guardians' programme for staff, providing a safe space for staff across the organisation to raise concerns - New customer complaints handling process - Developing a new access to information protocol for Councillors - Introducing new codes of conduct for Members, Co-opted Members and Officers There is regular dialogue between the Chief Executive, Section 151 Officer and Monitoring Officer to consider various challenging governance issues and decide on the appropriate response and if required, an action plan. This recommendation has been met.	6.1 A new member enquiry / casework process and supporting software will be rolled out to allow more pro-active tracking, management and responses to member casework enquiries and also allow learning from the casework to be captured more effectively to improve services. This may result in policy decisions needing to be revisited.	This has been completed.	Jul-22	Assistant Chief Executive
Complete			6.2 A new system of internal control officer boards have been implemented following a review of core business meetings and forums (Capital, Health & Safety, Equality Diversity & Inclusion, Finance & Assurance, Performance, Digital, Resident Voice and Corporate Resilience). To be implemented are boards on Information Management and Workforce).	This has been completed. A new Information Management Internal Control Board has been formed chaired by the Monitoring Officer to ensure a critical friend challenge and progress with the Council information management agenda.	Jul-22	Director of Policy, Programmes & Performance
Complete			6.3 A new Member / Officer working protocol will be developed and submitted to Council for adoption into the Council's Constitution. Please note that this action will also support 9.2	This has been completed and was approved by Full Council in March 2022.	Mar-22	Monitoring Officer
Complete			6.4 A new assurance framework will be developed and reported on annually to the Audit and Governance Committee	The Council's governance framework has been reviewed and informed by the NAO's Three Lines of Defence model.	Jul-22	Corporate Director of Resources
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible

Still in progress	R7. The Chief Executive should improve record keeping arrangements so that: R7.1 the records supporting key decisions including financial analysis are maintained R7.2 a standard approach to record keeping with monitoring of which decisions have been implemented R7.3 tolerances are established for reporting back changes to Cabinet	Through the Mod.Gov Committee Management Software, the Council's Democratic Services keeps and maintains all records of key decisions taken by the Executive and Officers under Delegated Authority. This includes reports by officers, decision notices and minutes of meetings. Through this software historical records of committee meetings can access. There is an established method for record keeping of these decisions in Mod.Gov. The relevant Corporate Director and/or Director is responsible for monitoring and implementing the decision taken by the Executive. This includes reporting back to the Executive if circumstances have changed that necessitates re-consideration of the decision made. The Head of Democratic Services will prepare a guidance note on the arrangement for providing and maintaining record of officers delegated decisions and raise awareness with Heads of Service and above. As to R7.3, see response to R.3.	7.1 A review will be undertaken by the Council's Information Management Team of record keeping across the Council for key decisions, delegated decisions and Cabinet decisions in general and record keeping of formal internal control boards. The review will make any necessary recommendations regarding proposed future systems of control, in particular to ensure required or agreed future reporting requirements are adhered to through the forward plan and these will be reported to the Audit and Governance Committee and Cabinet.	This task has been allocated to the Monitoring Officer who is responsible for Democratic Services and which in turn is responsible for record keeping of Executive decisions. Guidance has been initially reviewed by the Head of Democratic Services available on the intranet, and between Oct and Nov 2023 is holding meetings with Head of Services throughout the Council to identify current arrangements and any training needs / gaps. The Monitoring Officer has commissioned a review which will be undertaken by the Council's Information Management & Governance Co-ordinator.	Mar-24	Monitoring Officer
Still in progress			7.2 This review to provide assurance that the Council is operating in accordance with the relevant legislation including the good practice recommendations in the Information Commissioner's Office "S46 Code of Practice – Records Management" issued under section 46 of the Freedom of Information Act 2000.		Dec-23	Monitoring Officer
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R8. The Chief Executive, as Head of Paid Service, should ensure appropriate governance arrangements are implemented in a timely manner particularly for strategic developments such as Brick by Brick including where appropriate that there is clear guidance for nominated representatives on the expectations of the role including reporting back to the Council.	Actions already taken by the Council to strengthen the governance arrangements for strategic and major projects and programmes include: - Appointment of a new Commercial Investment Director; - Establishment of a Croydon Companies Supervision and Monitoring Panel (officer only) to have oversight of all Council owned companies - Establishment of a Brick by Brick Shareholder Cabinet Advisory Board (Member only); - Established a new programme office that includes a remit to work on the capital programme - Agreement of new terms of reference for the Capital Board with a focus on good planning, governance and delivery - Where warranted, non-executive and / or independent chairing and leadership has been sought, including independent chairs for the Council's General Purposes and Audit Committee, Housing Improvement Board, Children's Improvement Board and the Croydon Adult Safeguarding Board. - External training on statutory officers responsibilities has been completed separately for members and officers with additional training for non-statutory officers on company law and shareholder function. There is an Outside Bodies Protocol protocol that provides basic advice and guidance to Council's representatives on outside organisations. This has been approved by Ethics Committee.	8.1 The Croydon Companies Supervision and Monitoring Panel (CCSMP) be tasked with considering what additional measures, if necessary, need to be introduced to support and clarify the roles and responsibilities of any person appointed by the Council to be a director of a Council owned company. This review to incorporate an undertaking to abide by the code of conduct and standards of public life (commonly known as the Nolan principles). Please note that this action will also support 9.4		May-22	Director of Commercial Investment and Capital
Complete			8.2 The Council has had guidance notes agreed on the role of a non-executive appointee on behalf of the Council but these will now be reviewed and brought back to Ethics Committee for approval.	The Council, in line with other local authorities, developed an Outside Bodies Protocol for Officers and Members representing the Council in companies, charities and other organisations external to the Council. The guidance has been reviewed and commented on by the CCSMP and is now due to taken to Ethics Committee in February 23 for further consideration. Once approved, the Guidance will be circulated to all officers and members representing the Council in outside bodies. Update. This has now been approved by the Ethics Committee.	Feb-23	Monitoring Officer
Complete but ongoing			8.3 Mandatory training will be provided on a regular and timely basis to all Council owned company directors. Attendance at this training is part of the requirements to remain a Council appointed Director	Initial training has taken place but there is further training planned and to be commissioned by the Monitoring Officer by March 2024.	Mar-24	Monitoring Officer
Complete			8.4 The terms of reference for the Council's new internal control boards will be reviewed to ensure that there is clarity on how the work undertaken by these boards flows into member meetings and formal member briefings as appropriate.	A review of the ICBs ToR has been undertaken and reported to CMT in November 2023. A further report on improvement actions to be reported back to CMT in February 2024.	Mar-24	Director of Policy, Programmes & Performance
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible

Complete	R9. The Chief Executive should work with the Executive Mayor to continue to embed: R9.1 a clearly understood distinction between the different roles and responsibilities of Members, officers and representatives akin to Brick by Brick	As part of the ongoing Member Development Programme, training is scheduled on an annual basis for Members on their roles and responsibilities, and the Member Officer Protocol. In the current Council term, sessions were delivered as part of the induction process in May 2022 and another session was held in October 2023. These sessions have been identified as essential for Members and the Democratic Services team engages with group whips to encourage attendance	9.1 Review role descriptions for members and a revised member handbook is being developed. This work will be brought to the Ethics Committee for approval.	This task is completed. A revised member handbook developed including role descriptions. All members were given access to the handbook following the elections.	May-22	Monitoring Officer
Complete	R9.2 clear responsibilities for officers and Portfolio Holders in challenging reports presented to Cabinet and other committees for balance, accuracy and consistency with their knowledge	Cabinet Members are able to challenge Cabinet reports before and after publication. There are opportunities for pre-decision scrutiny by Scrutiny & Overview Committees. The Majority Opposition Group regularly attends+C2 Cabinet meeting and are able at to raise questions on reports.	9.2 A new Member / Officer working protocol will be developed and submitted to Council for adoption into the Council's Constitution. This protocol will clarify responsibility for providing effective advice and challenge. Please note that this action will also support 6.3	This task is completed. Member/Officer protocol approved by Full Council in March 2022	May-22	Monitoring Officer
Complete			9.3 The Croydon Companies Supervision and Monitoring Panel be tasked with considering what additional measures, if necessary, need to be introduced to support and clarify the roles and responsibilities of any person appointed by the Council to be a director of a Council owned company.	Completed	May-22	Director of Commercial Investment and Capital
Complete			9.4 The Croydon Companies Supervision and Monitoring Panel be tasked with considering what additional measures, if necessary, need to be introduced to support and clarify the roles and responsibilities of any person appointed by the Council to be a director of a Council owned company. This review to incorporate an undertaking to abide by the code of conduct and standards of public life (commonly known as the Nolan principles). Please note that this action will also support 8.1	Completed	May-22	Director of Commercial Investment and Capital
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R10. The Chief Executive should review the terms of refence for officer and member/officer boards that oversee significant projects and capital/revenue expenditure and clarify the escalation routes for significant additional expenditure in excess of the budget	The Council has introduced new system of internal control officer boards following a review of core business meetings and forums. The Boards are Capital, Health & Safety, Equality Diversity & Inclusion, Finance & Assurance, Performance, Digital, Resident Voice and Corporate Resilience. To be implemented are Boards on Information Management and Workforce. The Capital Board and Finance and Assurance Board oversees significant projects and capital/revenue expenditure and has in place escalation and reporting route to Corporate Management Team (CMT). Since June 2021 the Cabinet has been receiving a monthly update on the council's general fund, housing revenue account and capital expenditure. Currently, as part of the budget monitoring process, the spend on Capital Projects are reported monthly and reviewed at Capital Board, CMT and then Cabinet.	10.1 The Capital Board will review its terms of reference to develop an effective role in regard to its oversight of the delivery of major projects and clarify the escalation routes for significant overspends. Future project governance should be reflective of the scale of each project, with an appropriate level of monitoring, reporting and resource allocated.	Capital Board reviewed its terms of reference in September 2022 to incorporate all the RPI2 requirements and will continue to regularly review and update its terms of reference and approach to ensuring the delivery of robust capital governance. This is completed.	May-22	Director of Commercial Investment & capital
Complete			10.2 The format of the monthly cabinet update on general fund, HRA and capital expenditure will be reviewed in general to ensure it is incorporating the best practice of high performing councils in budget reporting to members. This review will also pay specific regard to the reporting on risks and opportunities, over and underspends on the delivery of significant projects either revenue or capital expenditure and either general fund, parking places reserve account or housing revenue account related.	The S.151 officer confirms that this task is completed. There is regular budget monitoring report to Cabinet that deals with 10.2 above.	May-22	Corporate Director of Resources
Complete			10.3 The Internal Control Board terms of reference template will be reviewed for all boards to ensure clarity on responsibilities for risks in regard to its responsibilities, workload and escalation routes.	An initial Terms of Reference template has been used to establish the new Internal Control Boards. Once the boards have been in operation for a few months, a review will be undertaken of their effectiveness and a final Terms of Reference template will be agreed.	Jul-22	Director of Policy, Programmes & Performance
Complete			10.4 The current monthly budget assurance meetings chaired by the Chief Executive and Corporate Director of Resources will be reviewed to assess effectiveness after its first year of operation.	The monthly budget assurance meetings are continuing and their effectiveness continues to grow. As the monthly financial performance report has set out during 2022-23 these assurance meetings have been reviewed and strengthened. They will be kept under constant review to ensure they operated optimally.	Feb-23	Director of Policy, Programmes & Performance
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible

Complete	R11. The Section 151 Officer should ensure financial reporting on significant capital projects is enhanced so that R11.1 a clear agreed budget for the project is identified and the underlying financial analysis is maintained R11.2 a clear agreed project expenditure amount can be reported through appropriate governance processes R11.3 where there are changes in the original financial assumptions that there is an assessment on the project's financial viability with appropriate reporting R11.4 the revenue impact of any changes in the capital project are addressed in future budget setting	Currently, as part of the budget monitoring process, the spend on Capital Projects are reported monthly and reviewed at Capital Board, CMT and then Cabinet. For 2023/24, as part of the budget setting process, a new Capital Strategy was approved. This set out a capital programme much reduced in scale and cost compared to previous years. The focus of the Capital Strategy in the short and medium term is delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy including reducing the number of buildings held by the Council.	11.1 The Corporate Director of Resources will oversee the review work to be undertaken by the Director of Commercial Investment in regard to improving the role of the Capital Board in meeting a number of these recommendations. That review will incorporate the recommendations above.	The Section 151 Officer attends Capital Board meetings at which these issues are addressed. At the monthly meetings of the Capital Board, the financial performance of the capital programme is reviewed. The Board reviews the progress made with delivery of capital projects including consideration of risks, financing and contracts completion and compliance issues. The Council tax Setting process for 2023/24 included a new Capital Strategy document which joined together the capital programme, asset management plan and treasury management strategy. This alongside the main budget report emphasised the importance of reducing debt through asset disposals, a significantly paired back capital programme and the consequent impact through the treasury management strategy on borrowing costs on the budget and Medium Term Financial Plan.	May / June 2022	Corporate Director of Resources
Complete			11.2 The review of the monthly budget report format will also take into account these recommendations and report to the Audit and Governance Committee, the Scrutiny and Overview Committee and finally Cabinet taking into account members' views.	Capital projects will continue to be monitored through the monthly Financial Performance Report. The focus in the autumn of 2022 shifted to paring back the capital programme and producing an asset management plan and disposals programme. Enhancements to capital monitoring and reporting have been made in 2023-24 through the introduction of the Verto software system to monitor project delivery and risks, building upon the work undertaken to develop the capital strategy. This addresses the issues raised by R11.1 and R11.2.	Dec-22	Corporate Director of Resources
Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R12. The Chief Executive should put in place arrangements to consider inherent conflicts of interest for executive officers	The Council's Officer Code of Conduct in the Constitution includes provision for declaration of interest. It provides that "Officers in Tier 1-3 (Head of Service and above) are required to complete an annual declaration of interest. However, should a conflict arise at any time you must report it to your manager immediately and declare it in writing as above and not wait until the annual declaration.	12.1 A new code of conduct for all officers is currently in development which will incorporate best practice in regard to the declaration of interests and arrangements for managing any conflicts.	This task has been completed and approved by Full Council in March 2022. The officer code of conduct now forms part of the Council's Constitution.	May-22	Monitoring Officer
Still in progress			12.2 An annual review of declarations for all officers will be undertaken each May. This will update a formal register of all declarations to be published on the council website.	This is planned for the end of the financial year.	May annually	Head of Internal Audit
Complete			12.3 CMT, DMTs and all internal governance boards will have declarations of interest added as a standing item to their agendas	This has been actioned and completed	May-22	Director of Policy, Programmes & Performance
Complete			12.4 The Statutory Officers' Board will amend its terms of reference to include the formal review of any officer conflicts of interest and the agreement of arrangements for managing them	There is a standard agenda item for declaration of interest at the Statutory Officer's Board meeting. Officer code of conduct includes a requirement for managing conflict with line manager.	May-22	Chief Executive