

Audit & Governance Committee Agenda



To: Dr. Olu Olasode (Independent Chair)
Councillor Matt Griffiths (Vice-Chair)
Councillors Claire Bonham, Simon Brew, Sherwan Chowdhury,
Patricia Hay-Justice and Endri Llabuti

Reserve Members: Councillors Sean Fitzsimons, Simon Fox, Mark Johnson,
Enid Mollyneaux and Stella Nabukeera

A meeting of the **Audit & Governance Committee** which you are hereby invited to attend, will be held **Thursday, 7 July 2022 at 6.30 pm. Council Chamber, Town Hall, Katherine Street, Croydon, CR0 1NX.**

Katherine Kerswell
Chief Executive and Head of Paid Service
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Marianna Ritchie, Democratic Services
marianna.ritchie@croydon.gov.uk
www.croydon.gov.uk/meetings

Members of the public are welcome to attend this meeting.

If you would like to record the meeting, we ask that you read the guidance on the recording of public meetings [here](#) before attending.

The agenda papers for all Council meetings are available on the Council website www.croydon.gov.uk/meetings

If you require any assistance, please contact Marianna Ritchie, Democratic Services as detailed above

AGENDA

1. **Apologies for Absence**

To receive any apologies for absence from any members of the Committee.

2. **Disclosure of Interests**

Members and co-opted Members of the Council are reminded that, in accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, they are required to consider **in advance of each meeting** whether they have a disclosable pecuniary interest (DPI), another registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. If advice is needed, Members should contact the Monitoring Officer **in good time before the meeting**.

If any Member or co-opted Member of the Council identifies a DPI or ORI which they have not already registered on the Council's register of interests or which requires updating, they should complete the disclosure form which can be obtained from Democratic Services at any time, copies of which will be available at the meeting for return to the Monitoring Officer.

Members and co-opted Members are required to disclose any DPIs and ORIs at the meeting.

- Where the matter relates to a DPI they may not participate in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.
- Where the matter relates to an ORI they may not vote on the matter unless granted a dispensation.
- Where a Member or co-opted Member has an NRI which directly relates to their financial interest or wellbeing, or that of a relative or close associate, they must disclose the interest at the meeting, may not take part in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation. Where a matter affects the NRI of a Member or co-opted Member, section 9 of Appendix B of the Code of Conduct sets out the test which must be applied by the Member to decide whether disclosure is required.

The Chair will invite Members to make their disclosure orally at the

commencement of Agenda item 3, to be recorded in the minutes.

3. Urgent Business (if any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

4. Work Programme and Action Tracker 2022-23 (Pages 7 - 16)

The Committee is asked to consider any additions, amendments or changes to the agreed work programme for 2022-23.

5. Progress update on Council's Year End Final Accounts (Pages 17 - 26)

The report provides Audit and Governance Committee with an update on progress on completing the Council's 3 Statutory Year End Accounts which relates to years 2019/20, 2020/21 and 2021/22.

The Council has published Year End Accounts for 2019/20 and 2020/21 and is currently working through 2021/22.

A presentation by the Council's independent accountant, Grant Thornton, will take place following this report.

6. Ombudsman Report - Children's Services (Pages 27 - 46)

The Committee is asked to consider the public interest report dated 6 December 2021 and the recommendations made by the Local Government & Social Care Ombudsman (LGSCO) in relation to Croydon Council, and agree the recommendations and next steps.

7. Audit Charter, Strategy and Plan (Pages 47 - 64)

The Audit and Governance Committee is asked to approve the Internal Audit Charter (Appendix 1), Strategy (Appendix 2) and the plan of audit work for 2022/23 (Appendix 3).

8. Recruitment and Appointment of Independent Member to the Audit and Governance Committee (Pages 65 - 70)

The report provides information on the process for the recruitment and appointment of an independent member for the Audit and Governance Committee.

9. Annual Governance Statement 2020/21 - update on Action Plan
(Pages 71 - 84)

The report provides an update on the Annual Governance Statement (AGS) 2020/21 Action Plan.

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Agenda Item 4

REPORT TO:	Audit and Governance Committee 7 July 2022
SUBJECT:	Work Programme and Action Tracker 2022-23
LEAD OFFICER:	Stephen Rowan, Head of Democratic Services and Scrutiny
ORIGIN OF ITEM:	The Work Programme is scheduled for consideration at every ordinary meeting of the Audit and Governance Committee
BRIEF FOR THE COMMITTEE:	To consider any additions, amendments or changes to the agreed work programme for 2022-23

1. EXECUTIVE SUMMARY

- 1.1 This agenda item details the Committee's proposed work programme for the 2022-23 municipal year.
- 1.2 The Committee has the opportunity to discuss any amendments or additions that it wishes to make to the work programme.

2. WORK PROGRAMME

- 2.1 The proposed work programme is attached at Appendix 1.
- 2.2 The Audit and Governance Committee has proposed to use Assurance Mapping as its means of developing and progressing the business of the Committee. Assurance Mapping is recognised as a good tool to support Audit Committees in their role of providing independent assurance of the organisation's internal controls and risk management.
- 2.3 This involves using the [Committee's Terms of Reference](#) detailed in Part 3 of the Constitution, paragraph 2.3, to ensure that the Committee covers all of its functions and meets its delegated responsibilities.
- 2.4 **Additional Items**
Members of the Committee are invited to suggest any other items that they consider appropriate for the Work Programme. However, due to the limited time available at Committee meetings, Members are strongly encouraged to

not propose meeting agendas that contain more than three hours of substantive business in order to allow full consideration of the items on any given agenda.

The Committee should also be mindful that the Council is operating under both very restricted resources and, while no longer formally subject to section 114 spending restrictions, the Council has resolved to continue to operate in accordance with such restrictions. To that end, Members should be mindful that requests for additional reports will need to be considered in the wider context of demand for Council resources and the requirement for the Council to only incur expenditure on statutory functions.

2.5 Participation in Audit and Governance Committee meetings

Members of the Committee are also requested to consider any persons that it wishes to attend future meetings to assist in the consideration of specific agenda items. This may include Cabinet Members, Council or other officers or representatives of partner organisations where the Committee feels that attendance would support their ability to fully consider specific items of business.

3 Action Tracker

3.1 The Action Tracker is attached as Appendix 2. This will be monitored by Democratic Services in consultation with officers following each meeting and will be presented alongside the Work Programme as a means of identifying areas of work for the Committee.

4 RECOMMENDATIONS

4.1 The Committee is recommended to agree the Work Programme 2022-23 and amendments.

4.2 The Committee is asked to note and comment on the Action Tracker.

CONTACT OFFICER: Marianna Ritchie
Senior Democratic Services and Governance Officer
Council and Regulatory

BACKGROUND DOCUMENTS: None

APPENDIX 1: Audit and Governance Committee Work Programme 2022-23

APPENDIX 2: Audit and Governance Committee Action Tracker 2022-23

Draft Audit and Governance Committee Work Programme

Report title	Report author
7 July 2022	
Audit Charter, Strategy and Annual Audit Plan	Head of Internal Audit
Recruitment and appointment of independent member for the Audit and Governance Committee	Monitoring Officer
Annual Governance Statement 2020/21 – update on Action Plan	Monitoring Officer
Grant Thornton (External Auditor)	External Auditor
Expected timeframes on closing the accounts for 2021/22 and the audits of outstanding years*	Head of Corporate Finance
Ombudsman report - Children's Services	Complaints Manager
15 September 2022	
Head of Internal Audit Annual Report	Head of Internal Audit
Report writing guidance and template	Monitoring Officer
Report in the Public Interest (Fairfield Halls) Action Plan – Progress Update	Monitoring Officer
Treasury Management Annual Review 2021/22	Head of Pensions and Treasury

Report title	Report author
Corporate Risk Register	Head of Fraud, Risk and Insurance
Draft Annual Governance Statement	Monitoring Officer
Local Government and Social Care Ombudsman Report	Complaints Manager
Ombudsman report - Adult Services (not yet received, so may be the November cttee)	Complaints Manager
Quarterly report on whistleblowing activity	Monitoring Officer
Appointment of Independent Member	Monitoring Officer
24 November 2022	
Internal Audit Quality Review (Might possibly slip to January, but would like to aim for this date)	Head of Internal Audit
Internal Audit update report	Head of Internal Audit
Treasury Management Mid-Year Review 2022/23	Head of Pensions and Treasury
Report in the Public Interest (Governance) Action Plan – Progress Update	Monitoring Officer
Anti -Fraud Update	Head of Fraud, Risk and Insurance
Financial Performance Report	Director of Finance (Deputy S151)
Ombudsman report – Children’s Services (not yet received, so may be the January cttee)	Complaints Manager

Report title	Report author
Review of the governance and assurance arrangements for significant partnerships or collaborations	Director of Policy, Programmes and Performance
19 January 2023	
Review of the MTFS January Cabinet Report	Corporate Director, Resources
Report in the Public Interest Action Plan – Progress Update	Monitoring Officer
Quarterly report on whistleblowing activity	Monitoring Officer
2 February 2023	
Internal Audit update report	Head of Internal Audit
Corporate Risk Register	Head of Fraud, Risk and Insurance
2 March 2023	
Audit Charter, Strategy and Annual Audit Plan	Head of Internal Audit
Report in the Public Interest (Fairfield Halls) Action Plan – Progress Update	Monitoring Officer
Anti Fraud Update	Head of Fraud, Risk and Insurance
Audit Committee Draft Annual Report	Chair
2023/24 Budget	Corporate Director, Resources

Report title	Report author
20 April 2023	
Internal Audit update report	Head of Internal Audit
Corporate Risk Register	Head of Fraud, Risk & Insurance
Annual and quarterly report on whistleblowing activity	Monitoring Officer
External Auditor's annual assessment	External Auditor
Report in the Public Interest (Governance) Action Plan – Progress Update	Monitoring Officer

*The committee will review the annual statement of accounts and specifically consider whether appropriate accounting policies and the CIPFA Financial Management Code have been followed, and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council. The timetable will be drafted following consideration of the 7 July 2022 report.

AUDIT AND GOVERNANCE COMMITTEE ACTION TRACKER

Committee date	Subject	Action	Owner	Update as at 23.2.22
25 January 2022	Revisions to Annual Governance Statement (AGS)	<p>Review the report to ensure a consistent approach to the use of dates throughout.</p> <p>Bring an update on progress in implementing AGS action plan to Committee soon after March 2022</p>	<p>Governance & Improvement Adviser</p> <p>Monitoring Officer</p>	<p>Dates revised and Statement submitted to Chief Executive and Leader for signature</p> <p>To be scheduled on work programme.</p>
Committee date	Subject	Action	Owner	Update as at 21.4.22
3 March 2022	Fairfield Halls Report in the Public Interest Action Plan	<p>1. Considered and reviewed the Action Plan attached at Appendix 1B to the report;</p> <p>2. Considered any proposed amendments or feedback that it wishes to make on the action plan as detailed in Minute c); and</p> <p>3. Agreed to submit that feedback in a report to Cabinet at its meeting on 21 March 2022.</p>	Monitoring Officer	Report submitted to Cabinet on 21 March 2022.

Committee date	Subject	Action	Owner	Update as at 23.6.22
21 April 2022	Assurance Mapping – next steps	<p>1. Assurance mapping be used to plan and prioritise the Committee’s work programme for 2022/23 in order that the Committee fulfilled its terms of reference.</p> <p>2. The need for ongoing, comprehensive training and briefings to be factored-in, given the complexities of the Committee’s work and to allow Members the freedom to ask questions in relation to the details of the training being provided.</p> <p>3. That the use of new Members’ induction to outline the functions and responsibilities of the Committee be considered.</p> <p>4. That consideration also be given to tapping into the knowledge and experience of existing Committee members, post 9 May</p>	Head of Democratic Services	Schedule to do after two meetings of the committee have been held

		<p>2022, as part of the Committee's training for new and existing Members, moving forward.</p> <p>5. That more detail be added to some of the points contained within the Code of Governance.</p> <p>6. That "doing the right thing" be added as a work in progress.</p>		
	General Purposes and Audit Committee – Annual Report 2021-2022	The Annual Report be amended as agreed and submitted to Annual Council	Chair and Head of Internal Audit	Report was submitted to Annual Council on 23 May 2022

KEY:

Committee date: date when the action was agreed by the Committee.

Subject: the item title on the Committee's agenda; the subject being considered.

Action: the action recorded in the minutes, including any agreed deadline for completion.

Owner: the Member or officer responsible for implementation of the action, as recorded in the minutes.

Update: progress update as at the deadline for agenda dispatch.

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Agenda Item 5

REPORT TO:	Audit and Governance Committee 7 July 2022
SUBJECT:	Progress update on Council's Year End Final Accounts
LEAD OFFICER:	Jane West - Corporate Director of Resources (Section 151 Officer)
CABINET MEMBER:	Jason Cummings - Cabinet Member for Finance
WARDS:	All

SUMMARY OF REPORT:

The report provides Audit and Governance Committee with an update on progress on completing the Council's 3 Statutory Year End Accounts which relates to years 2019/20, 2020/21 and 2021/22.

The Council has published Year End Accounts for 2019/20 and 2020/21 and is currently working through 2021/22.

COUNCIL PRIORITIES 2020-2024

Having an audited set of accounts provides all stakeholders of the Council a level of confidence and assurance that the financial statements give a true and fair view. This will help ensure that the Council is working from a base financial position that is correct which should result in better and informed decision making which in turn will improve value for money for our residents.

FINANCIAL IMPACT:

Not having a set of historic accounts audited creates a risk with regards to balances that have been brought forward into future financial years. Potential impacts to revenue account will impact on reserves available to finance future spend and therefore it is important to get the Statements audited soon.

The additional work by the Council's external auditors on the 2019/20 Accounts will result in higher fees and this will be updated to the Audit and Governance committee at a later date once all fees have been agreed with GT and the Public Sector Audit Appointments (PSAA). A breakdown of known audit fees has been provided in Section 4 of this report.

RECOMMENDATIONS:

The Audit and Governance Committee is recommended to:

1. Note progress being made on audit of Draft Accounts for financial year 2019/20 and 2020/21 and;
2. Note the progress being made on completing Draft Accounts for financial year 2021/22

1. Introduction

- 1.1. The financial management regime within Local Authorities is governed under the Local Government Act 2003 and The Accounts and Audit Regulations 2015.
- 1.2. The Accounts and Audit Regulations contain provisions on financial management, annual accounts, internal control and audit procedures affecting all local authorities and a number of other local public bodies.
- 1.3. The Chartered Institute of Public Finance and Accountancy (CIPFA) produces the Code of Practice on Local Authority Accounting (the Code) which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position, financial performance and cash flows of a local authority, including the group accounts where a local authority has material interests in subsidiaries, associates or joint ventures.
- 1.4. The Code sets out the proper accounting practices defined by Section 21(2) of the Local Government Act 2003. These proper practices apply to statements of accounts prepared in accordance with the statutory framework established for England by the Accounts and Audit Regulations 2015.
- 1.5. The audit of those accounts is undertaken in accordance with the statutory framework established by Sections 3 and 20 of the Local Audit and Accountability Act 2014 for England.
- 1.6. Local Authority financial years run from April to March. Under the Accounts and Audit Regulations 2015, Local Authorities are required to publish Draft Year End Statement of Accounts by end of May of the next financial year with the Audit to be completed by end of July.
- 1.7. During the Covid-19 pandemic on 8th March 2021 the then Ministry of Housing, Communities and Local Government (MHCLG) (now Department of Levelling up, Housing and Communities (DLUHC)) wrote to local authorities confirming

details of changes made to the Accounts and Audit Regulations 2015. The Ministry had extended the statutory deadlines for local authorities to approve and publish their accounts for the 2020/21 and 2021/22 financial years.

- 1.8. The revised deadlines applicable to local authorities for the 2020/21 accounts are as follows:
 - i) Approve Draft Accounts by 31 July 2021 (previously 31 May)
 - ii) Public Inspection Period to start on or before first working day of August 2021 (previously included first 10 working days of June)
 - iii) Publish Final Audited Accounts by 30 September 2021 (previously 31 July).
- 1.9. Croydon Council has completed Draft Accounts for Financial Years 2019/20 and 2020/21 and provided sufficient time for Public Inspection as per the regulations. However, for both years the Final Audit has not yet completed.

2. 2019/20 Statement of Accounts

- 2.1. The Council published the 2019/20 Statement of Account on 19th October 2020, which were approximately two and a half months later than the revised statutory deadline. The draft Accounts were published on the Council's website and can be accessed from the following link:

<https://www.croydon.gov.uk/sites/default/files/draft%20Statement%20of%20Accounts%202019-20.pdf>

- 2.2. The external audit for the 2019/20 Accounts began in November 2020 by Grant Thornton (GT), the Council's External Auditors. A progress update report was presented by GT to the General Purposes & Audit Committee in October 2021.
- 2.3. The completion of Audit for 2019/20 Accounts is already delayed by 1 year and 9 months. Whilst a majority of the 2019/20 audit work has now been completed a substantive item relating to the treatment of Croydon Affordable Homes LLP and Croydon Affordable Tenures LLP remains outstanding.
- 2.4. The Council has now responded to all requests from GT so far and GT are now testing and evaluating the Council's responses within the firm.
- 2.5. The Council has made 15 qualitative and quantitative adjustments to the Draft Statement of Accounts since the start of the Audit. The total value of the

quantitative adjustments totals £80.75m of which £71.75m relates to the accounting adjustments related to Fairfield Halls (capital payment for works to Brick by Brick rather than a capital loan).

- 2.6. The Council is awaiting response from GT on their assessment of Croydon Affordable Homes/Croydon Affordable Tenures, which is expected soon. The Council is looking to finalise the audit of the 2019/20 Accounts by the end of September 2022.
- 2.7. At this stage the direction of travel is unknown in regard to the Croydon Affordable Homes/Croydon Affordable Tenures issue, however if GT were to reject the Council's position it will leave the Council with two options; to take the matter further formally or to accept GT's position and make the necessary corrections. The key issue in regard to CAH/CAT is the classification of the lease related to the transaction where properties moved from the Council to the entities. The Council initially accounted for this transfer as a finance lease, however GT has argued that it is more in-tune with an operating lease.
- 2.8. As it was indicated within the Council Budget Setting Report, presented to Full Council in March 2022, should the position crystallise as an operating lease, the Council will require a new financial strategy which would be likely to involve consideration of a further capitalisation direction request, a review of potential Council asset sales as an alternative to further borrowing, and careful consideration of whether to use some of its reserves or undertake other measures to ensure the Council's financial position is robust and sustainable.
- 2.9. The Council's position set out to GT would be neutral in revenue terms, whereas accounting for the transactions fully as an operating lease has the potential to impact the Council's revenue reserves by up to £70m.

3. 2020/21 and 2021/22 Statement of Accounts

- 3.1. The Council published the 2020/21 Draft Statement of Accounts on 31st August 2021.
- 3.2. These have remained in draft format since publication. The Draft 2020/21 Accounts were published with adjusted opening balances, where they were known and agreed with the external auditors.
- 3.3. The Council anticipates that the audit for the 2020/21 accounts to begin in July 2022. It is expected that the Audit to be completed by the end of October 2022.

- 3.4. The Council is currently working through the 2021/22 Statement of Accounts and will only publish these once the S151 Officer has sufficient confidence and assurance that the balances being brought forward are sound. With the 2019/20 and 2020/21 Accounts yet to be audited and with significant issues identified in 2019/20 it would be inappropriate to release a set of Draft Accounts without that necessary confidence in the opening balances.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1. Finance comments are provided through out this report. The total cost of the 2019/20 Audit is expected to exceed £0.370m. The agreed scale fees with the Public Sector Audit Appointments (PSAA) for 2019/20 Accounts was £0.133m and the agreed scale fees for 2020/21 is also £0.133m.
- 4.2. The Council is an opted in body to the Public Sector Audit Appointments (PSAA), which sets the annual fees for external audits and allocates local authorities with auditors.
- 4.3. The additional fees for the work done on the 2019/20, in addition to the scale fees, billed so far is £0.244m. Further fees may be incurred for work done on the second Report in Public Interest issued by the Auditors in relation to Fairfield Halls work carried out by Brick by Brick Croydon Ltd. These fees are subject to confirmation and approval by the Council and the PSAA.

(Approved by: Matt Davis – Interim Director of Finance Deputy S151 Officer)

5. LEGAL CONSIDERATIONS

- 5.1. The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Deputy Monitoring Officer that the financial affairs of local authorities are statutorily controlled and regulated in many ways.
- 5.2. In particular, the audit of local authority accounts is governed by the Local Audit and Accountability Act 2014 as detailed in the introduction to this report. Specifically, a notice of advertisement must be given of the public's rights to inspect the accounts, of the conclusion of an audit and of the availability of the auditor's report for inspection under the Accounts and Audit Regulations 2015, as amended, by the Accounts and Audit (Amendment) Regulations 2021.
- 5.3. Amongst other matters, the auditor is required to consider whether in the public interest to make a report on matters coming to their notice and to consider whether the report should be at the conclusion of the audit or immediately. Such a Report in the Public Interest was issued on 23 October 2020 highlighting concerns on financial sustainability and governance. A further

Report in the Public Interest was issued by the auditors on 26 January 2022 concerning the refurbishment of Fairfield Halls and related governance arrangements.

- 5.4. The auditor is also empowered, if they consider an item in an account to be contrary to law to apply to the court for a declaration to that effect. Separately, the auditor may apply for judicial review over any decision or failure to act by the Council that the auditor reasonably believes would affect the Council's accounts. Additionally, auditors are given specific powers to intervene in relation to local authority contracts.
- 5.5. In relation to the Council's Constitution and the specific role and responsibilities of this Committee the Constitution provides that the overall purpose of the committee is 'to provide an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards'. In particular the committee is responsible for overseeing both internal and external audit helping to ensure that efficient and effective assurance arrangements are in place.
- 5.6. Specifically, in relation to external audit, financial reporting and accountability and escalation the committee is responsible for:
- considering the reports of external audit and inspection agencies and making recommendations as appropriate to management, Cabinet and/or Full Council. Reviewing the external auditor's opinion and reports to Members, and monitoring management action in response to the issues raised by external audit;
 - Commenting on the scope and depth of external audit work and ensuring it gives value for money.
 - reviewing the annual statement of accounts and specifically considering whether appropriate accounting policies and the CIPFA Financial Management Code have been followed, and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council; and
 - reporting to the full Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- 5.7. The review and consideration of this report by the Committee supports its overall purpose and responsibilities as set out in the Constitution and relevant supporting legislation.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Deputy Monitoring Officer)

6. HUMAN RESOURCES IMPACT

6.1. There are no immediate HR matters arising from the content of this report for Croydon Council employees or staff. Should any matters arise these will be dealt with in accordance with the Council's HR policies and procedures.

(Approved by: Gillian Bevan, Head of HR Resources and Assistant Chief Executives on behalf of the Chief People Officer)

7. EQUALITIES IMPACT

7.1. The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2. In setting the Council's budget for 2021/2022, proposals were required to complete an Equality Impact Assessment. As Officers deliver against the approved budget, including the savings within it, they will continue to monitor for any unanticipated equality impacts.

7.3. The Council considers the impact of poverty and inequality on the protected characteristics whilst decision making. The cost-of-living crisis is likely to have an impact across a range of characteristics. This may impact on the Council's ability to collect monies owing in the form of residential and commercial rents, Council tax, parking charges and other fees. The impact of the cost-of-living crisis is likely to create new debt for people who were just managing and exasperate debt for those who had existing debt. This is likely to impact further on communities already suffering from job losses and debt following Covid 19. This may impact more on residents that were unemployed, already undertaking job roles which were zero hours contracts in sectors such as hospitality and retail and families.

- 7.4. The borough's geographical differences may also have an impact to this regard in that the north and east of the borough have more deprivation than the south of the borough. Our local data indicates that African/African Caribbean, Asian and other global majority communities are more likely to be located in the north and east of the Borough. There are also pockets of deprivation in pockets in the south of the brough which are largely inhabited by white British residents. It should be noted that rent increases could potentially increase the number of homeless people and families.
- 7.5. The budget should take due regard to the delivery of services which may impact on protected characteristics. The Council should ensure that they deliver the best core service that they can afford. This relates to a range of people focused services such as: Adult Social Care, Children's services, young people, older people and asylum seekers. It is also of fundamental importance that the impact on disabled people and parents of disabled children should also be ascertained.
- 7.6. The full impacts of Covid 19 and long Covid on the Adult Social Care Service may not be apparent at this time and could possibly lead to more adults experiencing either physical or mental disabilities putting additional pressure on Adult Social Care. There may also be a subsequent impact on disabled children along with their parents. It is essential to ensure that both groups receive an appropriate standard of care despite the pressure on services to reduce costs. Subsequently young people transitioning from Children's social care to Adults Social Care could impact heavily on budget dependent on the needs of individuals identified.
- 7.7. Departments should ensure that they pay due regard to all protected characteristics regarding potential mitigation to proposals.

(Approved by: Denise McCausland, Equalities Programme Manager, Policy Programmes and Performance)

8. ENVIRONMENTAL IMPACT

8.1. No Environmental Impact

9. CRIME AND DISORDER REDUCTION IMPACT

9.1. No Crime and Disorder reduction Impact

10. DATA PROTECTION IMPLICATIONS

10.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

10.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

YES

CONTACT OFFICER: Nish Popat – Interim Head of Corporate Finance

APPENDICES TO THIS REPORT

None

BACKGROUND DOCUMENTS:

None

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Croydon Council

REPORT TO:	AUDIT & GOVERNANCE COMMITTEE 7 JULY 2022
SUBJECT:	Local Government & Social Care Ombudsman Report Finding of Fault with Maladministration and Injustice
LEAD OFFICER:	Debbie Jones, Corporate Director of Children’s Services and Roisin Madden, Director, Children’s Social Care and Kim Hyland, Complaints Resolution Manager
CABINET MEMBER:	Councillor Maria Gatland, Cabinet Member for Children and Young People
WARDS:	All
FINANCIAL IMPACT:	
Total of £10,750 in compensation and £31,200 for remedial works.	

1. **RECOMMENDATIONS**

1.1 The Committee is asked to:

1.2 Consider the public interest report dated 6 December 2021 and the recommendations made by the Local Government & Social Care Ombudsman (LGSCO) in relation to Croydon Council.

The full list of recommendations can be found in section 6 of this report.

1.3 Agree the recommendations set out in the public interest report; and

1.4 Note the steps, progress, and timeline to implement the recommendations set out in section 7 of this report.

2. **EXECUTIVE SUMMARY**

2.1 On 28 March 2022 the LGSCO wrote to the Chief Executive Katherine Kerswell to confirm that after consideration of a complaint they had received, they decided to issue their findings as a public interest report.

2.2 The LGSCO consider six criteria when deciding whether to issue a public interest report, these are:

- Recurrent faults (for example, the organisation keeps making similar mistakes)
- Significant fault, injustice, or remedy (by scale or the number of people affected)
- Non-compliance with an Ombudsman's recommendation (it has not agreed or has not carried out their recommendations)
- A high volume of complaints about on subject
- A significant topical issue
- Systemic problems and/or wider lessons (for example, problems with how the organisation does things that if not put right are likely to affect others, and this is an opportunity for others to learn).

2.3 In this case the reasons for issuing the report are:

- The significance of the fault, injustice, or remedy

3. **BACKGROUND**

3.1 The complainants who shall be referred to as Mr and Mrs A complain the Council failed to provide the support set out in a care plan for a child in their care.

Mr and Mrs A complained the Council:

- Delayed issuing a financial grant for a child in their care. They say the Council has placed the child in their care under a Special Guardianship Order but has failed to provide the support set out in the agreed support plan.
- Caused their family to live in an unsuitable living situation amid continuing building work. They complain the Council has failed to recognise the stress and impact this has had on their family and the child in their care.

3.2 The LGSCO report confirmed that the following failings had been identified:

- *The Council diverted from the initial agreement, not provided Mr and Mrs A with a clear expectation of the support the Council would provide and delayed issuing the final legal agreement for 21 months.
- *The Council failed to pay the nursery fees for Child X.

- *The Council was at fault for not considering Mr and Mrs A's complaint under the statutory complaints' procedure. This meant that Mr and Mrs A were denied the opportunity to have their complaint investigated by an independent person under the statutory complaints process.

4 CHRONOLOGY OF THE COMPLAINT

What follows is a brief case chronology. It does not contain all the information reviewed during the investigation.

- 4.1 Mr and Mrs A have three children of their own and live in a two-bedroom house. In June 2019, Mr and Mrs A agreed to care for Child X under a Special Guardianship Order (SGO). They met with the Council at a care planning meeting to agree the support for Child X.
- 4.2 As part of the planning to care for Child X, Mr and Mrs A asked the Council to part fund an extension to their house. They got planning permission for the extension, quotes for the work and appointed a contractor.
- 4.3 The Council agreed to provide a financial package towards Child X's needs. This included a contribution to nursery fees, furniture and a family car. It also included an agreement the Council would part fund an extension to the family home to ensure Mr and Mrs A had enough space to care for four children.
- 4.4 The care plan said the Council would fund Child X's nursery fees until they were eligible for 30 hours free childcare at two years old.
- 4.5 The care plan said the Council would pay up to £40,000 towards an extension.
- 4.6 Mr and Mrs A were granted the SGO for Child X four days after the care planning meeting.
- 4.7 In March 2020 Mr and Mrs, A asked the Council to pay the financial package agreed towards the cost of the build as the work was undergoing and the contractor needed ongoing payment.
- 4.8 There was significant delay in the legal agreement being drafted and agreed. This had a negative impact on the timing of funding being made available to Mr and Mrs. A. This caused the work started by the contractors commissioned by Mr. and Mrs. A to pause, pending the receipt of the funding.
- 4.9 Between March 2020 and December 2020 there was continuing communication

between Mr. and Mrs. and the Council in order to draft the legal agreement but to no avail. During this time, the family home remained unfinished with significant work still to be completed.

4.10 Mr and Mrs complained to the Council in December 2020.

4.11 The Council responded to the complaint 16 days later. In its stage 1 response the Council apologised and accepted that the drafting of the legal agreement had taken too long. However, it also said that Mr. and Mrs. A should not have started work without the legal agreement being completed.

4.12 Mr and Mrs A remained unhappy and escalated their complaint to stage 2.

4.13 The Council considered Mr and Mrs A's complaint under stage 1 of the corporate complaints process. It also offered to meet with Mr and Mrs A three months later to try and resolve the issues. The Council did not consider Mr and Mrs A's complaint under stage 2 of the statutory complaint's procedure.

4.14 Mr and Mrs A remained unhappy and complained to the Ombudsman

4.15 Further discussions around the legal agreement started to gather pace from June 2021. Conversations involved senior leaders and Mr. and Mrs. A, culminating in the first updated draft legal agreement being sent to Mr. and Mrs. A in August 2021.

4.16 The legal agreement was finalised in October 2021, which enabled the £40,000 that was committed to be released. Mr. and Mrs. confirmed in November 2021 that they received the funds.

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5. CONCLUSIONS

What follows is a summary of the Ombudsman conclusions from the Final Decision report:

5.1 The Council to have diverted from the initial agreement, not provided Mr and Mrs A with a clear expectation of the support the Council would provide and delayed issuing the final legal agreement for 21 months.

5.2 Significant distress has been caused to Mr and Mrs A and their children injustice.

5.3 Mr and Mrs A have been able to evidence the work that was completed on the house has decayed and needs remedial work before the work can be completed.

5.4 Where a complainant has been deprived of suitable accommodation during what would inevitably have been a stressful period in their life, our recommendation

for financial redress is likely to be in the range of £150 to £350 a month. But we may recommend a higher monthly amount in cases where the injustice is exceptional or particularly severe. In this case, we consider the injustice to Mr and Mrs A and their children to be severe and have used a rate of £500 a month to calculate the remedy for the injustice arising from this fault.

- 5.5 During our investigation, Mr and Mrs A have been able to show that the Council has not paid the outstanding nursery fees for Child X as detailed in the support plan.
- 5.6 It has also been established that Child X is not entitled to 30 hours free childcare but is only entitled to 15 hours as per the government entitlement.
- 5.7 We have not seen any evidence of the entitlement referenced by the Council for children who have been in care.
- 5.8 On balance, it appears the Council misunderstood what childcare Child X would be entitled to, and calculated the support based on this misunderstanding. The nursery and Mr and Mrs A have tried to rectify this with the Council but have not been successful. This has resulted in the nursery fees not being paid. This was fault by the Council resulting in further distress to Mr and Mrs A.
- 5.9 The Council has continually delayed in addressing this issue causing further distress to Mr and Mrs A and their children.

6. RECOMMENDATIONS

To remedy the injustice caused, the Ombudsman recommend the Council take the following actions.

- 6.1 Write to Mr and Mrs A and apologise for the fault.
- 6.2 Pay Mr and Mrs A £10,500 to recognise the unsuitable conditions they and their children were forced to live in for the 21 months they were without suitable accommodation.
- 6.3 Pay Mr and Mrs A £250 for their time and trouble
- 6.4 Pay for any remedial works that have had to be completed to the family home because of the works being left unfinished.
- 6.5 Pay the difference in cost if Mr and Mrs A face a higher cost of finishing the work because of the delay caused by the Council and can reasonably evidence this

- 6.6 Pay the outstanding invoices for Child X's nursery fees and continue to pay Child X's nursery fees until they start primary school in September 2022
- 6.7 Review how it agrees financial packages as part of care plans. Where packages are agreed, contractual agreements should be provided as part of the care plan meeting or shortly after. The Council should provide evidence to show how it has met this recommendation; and
- 6.8 Review how it considers complaints under the statutory complaints process to ensure that it is carrying out its duty to consider suitable complaints under the statutory process. The Council should provide evidence to show how it has met this recommendation.

7. ACTIONS TAKEN BY CROYDON COUNCIL

- 7.1 The council has accepted and acted on all recommendations. A formal apology has been provided in writing and the carers have been supported by the Service Manager for Fostering directly to resolve all issues.
- 7.2 The decision process relating to the Special Guardianship Order support plans including the assessment for financial support has been reviewed with specific timescales at each stage.
- 7.3 The Council have appointed a dedicated Children's complaints and feedback manager who oversees all complaints received by the services, and who works closely with the corporate complaints team.
- 7.4 The Council have implemented a new complaints management system that improves the tracking and monitoring of the status of complaints.
- 7.5 The Council have created an online complaints training package accessible to all staff on the Croydon Learning page.

8. LESSONS LEARNT, IMPROVEMENT AND PREVENTION

- 8.1 The governance system for the approval, implementation, and review of Special Guardianship (SG) support plans was inadequate in June 2019. Children's Services were operating under an Improvement Plan given the Ofsted Inspection judgement of Inadequate given in 2017. The subsequent full inspection published in March 2020 provided an overall good outcome with Requires Improvement in Children Looked After, where the support for Special Guardians is located.

- 8.2 The revision of protocols for the approval of support plans sets out delegated responsibilities and where capital costs are included this decision is made by the Director of Children's Social Care contingent upon the provision of a signed legal agreement.
- 8.3 The Service Manager holds a monthly panel to review the implementation of agreed SG support plans to ensure compliance and delivery for children.
- 8.4 SGO Payments have been included in the corporate internal audit program for 2022-23.
- 8.5 The Council are reviewing the content of the complaints intranet pages for staff to make it more streamlined and to assist staff in identifying corporate and statutory complaints and action to take should they need assistance.

9. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

9.1 The financial recommendations made by the LGSCO were:

- £10,750 in respect of compensation.
- In addition to the compensation payment, additional costs for remedial works that have to be completed to the family home will be incurred.
- This sum was £31,200 and has been paid in full.
- In addition to the compensation payment, additional costs for the difference in cost if Mr and Mrs A face a higher cost of finishing the work because of the delay caused by the Council will be incurred.
- No additional costs were incurred or evidenced
- All the above have been paid in full.

9.2 Section 8 - Lessons Learnt, Improvement and Prevention will help mitigate future financial risks of this type.

- New and improved governance provides effective controls to mitigate the likelihood of a re-occurrence.

Approved by: Róisín Madden Director, Children's Social Care

10. LEGAL CONSIDERATIONS

10.1 The Local Government Ombudsman was established under the Local Government Act 1974 Part 3 (LGA 74). Changes to the Act were included in the Local Government and Public Involvement in Health Act 2007 and the Health Act 2009. The LGA 74 sets out the Ombudsman's powers. Case law has further clarified how the LGA 74 should be interpreted. The Local Government Ombudsman changed their name to The Local Government and Social Care Ombudsman (LGSCO) in June 2017.

10.2 The main statutory functions of the LGSCO are:

- to investigate complaints against councils and some other authorities.
- to investigate complaints about adult social care providers from people who arrange or fund their adult social care (Health Act 2009); and
- to provide advice and guidance on good administrative practice.

10.3 Under sections 26(1) and 26A(1) of the LGA 1974, as amended, the LGSCO investigates complaints about 'maladministration' and 'service failure' referred to as 'fault'. They consider whether any fault has had an adverse impact on the person making the complaint referred to as 'injustice'. If there has been fault which has caused injustice, they will suggest a remedy.

10.4 The LGA Act 1974, as amended, also specifies how the LGSCO issues decisions which is either by:

- a statement of reasons for their decision (sections 30(1B) and (1C)); or,
- a report (section 30(1)).

10.5 There are six criteria applied by the LGSCO when deciding whether to issue a public interest report which are set out in paragraph 2.2 of this report. The issue of a public interest report under section 30(1) ensures the council remains accountable to people who use its services and help to improve services for others.

10.6 Section 31(2) provides that the Council has a period of three months from the date of the LGSCO's report for Members to formally consider the report and its recommendations following which a formal written response must be sent to the LGSCO explaining what steps the council has taken and will take to comply with the recommendations in the report. The report should be considered at a full Council, Cabinet, or other appropriately delegated committee of elected members.

10.7 Where a finding of 'maladministration' is made the Council's Monitoring Officer

has a duty to report that finding to its Members under section 5 of the Local Government and Housing Act 1989.

Approved by: Doutimi Aseh, Interim Director of Legal Services & Deputy Monitoring Officer.

11. HUMAN RESOURCES IMPACT

11.1 The recommendations in this report do not have any direct human resources implications. Following the completion of recommendations, the learning from the case will be fed back to practitioners and managers through existing learning and development activities within the department.

Approved by: Debbie Calliste, Head of HR for Children, Young People and Education on behalf of the Chief People Officer

12. EQUALITIES IMPACT

12.1 The recommendations in this report do not have any equalities implications. Following the completion of recommendations, the learning from the case will be fed back to practitioners and managers through existing learning and development activities within the department.

12.2 The department will actively monitor any future complaints, by protected characteristic to ensure that an appropriate service is being delivered to all communities in the Borough.

Approved by: Denise McCausland Equality Programme Manager

13. ENVIRONMENTAL IMPACT

13.1 There are no environmental impacts arising from this report

Approved by: Steve Isles, Director of Sustainable Communities

14. CRIME AND DISORDER REDUCTION IMPACT

14.1 I can confirm there are no community safety / crime and disorder comments needed for this report.

Approved by: Kristian Aspinall, Director of Culture and Community Safety

15. DATA PROTECTION IMPLICATIONS

- Will the subject of the report involve the processing of 'Personal Data?'
- No

- Has a data protection impact assessment (DPIA) been completed?
- No

To comply with data protection requirements all personal details have been removed from the published report.

Approved by: Róisín Madden, Director of Children's Social Care

CONTACT OFFICER:

Roisin Madden, Director of Children's Social Care. Kim Hyland, Complaints Resolutions Manager

APPENDICES TO THIS REPORT:

Appendix 1 – Full LGSCO Report

BACKGROUND DOCUMENTS:

None

**Report by the Local Government and Social Care
Ombudsman**

**Investigation into a complaint about
London Borough of Croydon
(reference number: 20 009 010)**

28 March 2022

The Ombudsman's role

For more than 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Mr and Mrs A	The complainants
Child X	The child

Report summary

Children's services

Mr and Mrs A complain the Council failed to provide the support set out in a care plan for a child in their care.

Finding

Fault found causing injustice and recommendations made.

Recommendations

The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)

To remedy the injustice caused, we recommend the Council:

- write to Mr and Mrs A and apologise for the fault;
- pay Mr and Mrs A £10,500 to recognise the unsuitable conditions they and their children were forced to live in for the 21 months they were without suitable accommodation;
- pay Mr and Mrs A £250 for their time and trouble;
- pay for any remedial works that have had to be completed to the family home because of the works being left unfinished;
- pay the difference in cost if Mr and Mrs A face a higher cost of finishing the work because of the delay caused by the Council and can reasonably evidence this;
- pay the outstanding invoices for Child X's nursery fees and continue to pay Child X's nursery fees until they start primary school in September 2022;
- review how it agrees financial packages as part of care plans. Where packages are agreed, contractual agreements should be provided as part of the care plan meeting or shortly after. The Council should provide evidence to show how it has met this recommendation; and
- review how it considers complaints under the statutory complaints process to ensure that it is carrying out its duty to consider suitable complaints under the statutory process. The Council should provide evidence to show how it has met this recommendation.

The Council has agreed to our recommendations.

The complaint

1. Mr and Mrs A complain that the Council has delayed issuing a financial grant for a child in their care. They say the Council has placed the child in their care under a Special Guardianship Order, but has failed to provide the support set out in the agreed support plan.
2. Mr and Mrs A say this has caused their family to live in an unsuitable living situation amid continuing building work. They complain the Council has failed to recognise the stress and impact this has had on their family and the child in their care.

Relevant law and guidance

The Ombudsman's role and powers

3. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word 'fault' to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
4. When considering complaints, if there is a conflict of evidence, we make findings based on the balance of probabilities. This means that we will weigh up the available relevant evidence and base our findings on what we think was more likely to have happened.
5. Under our information sharing agreement, we will share this decision with the Office for Standards in Education, Children's Services and Skills (Ofsted).

Special Guardianship Order

6. A Special Guardianship Order, ('SGO') is a legal alternative to adoption. The government's guidance says they are intended to:
 - give the carer clear responsibility for all aspects of caring for the child. This means that the child will no longer be a 'looked after child';
 - provide a firm foundation for a lifelong permanent relationship between the child and the carer;
 - be legally secure;
 - preserve the link between the child and their parents; and
 - be accompanied by a full range of services including, where appropriate financial support.

Our focus report 2018 ['Firm Foundations: complaints about council support and advice for special guardians'](#)

7. Councils must help meet the needs of special guardians in their area. This can include offering financial support, counselling, advice, and information. It might include help, including mediation, to help special guardians meet a child's special needs.

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8. Special guardianship regulations explain when councils can pay support to a special guardian or prospective special guardian. This includes situations where it is necessary for the guardian to look after the child, where the child has special needs with extra costs and where necessary to adapt or alter a home.

Statutory complaints procedure

9. Section 26(3) of the Children Act 1989 says councils should establish a procedure for considering complaints made by looked-after children and children in need. It says this procedure should also apply to considering complaints made by parents of such children.
10. The Children Act 1989 gives discretion to councils to decide who may bring a complaint in cases where eligibility is not automatic.
11. The Department for Education publishes statutory guidance that councils must follow called “Getting the best from complaints”.
12. This says councils must consider complaints made by “any child or young person (or a parent of his or someone who has parental responsibility for him) who is being looked after by the local authority or is not looked after by them but is in need”.
13. The statutory guidance says complaints made by or on behalf of children about council services must follow the three stage statutory complaints procedure: local resolution, investigation and review panel.
 - Stage 1 - local resolution; where a council investigates and responds to the complaint.
 - Stage 2 - investigation; the council must appoint an investigating officer to lead the investigation and an independent person to oversee this.
 - Stage 3 - review panel; the council must appoint three independent people to sit on a panel to consider the stage 2 investigation and outcomes.
14. Councils can only vary from the statutory complaints procedure in exceptional circumstances.

How we considered this complaint

15. We considered Mr and Mrs A’s complaint and information they provided. We also considered information from the Council.
16. We gave the complainants and the Council a confidential draft of this report and invited their comments. The comments received were taken into account before the report was finalised.
17. We took into account our focus report ‘[Firm Foundations: complaints about council support and advice for special guardians](#)’ published in 2018.

What we found

18. Mr and Mrs A have three children of their own and live in a two-bedroom house.
19. In June 2019, Mr and Mrs A agreed to care for Child X under a Special Guardianship Order (SGO). They met with the Council at a care planning meeting to agree the support for Child X.

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20. As part of the planning to care for Child X, Mr and Mrs A asked the Council to part fund an extension to their house. They got planning permission for the extension, quotes for the work and appointed a contractor.
 21. During the meeting, the Council agreed to provide a financial package towards Child X's needs. This included a contribution to nursery fees, furniture and a family car. It also included an agreement the Council would part fund an extension to the family home to ensure Mr and Mrs A had enough space to care for four children.
 22. The care plan said the Council would fund Child X's nursery fees until they were eligible for 30 hours free childcare at two years old.
 23. The care plan said the Council would pay £40,000 towards an extension. It documented the payment would be made in instalments once Mr and Mrs A had secured a bank loan, paid the initial amount and started work. It also said that a legal charge agreement would be issued to Mr and Mrs A. The care plan did not say when the legal agreement needed to be signed by or that it needed to be in place before work starting.
 24. Mr and Mrs A were granted the SGO for Child X four days after the care planning meeting. Mr and Mrs A also secured a bank loan and started the work on the extension to their house.
 25. In March 2020 Mr and Mrs A asked the Council to pay the financial package agreed towards the cost of the build as the work was undergoing and the contractor needed ongoing payment.
 26. Mr and Mrs A asked the Council several times for the payments to be made to their builder or the work would stop. The Council did not provide the payments and the contractor appointed to complete the work stopped working due to non-payment.
 27. Between March 2020 and December 2020 there was continuing communication between Mr and Mrs A and the Council to try and rectify the situation. During this time the family home remained unfinished with significant work still to be completed.
 28. Mr and Mrs A felt the Council was avoiding paying the agreed financial package and complained to the Council in December 2020.
 29. The Council responded to the complaint 16 days later. In its stage 1 response the Council accepted that providing the legal agreement had taken too long, however it said Mr and Mrs A should not have started work without the legal agreement. Mr and Mrs A remained unhappy and escalated their complaint to stage 2.
 30. The Council considered Mr and Mrs A's complaint under stage 1 of the corporate complaints process. It also offered to meet with Mr and Mrs A three months later to try and resolve the issues. The Council did not consider Mr and Mrs A's complaint under stage 2 of the statutory complaints procedure.
 31. Mr and Mrs A remained unhappy and complained to us.
 32. During our investigation the Council issued Mr and Mrs A with a legal agreement for the financial package. Mr and Mrs A felt they could not sign this legal agreement as it differed from the original agreement.

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33. In November 2021, the Council paid Mr and Mrs A the balance of £40,000 for the agreed works to their house.

Analysis

Failure to provide the agreed support for the home extension

34. We have reviewed all the communication provided between Mr and Mrs A and the Council. We have also reviewed the initial support agreed.
35. It is our view that Mr and Mrs A agreed to undertake the SGO as they were under the impression the Council would provide the package of support set out in the care planning meeting. This would mean they would be able to suitably care for Child X.
36. The support was agreed and documented in Child X's support plan. The support agreed said the Council would pay £40,000 towards the cost of an extension. The care plan set out expectations for Mr and Mrs A to meet for the Council to pay the money.
37. We consider this to be an agreement and commitment from the Council that set out the support and the terms that Mr and Mrs A were agreeing to.
38. The Council delayed providing a legal agreement for 21 months following the care plan meeting. Therefore, we consider the care plan to be the agreement that was in place for those 21 months.
39. The care plan set out the Council would pay £40,000 in four instalments towards an extension on the house. Mr and Mrs A were to provide quotes and evidence of a contractor, which they provided to the Council. They were to also secure a bank loan and start the work. The Council would then pay the money to Mr and Mrs A.
40. Mr and Mrs A then started the work on the house and kept the Council informed of this. Multiple times they asked the Council to pay the contractor appointed.
41. However, communication from the Council shows that Mr and Mrs A were repeatedly asked for information they had already given, or information that was not previously agreed for. It is our view the Council did this to delay providing the payment.
42. If the Council had terms and conditions it expected Mr and Mrs A to meet, it should have agreed this and set it out to Mr and Mrs A before the care plan meeting. This would have meant Mr and Mrs A were fully informed of the situation before agreeing to the SGO for Child X.
43. The Council did not provide a copy of the legal agreement with its final terms and conditions until March 2021.
44. The terms and conditions of this legal agreement differed to the original care plan agreement and included terms which did not appear in the care plan agreement.
45. The contractor for the build had stopped work due to non-payment, and Mr and Mrs A and the four children were living in a house that needed significant work completed. This was also during the winter months and disrupted their family life significantly. Mr and Mrs A did not have appropriate access to the front or back of their house, their walls were left with large holes open to the outside and without

proper insulation. The part of the extension that had been built was subject to flooding.

46. The Council only issued the legal agreement when we began our investigation. The Council was aware Mr and Mrs A needed to complete the work on their house and therefore may have felt pressured to sign the legal agreement despite the change in terms.

Conclusion

47. We consider the Council to have diverted from the initial agreement, not provided Mr and Mrs A with a clear expectation of the support the Council would provide and delayed issuing the final legal agreement for 21 months.
48. This has caused Mr and Mrs A and their children significant distress and has forced them to live in unsuitable accommodation for over 12 months. This was fault by the Council resulting in significant injustice.
49. Additionally, Mr and Mrs A have been able to evidence the work that was completed on the house has decayed and needs remedial work before the work can be completed.
50. Where a complainant has been deprived of suitable accommodation during what would inevitably have been a stressful period in their life, our recommendation for financial redress is likely to be in the range of £150 to £350 a month. But we may recommend a higher monthly amount in cases where the injustice is exceptional or particularly severe. In this case, we consider the injustice to Mr and Mrs A and their children to be severe and have used a rate of £500 a month to calculate the remedy for the injustice arising from this fault.

Failure to provide the agreed support for nursery fees

51. The support plan set out that the Council would pay £42 a day for five days a week for childcare for Child X.
52. The support plan set out this arrangement would continue until Child X was eligible for 30 hours a week free childcare. The Council set out that the child would be eligible for free childcare as they were previously a looked after child.
53. Child X was enrolled at a local nursery by Mr and Mrs A as detailed in the support plan.
54. Nursery staff discussed with the Council that Child X would not be entitled to 30 hours free childcare, and instead would be entitled to 15 hours as this was the government entitlement for children of Child X's age.

Conclusion

55. During our investigation, Mr and Mrs A have been able to show that the Council has not paid the outstanding nursery fees for Child X as detailed in the support plan.
56. It has also been established that Child X is not entitled to 30 hours free childcare but is only entitled to 15 hours as per the government entitlement.
57. We have not seen any evidence of the entitlement referenced by the Council for children who have been in care.

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58. On balance, it appears the Council misunderstood what childcare Child X would be entitled to, and calculated the support based on this misunderstanding. The nursery and Mr and Mrs A have tried to rectify this with the Council but have not been successful. This has resulted in the nursery fees not being paid. This was fault by the Council resulting in further distress to Mr and Mrs A.
59. In response to our draft report, the Council agreed it would pay Child X's nursery fees until they start full time education in September 2022.

Delay in communication and complaint handling

60. As part of our investigation, we have considered how the Council managed and responded to Mr and Mrs A's ongoing concerns.
61. Mr and Mrs A first raised concerns with the Council in March 2020.
62. Between March 2020 and December 2020, Mr and Mrs A continually raised concerns with the Council.
63. Mr and Mrs A complained to the Council in December 2020. They received a stage one response 16 days later.
64. Mr and Mrs A then escalated their complaint to stage two. They did not receive a response to their stage two complaint. Instead, the Council reconsidered the complaint stage one.
65. Mr and Mrs A also wrote to the family court to withdraw the SGO for Child X as they felt they could not manage their care without the agreed support from the Council. They later decided to continue with the SGO subject to the right support. This shows that Mr and Mrs A were significantly distressed during this time and felt they could not cope because of the Council's actions.
66. We have reviewed the Council's communication with Mr and Mrs A and with us. There are several occasions where Mr and Mrs A's concerns were not responded to, or responses were significantly delayed.
67. In response to our investigation, the Council accepted the case was ongoing and on multiple occasions delayed giving the requested information. It had not given Mr and Mrs A a final complaint response and had reverted to considering the issue at stage one with no clear rationale for this.
68. Although the statutory procedure should usually be followed, we have discretion to investigate complaints. Given the Council's approach and to avoid further delay, we decided to consider Mr and Mrs A's substantive complaint.
69. The Council was at fault for not considering Mr and Mrs A's complaint under the statutory complaints procedure. This meant that Mr and Mrs A were denied the opportunity to have their complaint investigated by an independent person under the statutory complaints process.
70. As a result of the Council's actions, Mr and Mrs A were put to time and trouble in bringing their complaint to us.

Conclusion

71. The Council has continually delayed in addressing this issue causing further distress to Mr and Mrs A and their children. We consider this to be poor

communication and significant fault by the Council causing injustice to Mr and Mrs A and their children.

Recommendations

72. The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)
73. In addition to the requirements set out above, the Council has agreed to:
- write to Mr and Mrs A and apologise for the fault;
 - pay Mr and Mrs A £10,500 to recognise the unsuitable conditions they and their children were forced to live in for the 21 months they were without suitable accommodation.
 - pay Mr and Mrs A £250 for their time and trouble;
 - pay for any remedial works that have had to be completed to the family home because of the works being left unfinished;
 - pay the difference in cost if Mr and Mrs A face a higher cost of finishing the work because of the delay caused by the Council and can reasonably evidence this;
 - pay the outstanding invoices for Child X's nursery fees and continue to pay Child X's nursery fees until they start primary school in September 2022;
 - review how it agrees financial packages as part of care plans. Where packages are agreed, contractual agreements should be provided as part of the care plan meeting or shortly after. The Council should provide evidence to show how it has met this recommendation; and
 - review how it considers complaints under the statutory complaints process to ensure that it is carrying out its duty to consider suitable complaints under the statutory process. The Council should provide evidence to show how it has met this recommendation.

Decision

74. We have completed our investigation into this complaint. We find fault with the Council for failing to provide the support agreed in a SGO care plan. We also find fault with the Council for causing severe delay in implementing the agreed support. Finally, we find fault with the Council for the delay in resolving the complaint. This caused injustice to Mr and Mrs A. The Council will take the action identified to remedy that injustice.

For General Release

REPORT TO:	AUDIT AND GOVERNANCE COMMITTEE 7 July 2022
AGENDA ITEM:	7
SUBJECT:	Internal Audit Charter, Strategy and Plan
LEAD OFFICER:	Head of Internal Audit
CABINET MEMBER:	Councillor Jason Cummings Cabinet Member for Finance
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>Internal Audit's work helps the Council to improve its value for money by strengthening financial management and supporting risk management. Strengthening value for money is critical in improving the Council's ability to deliver services helping the Council achieve all its visions and aims. The external auditor may rely on the work from the internal audit programme when forming opinions and assessments of the Council's performance.</p>	
FINANCIAL IMPACT	
<p>The Internal Audit contract for 2022/23 is a fixed price contract of £0.369m and appropriate provision has been made within the budget for 2022/23.</p>	

1. RECOMMENDATIONS

- 1.1 The Audit and Governance Committee is asked to approve the Internal Audit Charter (Appendix 1), Strategy (Appendix 2) and the plan of audit work for 2022/23 (Appendix 3).

2. EXECUTIVE SUMMARY

2.1 The current UK Public Sector Internal Audit Standards came into effect on 1 April 2013. To help with the Council's compliance with these standards the Council's internal audit charter (appendix 1) and strategy (appendix 2) are reviewed annually and are now attached for approval. These will be reviewed and brought back for approval each year to ensure that these remain up to date and relevant. Also attached is the work plan for internal audit for 2022/23 (appendix 3).

3. DETAIL

3.1 In England, specific requirements are detailed in the Accounts and Audit Regulations 2015, in that a relevant body must "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

3.1 The UK Public Sector Internal Audit Standards which apply to local and central government, the NHS and the three devolved governments came into force from 1 April 2013 and were further revised in 2016 and 2017. Compliance with these satisfies the requirements of the Accounts and Audit Regulations.

3.2 To help with the Council's compliance with these standards the Council's internal audit charter (appendix 1) and strategy (appendix 2) have been reviewed and are attached for approval. These will be reviewed and brought back for approval each year to ensure that these remain up to date and relevant. Also attached for approval is the work plan for internal audit for 2022/23 (appendix 3).

3.4 The work plan for 2022/23 follows a similar format to previous years and its make-up is as set out in the audit strategy. It aims to maximise the value from the internal audit resource available and to provide sufficient evidence to enable the Head of Internal Audit to give an opinion on the effectiveness of its risk management, control and governance processes.

3.5 The Council's Corporate Management Team has reviewed and supports the work plan.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

4.1 The fixed price for the Internal Audit Contract is £0.369m for 2022/23 and there is adequate provision within the budget to cover this cost. The breakdown of the various audits, as advised within Appendix C, along with their daily charge out rates is indicated within the table below. There are no additional financial

considerations relating to this report.

Daily Charge Rate Type	Charge Rate	Total Cost
Key Financials Audits	£ 378	£ 56,322
Key Financials Audits	£ 378	£ 34,020
Key Financials Audits	£ 378	£177,660
Computer Audits	£ 537	£ 38,092
Contract Audits	£ 457	£ 15,995
Key Financials Audits	£ 378	£ 32,130
Key Financials Audits	£ 378	£ 14,742
Grand Total		£368,961

4.2 Internal audit plays a key role aiding the improvement of internal controls of the organization and ensuring Council's resources are managed well. Internal Audit's planning methodology is based on risk assessments that include using the Council risk register processes.

(Approved by: Nish Papat, Interim Head of Corporate Finance)

5. LEGAL CONSIDERATIONS

5.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that information provided in this report is necessary to demonstrate the Council's compliance with requirements imposed by Regulation 5 of the Accounts and Audit Regulations 2015. The Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

(Approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Interim Director of Legal Services and Deputy Monitoring Officer)

6. HUMAN RESOURCES IMPACT

6.1 There are no immediate human resource considerations arising from this report for LBC employees or workers.

(Approved by: Gillian Bevan, Head of HR, Resources)

7. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

7.1 When Internal Audit is developing the Annual Audit Plan or individual audit programmes the impacts of the issues above are considered depending on the nature of the area of service being reviewed. Issues relating to these impacts would be reflected in the audit reports and recommendations.

8. CRIME AND DISORDER

8.1 There are no immediate crime and disorder considerations arising from this report.

(Approved by: Kristian Aspinall, Director of Culture & Community Safety)

CONTACT OFFICER: Dave Phillips, Interim Head of Internal Audit

BACKGROUND DOCUMENTS: None

APPENDICES:

- a) Internal Audit Charter 2021
- b) Internal Audit Strategy 2021
- c) LBC Internal Audit Plan 2022-23.1

Internal Audit Charter

This Charter sets out the purpose, authority and responsibility of the Council’s Internal Audit function, in accordance with the mandatory UK Public Sector Internal Audit Standards.

The Charter will be reviewed annually and presented to the General Purposes & Audit Committee for approval.

Purpose

The Institute of Internal Auditors’ International Professional Practices Framework (IPPF) defines internal audit as *‘an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’*

In a local authority internal audit provides independent and objective assurance to the organisation, its Members, the Corporate Management Team (CMT)¹ and in particular to the Chief Financial Officer to help with discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council’s financial affairs.

In addition, the Accounts and Audit Regulations (2015) specifically require the provision of an internal audit service. In line with the regulations, Internal Audit provides independent assurance on the adequacy of the Council’s risk management, control and governance processes.

The Institute of Internal Auditors (IIA) defines assurance as *‘services that involve the internal auditor’s objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process, system, or other subject matters. The nature and scope of an assurance engagement are determined by the internal auditor.’*

Mission and Core Principles

The IPPF’s overarching ‘Mission’ for Internal Audit services is: *‘...to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.’*

The ‘Core Principles’ that underpin delivery of the IPPF mission require internal audit functions to:

- Demonstrate integrity;
- Be objective and free from undue influence (independent);

¹ Fulfil the role of senior management - Public Sector Internal Audit Standards

- Align with the strategies, objectives and risks of the organisation;
- Be appropriately positioned and adequately resourced;
- Demonstrate quality and continuous improvement;
- Communicate effectively;
- Provide risk-based assurance;
- Be insightful, proactive, and future-focused; and
- Promote organisational improvement.

Authority

The Internal Audit function has unrestricted access to all Council records and information, both manual and computerised, cash, stores and other Council property or assets it considers necessary to fulfil its responsibilities. Internal audit may enter Council property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the Council should be set out in the conditions of funding.

The Internal Audit function will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, which External Audit would need to discharge its responsibilities.

Responsibility

The Council's Head of Internal Audit², is required to provide an annual opinion to the Council and to the Chief Financial Officer, through the Audit and Governance Committee³ (AGC), on the adequacy and the effectiveness of the internal control system for the whole Council. In order to achieve this, the Internal Audit function has the following objectives:

- To provide a quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources
- To provide assurance to management that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.
- To provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes
- To provide assurance that significant risks to the Council's objectives are being managed. This is achieved by annually assessing the adequacy and effectiveness of the risk management process.

² Fulfils the role of the Chief Audit Executive – Public Sector Internal Audit Standards

³ Fulfils the role of the board – Public Sector Internal Audit Standards

- To provide advice and support to management to enable an effective control environment to be maintained

Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas identified by the organisation as being of greatest risk and significance and rely on management to provide full access to accounting records and transactions for the purposes of audit work and to ensure the authenticity of these documents.

The remit of Internal Audit covers the entire control environment of the organisation. Where appropriate, Internal Audit will undertake audit or consulting work for the benefit of the Council in organisations in which it has a significant controlling interest, such as Local Authority Trading Companies. Internal Audit may also provide assurance to the Council on third party operations (such as contractors and partners) where this has been provided for as part of the contract.

Internal Audit may undertake consulting activities. The Institute of Internal Auditors (IIA) defines consulting as *'Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.'*

Reporting

The UK Public Sector Internal Audit Standards require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:

- The Internal Audit Strategy and Charter and any amendments to them are reported to the Corporate Management Team (CMT) directly and then presented to the AGC for formal approval annually.
- The annual Internal Audit Plan is compiled by the Head of Internal Audit taking account of the Council's risk framework and after input from members of CMT and other senior officers. It is then presented to CMT and AGC annually for noting and comment.
- The internal audit budget is reported to Cabinet and Full Council for approval annually as part of the overall Council budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the AGC. The approach to providing resource is set out in the Internal Audit Strategy.

- Performance against the Internal Audit Plan and any significant risk exposures and control issues arising from audit work are reported to the GB and the AGC on a quarterly basis.
- Any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the AGC.
- Results from internal audit's Quality Assurance and Improvement Programme will be reported to AGC.
- The appointment or removal of the Head of Internal Audit must be reported to and approved by CMT.
- Any instances of non-conformance with the Public Sector Internal Audit Standards must be reported to the GB and the AGC and will be included in the Head of Internal Audit's annual report. If there is significant non-conformance this may be included in the Council's Annual Governance Statement.

Independence

The Head of Internal Audit has free and unfettered access to the following:

- Chief Financial Officer
- Chief Executive
- Chair of the AGC
- Monitoring Officer
- Any other member of the CMT.

The Head of Internal Audit is line managed by the Chief Financial Officer. Independence is further safeguarded by ensuring that their annual appraisal is not inappropriately influenced by those subject to audit. This is achieved by ensuring that both the Corporate Director of Resources and the Chair of the AGC contribute to, and/or review the appraisal of the Head of Internal Audit.

All Council and contractor staff in the Internal Audit Service are required to make an annual declaration of interest to ensure that auditors' objectivity is not impaired and that any potential conflicts of interest are appropriately managed. Auditors are also frequently rotated to prevent over-familiarity or complacency which could influence objectivity.

In addition, both the Council and the audit contractor have stringent procedures in place relating to the acceptance of gifts and hospitality and the prevention of bribery.

To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for at least 12 months. Nor will any member of audit staff be involved in any audit work for any area in which they have had operational responsibility within the past 12 months.

The Head of Internal Audit has no additional Council responsibilities in addition to internal audit thereby ensuring the absence of any conflicts of interest.

Due Professional Care

The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards (2017);
- The CIPFA Local Government Application Note (LGAN);
- The codes of ethics for any professional body that internal auditors are members of;
- All Council Policies and Procedures
- All relevant legislation

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies. The Head of Internal Audit is required to hold a professional qualification (CCAB or IIA) and be suitably experienced.

The Head of Internal Audit will ensure that the internal audit service has access to an appropriate range of knowledge, skills, personal attributes, qualifications, experience and competencies required to perform and deliver its responsibilities.

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Internal Audit Strategy

This Strategy sets out how the Council's Internal Audit service will be developed and delivered in accordance with the Internal Audit Charter.

The Strategy will be reviewed annually and presented to the Audit and Governance Committee for approval.

Internal Audit Objectives

Internal Audit will provide independent and objective assurance to the organisation, its Members, the Corporate Management Team (CMT)¹ and in particular to the Chief Financial Officer to support the discharging of their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.

It is the Council's intention to provide a best practice, cost effective internal audit service.

Internal Audit's Remit

The internal audit service is an assurance function that primarily provides an independent and objective opinion on the degree to which the internal control environment supports and promotes the achievement of the council's objectives.

Under the direction of a suitably qualified and experienced Head of Internal Audit² the service will:

- Provide management and Members with an independent, objective assurance and consulting activity designed to add value and improve the Council's operations.
- Assist the Audit and Governance Committee³ to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered;
- Drive organisational change to improve processes and service performance;
- Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements;

¹ Fulfil the role of senior management - Public Sector Internal Audit Standards

² Fulfils the role of the Chief Audit Executive – Public Sector Internal Audit Standards

³ Fulfils the role of the board – Public Sector Internal Audit Standards

- Work closely with other assurance providers to share information and provide a value for money assurance service, and
- Participate in local and national bodies and working groups to influence agendas and developments within the profession.

Internal Audit must ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. Internal Audit will, however offer advice on the design of new internal controls in accordance with best practice.

Service Delivery

The Service will be delivered by the Council's strategic internal audit partner (currently Mazars) under the direction of the Council's Head of Internal Audit (currently an Interim on secondment from Mazars) and supported by an in-house Governance Officer. This provides flexibility of resource and mitigates many of the risks associated with delivering a professional internal audit service.

To ensure that the benefits of the Internal Audit service are maximised and shared as best practice, Croydon has established the APEX Audit & Anti-Fraud Partnership to work with other local authorities. This includes appropriate: resource provision, joint working, audit management & strategy and a range of value added services. (To help mitigate any independence risks while the current Interim Head of Internal Audit in in post, this is currently being overseen by the Head of Fraud, Risk & Insurance).

Internal Audit Planning

Audit planning will be undertaken on an annual basis and audit coverage will be based on the following:

- Discussions with the Council's Corporate Management Team (CMT), Directors and other management;
- The Council's Risk Register;
- The Council's priorities and Corporate Plan;
- Outputs from other assurance providers (e.g. Ofsted or the External Auditor);
- Requirements as agreed in the joint working protocol with External Audit;
- Local and national issues and risks.

The Internal Audit Plan 2022-23 is composed of the following:

- **Risk Based Systems Audit:** Audits of systems, processes or tasks where the internal controls are identified, evaluated and confirmed through risk

assessment process. The internal controls depending on the risk assessment are tested to confirm that they operating correctly. The selection of work in this category is driven by Departments' own risk processes and will increasingly include work in areas where the Council services are delivered in partnership with other organisations.

Internal Audit planning is already significantly based on the Council's risk register and upon risks identified by management. Internal audit will continue to have a significant role in risk management with audit planning being focused by risk and the results of audit work feeding back into the risk management process to form a 'virtuous circle'.

- **Key Financial Systems:** Audits of the Council's key financial systems where External Audit requires annual assurance as part of their external audit work programme.
- **Probity Audit (schools & other establishments):** Audit of a discrete unit. Compliance with legislation, regulation, policies, procedures or best practice are confirmed. For schools this includes assessment against the Schools Financial Value Standard.
- **Computer Audit:** The review of Digital infrastructure and associated systems, software and hardware.
- **Contract Audit:** Audits of the Council's procedures and processes for the letting and monitoring of contracts, including reviews of completed and current contracts.
- **Action Plan Verification:** Testing of reported attainment of key actions or milestones in the various action plans developed to support council renewal.
- **Fraud and Ad Hoc Work:** A contingency of audit days are set aside to cover any fraud and irregularity investigations arising during the year and additional work due to changes or issues arising in-year.

The internal audit plan for 2022-23 covers a period of twelve months. However, Croydon Council and local government as a whole is being subjected to continuous change and financial pressures that may result in changed priorities during the course of the year. Where this happens the Head of Internal Audit may need to flex the internal audit plan; any proposed significant changes to the plan will be reported to the senior management and the Audit and Governance Committee.

Follow-up

Internal Audit will evaluate the Council's progress in implementing audit recommendations against set targets for implementation. Progress will be reported to management and to the Audit and Governance Committee on a regular basis.

Where progress is unsatisfactory or management fails to provide a satisfactory response to follow up requests, Internal Audit will implement the agreed escalation procedure.

Reporting

Internal audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work and in summary to departmental and corporate management on a regular basis. Summary reports are also provided to the Audit and Governance Committee at least four times per year. This includes the Head of Internal Audit's annual report that contributes to the assurances underpinning the Annual Governance Statement of the Council.

2022/23 Annual Audit Plan	Dept	Check	Audit Days
KEY FINANCIAL SYSTEMS REVIEWS			
Adult and Children's Social Care Payment Processes	Resources	1	20
Housing Repairs	Resources	1	15
Parking Enforcement (Incl. Budget modelling and reconciliations)	Resources	1	20
Payments to Schools (Include licensed deficit process)	Resources	1	10
Continuous auditing	Resources	4	70
Follow-up of audits			14
Total Key Financials Audits		8	149
CORPORATE RISK AUDITS			
Agency Use and IR35	Corporate	1	10
Capital Spend Projections and Monitoring	Corporate	1	15
Journals: Impact on Budget Management	Corporate	1	15
Health and Safety : Incident Reporting	Corporate	1	10
Savings Plan Proposals: Assumptions, calculations and timelines	Corporate	1	20
General Records Management	Corporate	1	10
Follow up of audits			10
Total Corporate Risk Audits		6	90
DEPARTMENTAL RISK AUDITS			
DBS Renewals	ACE	1	10
Information Governance: SARs/Fols	ACE	1	15
IT Services - Project Management	ACE	1	10
Members / Officer Protocol – Staff Training	ACE	1	10
Mental health / staff well being	ACE	1	10
Programme Management	ACE	1	15
The Role of the DPO	ACE	1	10
Adult Social Care Transportation Costs : Recording and allocation	ASC	1	10
CES - Banking compliance	ASC	1	10
SUFMT - Appointeeships / Deputyships	ASC	1	15
Supported Living	ASC	1	10

Brokerage	ASC	1	10
SGO Allowances	CYPE	1	10
Budgeting - Looked After Children	CYPE	1	15
Children Leaving Care	CYPE	1	10
Childrens services : Performance management data quality	CYPE	1	10
Fostering: Governance over Fosterers	CYPE	1	10
NRPF: Assessment of finances	CYPE	1	10
Safeguarding - Partnerships & LADO	CYPE	1	10
School Admissions (including appeals)	CYPE	1	10
Traded Services - Education	CYPE	1	10
HEAT - Assessment Management	Housing	1	10
Housing - Leaseholder Service Charges	Housing	1	10
Housing - Tenancy Checks	Housing	1	10
Housing Register: Assessments	Housing	1	10
Housing Rents: Service Charge Calculations	Housing	1	10
Housing: Premises Health and Safety Compliance (excl Fire)	Housing	1	15
CAH - Contract Management	Resources	1	10
Facilities Management Contracts (including off contract spending)	Resources	1	10
Legal Recharges	Resources	1	10
Anti-social Behaviour: Referrals and Case Management	SCRER	1	10
Borough of Culture - Project Management	SCRER	1	10
CALAT – Finance Planning	SCRER	1	10
Food Safety – FSA Reporting	SCRER	1	10
Planning Enforcement: DM systems link to systems and processes in e	SCRER	1	10
SEN Transport – Resilience and demand management	SCRER	1	10
SLWP - Income collection and payment of funds	SCRER	1	15
TFL Reclaims	SCRER	1	15
Use of Legal Services in SCRER: Knowledge management and lessons	SCRER	1	10
Follow up of audits			45
Total Departmental Risk Register Audits		36	470
COMPUTER AUDITS			
Cloud Services – Cost & Security	ACE	1	15
Operating Systems x 3	ACE	3	30
Legal Services Case Management System Review	Resources	1	10

To be determined	Various	1	10
Follow up of audits			6
Total Computer Audits		6	71
CONTRACT AUDITS			
To be determined	Various	3	30
Follow-up of audits			5
Total Contract Audits		3	35
SCHOOLS AUDITS			
Nursey			
Crosfield Nursery and Selhurst Early Years	CYPE	1	6
Pirmary and Junior			
All Saints C of E Primary School	CYPE	1	6
Beulah Juniors	CYPE	1	6
Coulsdon C. of E. School	CYPE	1	6
Heavers Farm Primary School	CYPE	1	6
Elmwood Primary School	CYPE	1	6
Regina Ceoli Primary School	CYPE	1	6
Winetrbourne Junior Girls School	CYPE	1	6
Secondary and Special			
Thomas Moore	CYPE	1	8
Coloma Convent Girls School	CYPE	1	8
Bensham Manor	CYPE	1	8
Follow-up of Schools audits			13
Total Schools Audits		11	85
ADMIN AND MANAGEMENT			
Attendance at meetings, discussions, Audit Committee etc			24
Internal Audit Strategy and Plans Development			10
Year End Summary Report (Council-wide Head of Audit Report)			5
Total Admin and Management			39
GRAND TOTAL BUDGET			
		70	939

Appendix 3: 2022/23 Internal Audit Plan

Total Key Financials Audits		8	149
Total Corporate Risk Audits		6	90
Total Departmental Risk Register Audits		36	470
Total Computer Audits		6	71
Total Contract Audits		3	35
Total Schools Audits		11	85
Total Admin and Management		0	39
Grand Total		70	939

REPORT TO:	Audit and Governance Committee 7 July 2022
SUBJECT:	Recruitment and appointment of an independent member for the Audit and Governance Committee
LEAD OFFICERS:	Andrew Hunkin, Interim Monitoring Officer
WARDS:	All
PUBLIC/EXEMPT:	Public

SUMMARY OF REPORT:

The report provides information on the process for the recruitment and appointment of an independent member for the Audit and Governance Committee.

FINANCIAL IMPACT:

The cost of advertising and recruiting the independent member will be met from existing budgets.

RECOMMENDATIONS:

That the Committee:

1. Comments on and notes the process for the recruitment and appointment of an independent member for the Audit and Governance Committee.

1. BACKGROUND

- 1.1. The membership of the Audit and Governance Committee is seven, including an independent, suitably qualified Chair; and one independent, suitably qualified co-optee (independent member).
- 1.2. The Audit and Governance Committee has delegated authority to appoint the independent member.
- 1.3. Co-opted Members will usually be invited to serve for a term of office of four years.

1.4. An example of an advert for an independent member is attached as Appendix 1. This will be refined but the committee's attention is drawn to:

- The skills and qualities required
- The role description
- Disqualifications

1.5. It should also be noted that co-option is a way of ensuring that under represented voices are represented on Council committees. The Equality Act 2010 (section 149) places a public sector equality duty on the Council, which requires the Council to have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

1.6. Having "due regard" to the need to advance equality of opportunity involves having due regard, in particular, to the need to encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. PROCESS AND RECRUITMENT OF THE INDEPENDENT MEMBER

2.1. It is proposed that the Chair, Vice-Chair and in order to bring balance to the panel, a female member of the Audit and Governance Committee, with the support of the Monitoring Officer, shortlist and interview candidates. The result of that process will be reported to the September meeting of the Audit and Governance Committee, and should a suitable candidate be proposed, the Audit and Governance Committee will be recommended to appoint.

3. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Approved by:

4. LEGAL CONSIDERATIONS

4.1. The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer:

Approved by:

5. HUMAN RESOURCES IMPACT

5.1. It is recommended that the council adopts the approach to this recruitment set out in the council's recruitment policy and procedure. This should include the

need to ensure there is a balanced panel, and that initial applications are anonymised to seek to eliminate any possible bias in selection decision-making.

Approved by: Dean Shoesmith, Chief People Officer

6. EQUALITIES IMPACT

6.1. The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.2. The Council will ensure that its governance pays due regard to the requirements of Equality Act 2010.

Approved by: Denise McCausland Equality Programme Manager

7. ENVIRONMENTAL IMPACT

7.1. There is no environmental impact arising from this report.

8. CRIME AND DISORDER REDUCTION IMPACT

8.1. There is no crime and disorder impact arising from this report.

9. DATA PROTECTION IMPLICATIONS

9.1. **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

No

9.2. **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

No

CONTACT OFFICER: Andrew Hunkin, Interim Monitoring Officer,
Andrew.hunkin@croydon.gov.uk

APPENDICES TO THIS REPORT

Appendix 1 - DRAFT EXAMPLE - Information for Applicants - Audit and Governance
Committee - Independent Member

DRAFT EXAMPLE

Information for Applicants

Audit and Governance Committee - Independent Member

What is audit and governance?

The London Borough of Croydon is committed to delivering and promoting good financial control and governance. As part of that commitment, the Council has established an Audit and Governance Committee to provide independent oversight of the adequacy of the Council's risk management framework, the internal control environment and the integrity of financial reporting and annual governance processes.

What is an independent member?

An independent member is a member of the general public, aged 18 or over, who works alongside the six councillors and an independent chair, on the Audit and Governance Committee. They contribute to the work of the Committee by bringing specialist knowledge and skills to the process and providing an element of external challenge and support.

Ideally, the independent member should offer a range of different skills and experience. The ideal candidate will have knowledge of local government finance, experience of financial control and management, possibly with an audit background. They must also demonstrate an ability to establish good working relationships with councillors and officers. An independent member is objective and politically independent with an ability to analyse information.

An independent member is expected to attend formal meetings of the Audit and Governance Committee and to prepare for each meeting by reading the agenda papers and supporting information in order to be familiar with the issues for discussion.

What skills and qualities does an independent member need?

We are looking for people who have:

- A high level of integrity and inspire public confidence.
- Ability to be objective, independent and impartial.
- Knowledge and understanding of public sector finances, risk management, corporate governance and the roles of internal and external audit.
- Good analytical skills and the ability to scrutinise financial information and processes and to challenge appropriately.
- Good communication skills and ability to contribute to discussions.
- The ability to work effectively within a team and build good relations with others in a committee setting.
- A respect for confidentiality.
- The ability to deal with issues of a sensitive nature in a diplomatic manner.

- Knowledge/experience of local government or some other aspects of the public sector and/or of large, complex organisations at a senior level.
- An awareness of the issues currently facing local government and the key priorities for the borough.

Role description - What will you be expected to do?

- To actively promote good governance, risk management and control in the delivery of the Council's functions.
- Attend and participate in formal committee meetings, providing external challenge, scrutiny and support in relation to reports presented to the committee.
- Prepare for each meeting by reading the agenda papers and additional information to familiarise yourself with the issues under discussion and consider the questions you may wish to put to officers.
- At the meetings listen carefully and ask questions in a way which is non-judgemental and respects confidentiality.
- Keep up to date with key issues for the Council and the Borough; to develop your understanding of the key priorities and initiatives being pursued.
- Contribute to achieving open, accountable and transparent local democracy in Croydon.
- To abide by the Council's Constitution and Members' Code of Conduct.

What level of commitment is required?

The successful applicant will be appointed for a four year period. The estimated time commitment will vary but generally will involve attendance at seven evening (6:30 pm start) meetings per year. These last approximately three hours and are held in Croydon Town Hall. You will also need to read the agenda papers in advance of the meetings.

Disqualifications

You cannot be considered for appointment if you:-

- Are currently a Member, Co-opted Member, or an employee or a consultant to the authority in any capacity;
- Have been either an employee or Elected Member of the Council in the last five years;
- Are related to, or are a close friend of, any Councillor or senior officer of the Council.
- In addition to be eligible for appointment, a person must not be disqualified from holding office as a Member of the Council. Accordingly, any person who is recommended for appointment will be required to confirm that he/she is not disqualified.

REPORT TO:	Audit and Governance Committee 7 July 2022
SUBJECT:	Update on the Annual Governance Statement 2020/21 Action Plan
LEAD OFFICERS:	Andrew Hunkin, Interim Monitoring Officer
WARDS:	All
PUBLIC/EXEMPT:	Public

SUMMARY OF REPORT:

The report provides an update on the Annual Governance Statement (AGS) 2020/21 Action Plan.

FINANCIAL IMPACT:

The financial impact was set out when the Action Plan was adopted. This is just an update on progress.

RECOMMENDATIONS:

That the Committee:

1. Notes and agrees on the progress the Council has made in regard to achieving the recommendations set in the Annual Governance Statement 2020/21 Action Plan.

1. BACKGROUND

1.1. At its meeting on 25 January 2022, the General Purposes and Audit Committee received and approved the draft Annual Governance Statement (AGS) 2020/21. It also agreed to receive a progress report on the implementation of the AGS 2020/21 Action Plan soon after the completion of the 2021/22 financial year.

1.2. The purpose of an AGS, which is published with the Statement of Accounts, is to provide an accurate representation of the Council's governance arrangements in place during the year and to identify areas where there are

significant gaps or where improvements are required. These gaps and improvements were set out in the AGS 2020/21 Action Plan.

- 1.3. The Council has a number of internal control boards that hold Senior Accountable Officers and Project Managers to account for the delivery of programmes within the Croydon Renewal Plan to ensure sustainable improvement is achieved within agreed timescales and cost. On 13 June 2022, the Performance, Finance and Assurance Internal Control Board (PFA ICB) meeting reviewed the implementation of the AGS 2020/21 Action Plan and this is attached at Appendix 1.

2. DETAIL

- 2.1. The Action Plan has 41 actions. 24 of these are complete, 14 are being implemented and three are not underway.
- 2.2. Of the 14 being implemented:
 - 2.2.1. The whistleblowing policy and associated summary was launched in May 2022. Presentations for staff and managers to introduce the revised policy have been prepared. Training for Designated Assessors is taking place in July.
 - 2.2.2. A new process has been developed for the production of the Annual Governance Statement and the draft Annual Governance Statement is planned to be prepared by September 2022.
 - 2.2.3. The recommendations arising from the independent review of the Council's financial management arrangements continue to be implemented.
 - 2.2.4. Finance training for non-finance managers is being developed.
 - 2.2.5. The Capital Board was established in 2021 and is receiving monthly capital updates. Steps are in place to move to tighter project management of the Capital Programme which will involve highlight reporting across the key domains of time/cost/quality, including risks/issues, etc.
 - 2.2.6. The PFA ICB is currently determining how to proceed with the financial appraisal skills training for project leads.

Non-Executive Template

- 2.2.7.** The Constitution was reviewed following the move to the Mayor and Cabinet model. A work programme is being developed for other parts of the Constitution to be reviewed.
 - 2.2.8.** The Corporate Health and Safety Board is reviewing health and safety processes and implementing actions arising.
 - 2.2.9.** Quarterly statutory officers meetings are held. Terms of reference are being reviewed to include a review of compliance and potential conflicts of interest. This will be completed in July
 - 2.2.10.** The Officer Code of Conduct Protocol was approved in March 2022. An officer e-learning module has been developed and will be launched in July.
 - 2.2.11.** The Member induction programme is being implemented. Essential items will be completed by the end of July. Further training has been identified through to the end of November. The Ethics Committee will consider what more needs to be done.
 - 2.2.12.** The officer induction programme has resumed. Changes following the election of the Mayor are being incorporated.
 - 2.2.13.** The PFA ICB is considering a proposal to commission an external assurance review to benchmark against best practice standards in public sector risk management
 - 2.2.14.** Scrutiny forms part of the member induction programme and further development will be ongoing through 2022/23.
- 2.3.** The three not underway are:
- 2.3.1.** Review of record retention policy and procedures.
 - 2.3.2.** Develop and implement programme of work to ensure all information management policies and training are updated and backlogs addressed.
 - 2.3.3.** Establish and implement processes to ensure Publication Scheme appropriately updated.
- 2.4.** There is currently a lack of capacity to address the above recommendations. However the Information Management team has been restructured and recruitment is almost complete. Plans and programmes are already in place to deal with the backlog.

- 2.5. The PFA ICB will continue to monitor this Action Plan and any outstanding actions will be considered and incorporated into the 2021/22 Action Plan.

3. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Approved by:

4. LEGAL CONSIDERATIONS

Approved by:

5. HUMAN RESOURCES IMPACT

- 5.1. This is an update on the Action Plan already approved. There are no changes to the HR considerations set out at that time.

Approved by: Dean Shoesmith, Chief People Officer

6. EQUALITIES IMPACT

- 6.1. The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 6.2. The Council will ensure that its governance pays due regard to the requirements of Equality Act 2010.

Approved by: Denise McCausland Equality Programme Manager

7. ENVIRONMENTAL IMPACT

- 7.1. There is no environmental impact arising from this report.

8. CRIME AND DISORDER REDUCTION IMPACT

8.1. There is no crime and disorder impact arising from this report.

9. DATA PROTECTION IMPLICATIONS

9.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No

9.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

No

CONTACT OFFICER: Andrew Hunkin, Interim Monitoring Officer,
Andrew.hunkin@croydon.gov.uk

APPENDICES TO THIS REPORT

Appendix 1 - Annual Governance Statement 2020/21 Action Plan

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Annual Governance Statement 2020/21 Action Plan

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
Access to information for members	Improvements required to access to information for Members	Adopt Access to Information Protocol	Corporate Director of Resources	January 2022	Revised Access to Information Procedure Rules approved by Council in March 2022. Access to Information Protocol added to constitution following agreement to recommend adoption by Ethics Committee in December 2021.
		Commence publication of Forward Plan		December 2021	The Forward Plan and schedule of deadlines is now published.
Anti-fraud, corruption, whistleblowing	Review of anti-fraud and corruption policy overdue	Review and revise anti-fraud and corruption policy and strategy	Corporate Director of Resources	November 2021	Anti-Fraud & Corruption Strategy approved by GPAC in November 2021
Anti-fraud, corruption, whistleblowing	Review of whistleblowing policy and training overdue	Review and revise whistleblowing policy and implement training programme	Corporate Director of Resources	December 2021	Whistleblowing policy and associated summary launched on intranet in May 2022. Presentations for staff and managers to introduce revised policy prepared. Training for Designated Assessors taking place in July.
Audit	Strengthen the effectiveness of General Purposes and Audit Committee as a source of independent assurance.	Recruit Independent Chair for General Purposes and Audit Committee	Corporate Director of Resources	COMPLETED - September 2021	Completed

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
Audit	Rapid review recommendation to produce a more robust assurance framework	Benchmark the Council's assurance framework against the National Audit Office 'Three Lines of Defence' model	Corporate Director of Resources	March 2022	Governance Framework drafted against the National Audit Office 'Three Lines of Defence' model. Will be considered as part of the AGS
Audit	Ensure appropriate corporate ownership of and engagement with the Annual Governance Statement	Develop new process for 2021/22	Corporate Director of Resources	March 2022	New process developed and ownership with the Monitoring Officer
Audit	Ensure senior oversight of delivery of internal audit management actions	Monthly reviews at CLT of management actions arising from internal audit reports	Corporate Director of Resources	September 2021	In place and ongoing
Financial management	Recommendations arising from independent review of the Council's financial management arrangements	Implement Croydon Finance Review Finance training for non-finance managers	Corporate Director of Resources	March 2022 March 2022	Review being managed by Director of Finance with oversight by the PFA ICB Finance training develop and manged by Director of Finance
Capital finance management	Recommendations arising from independent review of the Council's financial management arrangements	Establish Capital Board Review capital programme, establish monthly capital monitoring and	Corporate Director (SCRER) Corporate Director of Resources	July 2021 March 2022	Capital Board established in 2021 and is receiving monthly capital updates and steps are in place to move to tighter project management of the Capital Programme which will involve highlight reporting across the key domains of time/cost/quality, including risks/issues, etc.

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
		strengthen capital project management Financial appraisal skills training for project leads		March 2022	The PFA ICB is currently determining how to proceed with this and how to interface with reporting on RIPI/ PFA's oversight of governance improvements
Governance	Code of governance not reviewed since 2015/16	Review Code of governance alongside Annual Governance Statement	Corporate Director of Resources	November 2021	The Code of Governance has been drafted and will be aligned and cross-referenced with the AGS.
Governance	Review of Constitution overdue	Review Constitution, informed by Constitution Working Group and wider engagement as appropriate, supporting development of member/ officer awareness of good governance and clarify senior officer ownership	Corporate Director of Resources	March 2022	Constitution reviewed following move to Mayor and Cabinet model. Work programme being developed for reconvening Constitution Working Group/ process for ongoing constitution review
Governance	RIPI requirement to strengthen governance of the Council's external entities	Croydon Companies Supervision and Monitoring Panel established	Corporate Director of Resources	COMPLETED - July 2021	Completed and meeting regularly
Health and safety	Review of effectiveness of health and safety	Review effectiveness of Health and Safety Board and implement actions arising	Corporate Director (SCRER)	March 2022	Corporate Health and Safety Board is reviewing health and safety processes and implementing actions arising

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
	arrangements overdue				
Information Management	<p>Review of record retention policy and procedures overdue</p> <p>Staff training required to ensure consistent implementation of policies</p> <p>Appropriate capacity required to deliver improvement work</p>	<p>Restructure Information Management team and complete recruitment</p> <p>Develop and implement programme of work to ensure all policies and training are updated and backlogs addressed.</p>	Assistant Chief Executive	March 2022	Restructure of Information Management team nearing completion including recruitment. Backlogs being addressed. Programme of work will be developed once recruitment has been completed.
Leadership	Executive Leadership Team postholders all on temporary/ interim contracts	<p>Appointment of permanent Chief Executive</p> <p>Implementation of senior management restructure</p>	<p>Leader of the Council</p> <p>Chief Executive</p>	<p>COMPLETED - July 2021</p> <p>November 2021</p>	Complete
Leadership	Assure compliance in relation to the largest/ highest risk contracts	<p>Establish quarterly statutory officers meetings</p> <p>Review terms of reference to include review of compliance and potential conflicts of interest</p>	Chief Executive	<p>COMPLETED - June 2021</p> <p>November 2021</p>	<p>Complete</p> <p>Terms of reference review will be completed in July</p>

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
Member/ officer conduct	RIPI requirement to review Member and Officer Codes of Conduct (and to reflect recommendations of Committee for Standards in Public Life)	Review and adopt new Member Code of conduct	Corporate Director of Resources	October 2021	Member Code of Conduct reviewed reflecting recommendations of Committee for Standards in Public Life. Training given to all members.
		Review and adopt new Officer Code of Conduct		October 2021	Officer Code of Conduct reviewed. Officer e-learning module developed and will be launched in July
		Review and adopt new Councillor / Officer Working Protocol		March 2022	Protocol on Staff – Councillor Member Relations agreed by Council in March 2022 and has been included in the constitution
Member/ officer conduct	Provide signposting for staff to take action in situations causing them concern in the workplace	Introduce Guardians programme	Assistant Chief Executive	COMPLETED - July 2021	Completed
Member skills and development	Requirement for member development programme to address recommendations of RIPI	Implementation of member development programme, linked to scrutiny improvements and budget scrutiny	Corporate Director of Resources	March 2022	Member induction programme has been implemented. Essential items will be complete by the end of July. Further training has been identified through to the end of November. Ethics Cttee will consider what more needs to be done.
Officer skills and development	Officer induction programme currently paused	Revise and reintroduce officer induction programme	Assistant Chief Executive	November 2021	Resumed officer induction programme. Mayor's vision to be incorporated in pack and final sign off from CMT to be obtained.
Performance management	RIPI action to introduce regular	Develop and publish a corporate performance	Assistant Chief Executive	COMPLETED - October 2021	Completed

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
	reporting of performance and risk to Cabinet and Scrutiny	report for review by Cabinet and Scrutiny			
Procurement	Develop strategic commissioning and ensure appropriate oversight	Establish Strategic Commissioning and Contracts Board and contracts and commissioning pipeline Maintain Board and pipeline ongoing	Assistant Chief Executive Corporate Director of Resources	June 2021 Ongoing	Completed The Strategic Commissioning and Contracts Board meets regularly.
Procurement	Address areas for improvement in procurement and contracting identified by Internal Audit	Adopt Contracts Improvement Plan Maintain improved practice ongoing	Assistant Chief Executive Corporate Director of Resources	COMPLETED - September 2021 Ongoing	Completed Ongoing.
Risk management	Ensure all CMT and directors understand their roles and responsibilities in relation to risk management	CMT to review 'red' risks monthly 1:1 refresher training for all CMT and directors, update risk management guidance.	Corporate Director of Resources	April 2021 March 2022	Ongoing Completed
Risk management	Benchmark against best practice standards in public sector risk management (in particular HM	Implement actions arising from RIPI relating to risk	Corporate Director of Resources	March 2022	The PFA ICB is considering a proposal to commission an external assurance review.

Control area	Governance issue	Action	Responsible owner	Timescale	Update – June 2022
	Treasury 'Orange Book')	Implement further actions arising from benchmarking			
Scrutiny	Areas for improvement in the scrutiny function	Adoption and implementation of scrutiny improvement programme, including budget scrutiny	Corporate Director of Resources	March 2022	Scrutiny forms part of the member induction programme and further development will be ongoing through 2022/23.
Service planning	Lack of service-level plans linked to Croydon Renewal Plan	Develop process and approach to service planning for 2022/23	Assistant Chief Executive	March 2022	Service Planning template and guidance has been developed and approved by CMT. The approach has been communicated to senior managers, and Heads of Service have been required to complete service plans for 2022/23.
Transparency	Publication Scheme information not current	Establish and implement processes to ensure Publication Scheme appropriately updated	Assistant Chief Executive	March 2022	Restructure of Information Management team nearing completion including recruitment. Then this action will be dealt with.

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