

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, Endri Llabuti and Nikhil Sherine Thampi

Reserve Members: 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, 19 January 2023 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

Hannah Cretney, Democratic Services
hannah.cretney2@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 Hannah Cretney, 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 are invited to declare any disclosable pecuniary interests (DPIs) they may have in relation to any item(s) of business on today's agenda.

3. Minutes of the Previous Meeting (Pages 5 - 8)

To approve the minutes of the meeting held on 24 November 2022 as an accurate record of the proceedings.

4. Minutes of Previous General Purposes and Audit Committee Meetings (Pages 9 - 40)

To approve the minutes of the General Purposes and Audit Committee Meetings on:

- 10 June 2021
- 16 September 2021
- 20 October 2021
- 25 November 2021
- 16 February 2022 as accurate records of the proceedings.

5. 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.

6. My Resources - Oracle Cloud Fusion (Pages 41 - 118)

This report provides an overview of My Resources, the Council's Oracle Cloud Fusion ERP System, and highlights the development work to facilitate strengthening of the Council's governance, finance and accountability framework.

The report also provides an updated IT Controls Audit Action Plan for My Resources.

7. Annual Governance Statement (Pages 119 - 152)

The Committee is asked to consider and comment on the draft AGS 21/22 and the Action Plan.

8. Update on the Whistleblowing Policy and Procedure (Pages 153 - 172)

The Committee is asked to consider and comment on the Council's Whistleblowing Policy and Procedure and the minor amendments made.

The Committee is asked to note recent whistleblowing disclosures received and action taken.

9. Council Assurance Framework (Pages 173 - 212)

The Council is required to prepare an Annual Governance Statement (AGS) and to present it alongside the Statement of Accounts. This report summarises the annual process for compiling the AGS.

Public Document Pack Agenda Item 3

Audit & Governance Committee

Meeting of held on Thursday, 24 November 2022 at 6.30 pm in Council Chamber, Town Hall, Katherine Street, Croydon, CR0 1NX

MINUTES

Present: Dr Olu Olasode (Independent Chair);
Councillor Matt Griffiths (Vice-Chair);
Councillor Claire Bonham, Simon Brew, Sherwan Chowdhury, and
Danielle Denton

Also Present: Councillors Sean Fitzsimons and Mark Johnson

Apologies: Councillors Patricia Hay-Justice and Endri Llabuti

PART A

17/22 **Disclosure of Interests**

There were none.

18/22 **Minutes of the Previous Meeting**

The minutes of the meeting held on 13 October 2022 were agreed as an accurate record of the proceedings.

19/22 **Internal Audit Update Report**

Dave Phillips, Head of Internal Audit, introduced the item, summarising that there had been overall improvement in the number of audits being followed up but that it was still too early to get an indication of percentages of audits completed.

In response to questions officers explained that there were three tiers of priority audits, with those in the highest priority (Priority 1) being of significant concern, and that management would be expected to make efforts to remedy those concerns immediately. Officers also explained that the Corporate Management Team (CMT) had a monthly audit focus group meeting to address any issues. It was explained that individuals or directors involved in those audits could be brought before the committee to address the issues and explain the reasons for any delay in remedying issues. The committee was reassured that CMT took proactive control measures in such instances of particular directorates not performing.

The committee raised concerns about areas where internal auditors had not been given enough information to fully carry out audits of contracts. Officers assured the committee that in the example the committee raised regarding the developer chosen for the Taverner House site, that this was not a regular occurrence, and that Audit could not go back to this issue, but they needed to ensure it did not happen again. Officers assured members that the process was correct and followed properly, but that it was not possible to find out how that particular contractor had been chosen.

Officers also explained that there were four different levels of assurance, and that in the next Internal Audit Update they would include an appendix with definitions for the significance of recommendations to help the committee to understand these. Officers also explained that Internal Audit examined the process used to demonstrate Value for Money, and not whether Value for Money was achieved.

In response to questions regarding whether anything about any of the audits would change in light of the council having been issued a Section 114 notice, officers explained that a notice of this kind would inform how the annual audit plan was put together, but that it was not used by Internal Audit to form an opinion.

Officers also confirmed that it was likely that budget management was going to be crucial for the council going forwards, and the Chair suggested that the committee could do a deep-dive on this topic.

RESOLVED, to:

note the Internal Audit Report to 30 October 2022 (Appendix 1).

20/22

Treasury Management Mid-Year Review 2022-23

Matthew Hallett, Interim Head of Treasury and Pensions, introduced the report to members. In response to questions, officers explained that the capital financing requirement was in place in case the forecast of the council's funds relative to debts did not peak. Officers also explained that the Chartered Institute of Public Finance and Accountancy (CIPFA) had issued benchmarking against which the council had performed very badly in previous years. Officers explained that the plan going forwards was to repay as much of its debts as possible, but that some refinancing would have to be done as well.

Officers also explained the Council had set the borrowing limits in line with CIPFA guidance, which was issued to ensure that the borrowing was affordable; however, the council had set its borrowing limits too high, as it was based on the council making returns which had not been achieved. The council's borrowing limit would be reset by Council in February.

RESOLVED, to:

note the contents of this report.

21/22

Anti-Fraud Update Report 1 April 2022 - 30 September 2022

Malcolm Davies, Head of Anti-Fraud and Risk, introduced the report to members.

In response to members' questions officers explained that investigations of fraud were seen as an opportunity for learning, and that there was e-learning available for all staff to help people be proactive, and to raise awareness and prevention of fraud. Officers also explained that the council was part of some fraud investigator groups and the national anti-fraud networks where good practice was shared.

It was also explained that where the council had capacity it did random spot checks, and that this had uncovered some blue badge holder fraud. It was also explained that using anti-fraud software on council employees' computers raised certain privacy and trust issues, and that culturally the council was trying to build trust; and so the team preferred to use effective management as the way of assessing whether fraud is occurring.

RESOLVED, to:

Note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2022 – 30 September 2022

22/22

Enterprise Risk Management Health Check

The Head of Anti-Fraud and Risk introduced the report and in response to members' questions explained that the key areas for improvement were communications on risk, a risk champions network, and further support around providing training and support for officers and members on the risk management framework. It was also explained that this was a standalone body of work which could be reported back to committee within its own

timeframes. It was also explained that staff surveys were being used to gain an understanding of culture.

The Chair suggested there could be a deep-diving session on this topic.

RESOLVED, to:

Endorse the recommendations of the Enterprise Risk Management Health Check action plan set out in Appendix 1, based on an action plan being produced.

The meeting ended at 8.05 pm

Public Document Pack Agenda Item 4

General Purposes & Audit Committee

Meeting of held on Thursday, 10 June 2021 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Karen Jewitt (Chair);

Councillor Paul Scott, Chris Clark, Joy Prince, Stuart Millson and
Jan Buttinger

Apologies: Councillor Steve Hollands

PART A

83/21 **Disclosure of Interests**

There were none.

84/21 **Urgent Business (if any)**

There were no items of urgent business.

85/21 **Oracle Audit Presentation**

The Committee received a presentation to update Members on progress towards addressing the Oracle security.

Victoria Richardson, Head of HR and Finance Service Centre introduced the report.

The following matters were raised by Members:

a) Tools for large organisations: Following a question from a Member, the Officer explained that it is recommended to use a tool designed for a larger environment with complex role structures, as basic office tools were not optimal. It was important for the Council to make a decision around what was the best route forward to manage the risk

b) Timeline: Following a question from a Member, the Officer noted that the Auditor found the Oracle Audit complex, and forecast a decision date for the Autumn. There was approval in principle for the business case but it was subject to further license negotiations with Oracle regarding the cost benefit analysis

c) Reference to background papers: Members highlighted issues around knowing the context of the Oracle system, and noted that it may be helpful in future to note any background papers which could be read in advance of report consideration. It was noted that the Committee may be

made up of different Members from meeting to meeting. The Officer noted these comments.

The Committee noted the presentation and thanked Officers.

86/21

Terms of Reference

The Committee received a report detailing a review of the terms of reference, membership, dates and frequency of meetings of the General Purposes and Audit Committee.

Asmat Hassain, Interim Executive Director of Resources introduced the report.

The following matters were raised by Members:

a) Whistleblowing Policy: Following a question from a Member, the Officer confirmed that the Council did have a standing Whistleblowing Policy which was considered annually by the Ethics Committee. There had been low numbers of whistleblowing concerns raised within the Council which meant the reasons behind it happening had not been investigated. This was a proposal to bring a refresh of the policy and procedure

b) Independent Chair: The Officer noted that the Committee was moving to having an Independent Chair. It was common practise to have one independent person as well as Committee Members so the Chair would follow the standard criteria in the absence of the two independent member posts

c) Training for Members: Members raised concerns regarding the turnover of Members forming makeup of the Committee, and highlighted the potential benefit of regular training to bring new Members up to speed so that they could offer positive contributions and ongoing expertise. The Officer noted that it was common practise to have Members of the Committee brought in on an annual basis, but this could be considered and brought back to Committee.

Following consideration, it was resolved that the Committee:

1.1 Considered and reviewed its Membership (including the role of the co-opted members), Terms of Reference, together with dates and frequency of future meetings as set out in Appendix 1, 2 and 3 of the report respectively;

1.2 Considered to recommend to full Council that the Terms of Reference be amended to include review of the Council's use of our policies in relation to Whistleblowing and the Regulation of Investigatory Powers Act;

1.3 Agreed no next steps were required;

1.4 Noted that any changes to the Constitution and associated requirements would need to be referred to Full Council for final consideration.

Update on Independent Chair for General Purposes and Audit

Asmat Hassain, Interim Executive Director of Resources presented a verbal update, highlighting that:

- The job description had been finalised and sent to external recruitment agency, Starfish who were going to assist in the candidate search, which would be going to advert the week after the evening of the Committee meeting
- It would take a couple of months from start to finish to shortlist and undertake interviews, which would be done in accordance with the Appointments Committee process. This was a Member-Appointment with Officers acting as observers in the process
- The role of independent Chair was common within public bodies but unique to Local Authorities. It was positive that Croydon would be one of the first London Borough Council's to have an independent Chair

The following matter was raised by Members:

- a) Job profiling: Members asked whether they were able to receive a copy of the job description and person specification for the vacancy, as well as the remuneration figure. The Officer agreed to circulate all relevant paperwork to Committee Members
The Committee noted the update and thanked Officers.

Report in the Public Interest Action Plan - Progress Update

Asmat Hassain, Interim Executive Director of Resources introduced the report.

The following matters were raised by the Committee:

The Committee received a report providing the Quarter 1 update of progress made responding to the Council's Report in the Public Interest.

The following matters were raised by Members:

- a) Completed Items: Members highlighted that it may be beneficial to add the date of completion so that delivery could be compared with planned actions
- b) Children in Care: Members highlighted the section under children in care being marked as complete. Following a question from a Member, the Officer explained that this work was consistently on-going, and that 'complete' mean that it had gone through all of the relevant processes within the service
- c) Access to Budget Savings Tracker: Following a question from a Member, the Officer explained that access to the Budget Savings Tracker was not usually given to individuals. This was because it was a live

working document and varied day to day. Instead, Members could expect to be updated upon its contents regularly.

Following consideration, it was resolved that the Committee:

1.1 Noted and agreed the progress the Council had made in regard to achieving the recommendations set out by external auditor in the Report in the Public Interest (appendix 1 of the report) with 55 out of 99 actions complete;

1.2 Noted the beginning of work to properly evidence what had been achieved so far and the intention to carry out an internal audit of actions delivered to provide full assurance to members and residents on the change achieved;

1.3 Noted the Refreshed Action Plan, which incorporated recommendations made by GPAC as per 2nd December 2020 meeting. This was approved by Cabinet 12th April 2021 and reviewed by the Head of Internal Audit.

89/21

Update on Council Whistleblowing

With the agreement of the Chair, this Item was deferred due to it being dependent on the Committee agreeing its Terms of Reference. It would be brought to the next Committee Agenda for consideration.

90/21

Anti-Fraud Update Report

The Committee received a report providing an update on the Council's Anti-Fraud activity.

David Hogan, Head of Anti-Fraud introduced the report.

Following consideration, it was resolved that the Committee:

1.1 Noted the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2020 – 31 March 2021.

91/21

Corporate Risk Register

The Committee received a report providing the updated contents of the Corporate Risk Register.

Malcom Davies, Head of Insurance, Anti-Fraud and Risk introduced the report.

Following consideration, it was resolved that the Committee:

1.1 Noted the contents of the corporate risk register as at 6 June 2021.

92/21

Work Programme

Asmat Hassain, Interim Executive Director of Resources introduced the report.

Following consideration, it was resolved that the Committee:

1.1 Agreed the Work Programme 2021/22.

The meeting ended at 9.08 pm

This page is intentionally left blank

General Purposes & Audit Committee

Meeting of held on Thursday, 16 September 2021 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Karen Jewitt (Chair);
Councillor Stephen Mann (Vice-Chair);
Councillors Joy Prince, Andrew Pelling (In place of Paul Scott),
Jason Cummings (In place of Luke Clancy) and Jeet Bains (In place of Simon Hoar)

Apologies: Councillors Chris Clark, Luke Clancy, Simon Hoar and Joy Prince

PART A

8/21 Minutes of the Previous Meeting

The minutes of the meeting held on Thursday 24 February 2021 were agreed as an accurate record.

9/21 Disclosure of Interests

There were none.

10/21 Urgent Business (if any)

There were no items of urgent business.

11/21 Update Report on the Recruitment of the Independent Chair of GPAC

The Committee received a report presenting an update on the recruitment and appointment of the independent Chair for the Committee.

Heather Wills, Governance Improvement Advisor Introduced the report.

The following matters were raised by Members:

a) Process: Following a question from a Member, the Officer noted that following an extensive search process, there were 4 shortlisted candidates, for which interviews were scheduled to start the week following the Committee. It was up to the Committee to decide whether it wanted just the Independent Chair or to have the Independent Chair plus one Independent

Member. The proposed revisions to the Constitution to enable the appointment of the Independent Chair would reflect Members' views on whether to have an Independent Member in addition to the Independent Chair of the Committee

b) Independent Members: Members highlighted concerns over the attendance of previously appointed Independent Members and noted that Officers had spent a considerable amount of time chasing the status of their attendance prior to meetings

c) Finance: Members asked a question around the total costing of Starfish recruitment agency. The Interim Executive Director of Resources agreed to confirm the exact figure and share it with the Committee following the meeting

d) Previously-Appointed Independent Chair: Members highlighted the previously-appointed Independent Chair and spoke about the possibility of them being contacted about them returning to post. The Chair also raised the potential benefit of looking at how other local authorities had dealt with remuneration of Independent Members.

Following consideration, it was resolved that the Committee:

1. Noted the contents of this report
2. Agreed to recommend to Full Council the approach to arrangements for the two current non-voting members of GPAC:
 - Option B: To retain one independent co-opted member alongside the independent Chair, with effect from a decision of Full Council to implement the new arrangements.
3. Endorsed the proposed changes to the Constitution set out in section 4.

12/21

Croydon Finance Review - Phase 1, 2 and 3 Reports - Update on Implementation

The Committee received a report providing an update on actions taken in continuing to implement recommendations relating to the Council's recent Finance Review.

Matt Davis, Interim Director of Finance introduced the report.

The following matters were raised by Members:

a) Previous 'Red' Rating: Members raised concerns over the omission of the 'red' rating. The Officer explained that red was understood to suggest an inability to be achieved. The targets previously listed as red and now moved to amber or green were intended to be achieved

b) Legal Advice: Members asked a question around the total costs spent on legal advice, and whether the figure may be decreased. The Officer explained that there was a Daily Spend Control Panel whereby all requests for external legal advice was challenged. This process had rejected some spends where it was considered inappropriate or would have been best provided in house. The Officer agreed to calculate the total spend and provide it to Committee.

Following consideration, it was resolved that the Committee:

1. Noted the latest position and progress in implementing the recommendations of the Croydon Finance Review as set out in the body and appendices to the report.

13/21 **Report in the Public Interest Action Plan - Progress Update**

The Committee received a report providing the Quarter 2 update of progress made responding to the Council's Report in the Public Interest.

Asmat Hussain, Interim Executive Director of Resources and Deputy Monitoring Officer introduced the report.

The following matters were raised by Members:

- a) **Recommendation 24:** Members noted recommendation 24 of the report which showed a quarterly review, and questioned how this Item would come to its close. The Officer explained that one the action was listed as complete Audit would carry out further assurance to ensure the actions were accomplished. A final report would then be taken to Full Council with a note that all of the RIPI recommendations had been completed, before the Item came to a complete finish
- b) **CareCubed Tool:** Following a question from a Member, the Officer explained that a series of training around the CareCubed tool had been scheduled and completed. An analysis would be completed by September 2020 to see the results of the tool and to conclude whether it was worth continuing with
- c) **Lessons Learned Paper:** Members raised a question around the progression of the Lessons Learned paper. The Officer noted that it had not yet been completed as it was pending the outcome of the Croydon Park Hotel Audit. Members requested for an update to be provided at each meeting of the Committee acknowledging its progress, with a potential completion date by the November Committee
- d) **Clarification:** Members requested further clarification on Recommendation 7b and 13b and Recommendation 3

Following consideration, it was resolved that the Committee:

- 1.1 Noted and agreed on the progress the Council had made in regard to achieving the recommendations set out by external auditor in the Report in the Public Interest (appendix 1) with 62 out of 99 actions complete;
- 1.2 Noted the outcome of the first tranche of work to properly evidence what had been achieved so far following the initial internal audit of actions delivered to provide full assurance to members and residents on the changes achieved;

1.3 Agreed the Refreshed Action Plan including actions marked complete, progress updates against open actions and identification of actions to be embedded going forward as business as usual;

1.4 Agreed that the Q.2 Report was to go to Full Council on December 13th 2021 in order that progress on the action plan be properly noted by all members.

14/21 **Production of Formal Minutes for Council and Committee Meetings**

Asmat Hussain, Interim Executive Director of Resources and Deputy Monitoring Officer introduced the report.

The following matters were raised by Members:

a) Grant Thornton: Members raised concerns around the reports published by Grant Thornton, which included statements around what Councillors had or had not done in meetings. Their evidence had come only from the meetings' Minutes, which were not Ver Batum, and therefore there were a lot of inaccuracies. It was noted that the Council streamed all of its meetings online and that a recording was available on the web

b) Transcripts: Members highlighted a number of other providers which offered live transcripts. The Officer agreed to speak with the Digital team as to whether this would be possible within the Teams software, and whether there was any cost attached

c) The Chair suggested that either the January or February Committee meeting should include a report on what can be done to better the system already in place and to include the costs and length of contract already in place and details around any break out clause.

The Chair proposed a recommendation to read:

1.3) To take on board the recommendations and suggestions made by Committee this evening which will be Minuted.

This was seconded by Councillor Chris Clarke and agreed unanimously.

1.1) Noted the updated guidance from the Council's external auditor, Grant Thornton, in relation to the production of formal minutes of Council and Committee meetings as detailed in paragraph 4 of the report,

1.2) Noted the guide to minute writing standards in Croydon detailed in Appendix 1 of the report; and

1.3) Agreed the recommendations and suggestions made by Committee this evening which have been Minuted.

15/21 **Internal Audit Update Report**

The Committee received a report providing an update on the Council's Internal Audit Report findings.

Dave Phillips, Head of Internal Audit introduced the report.

The following matters were raised by Members:

- a) **ELT Update:** Following a question from a Member, the Interim Corporate Director of Resources and s151 Officer stated that they were happy to share reports on improvement to the Committee and noted that openness and transparency were important
- b) **Invoices:** Members raised concerns over invoices. The Officer explained that in some cases, supplier had erroneously issued the Council duplicate invoices. In other cases, there had been disputes with contractors invoicing the Council where the service had not been delivered.
- c) **Next Committee:** Members requested for this Item to return to the next meeting of the Committee and for the relevant Cabinet Member and Director to attend to answer any questions from Members.

Following consideration, it was resolved that the Committee:

- 1.1 Agreed to note the Internal Audit Report to 31 July 2021 (Appendix 1 of the report).

16/21 **Anti-Fraud Update Report**

The Committee received a report presenting the findings of the Council's recent Anti-Fraud activity.

David Hogan, Head of Anti Fraud introduced the report.

The Committee gave its thanks to David Hogan, Head of Anti Fraud for his work during his time at the Council, and offered him its best wishes in his next venture.

Following consideration, it was resolved that the Committee:

- 1.1. Agreed to note the Anti-Fraud activity of the Corporate Anti-Fraud team for the period 1 April 2021 – 31 July 2021.

17/21 **Work Programme**

Asmat Hussain, Interim Executive Director of Resources and Deputy Monitoring Officer introduced the report.

Members requested for:

- The Brick by Brick report to be presented to Committee

-
- Items on the Work Programme for previous meetings to be updated regularly to ensure continuity between itself and what has been presented to Committee.

Following consideration, it was resolved that the Committee:

1. Agreed the Work Programme 2021/22

The meeting ended at 9.25 pm

Signed:

Date:

Public Document Pack

General Purposes & Audit Committee

Meeting of held on Wednesday, 20 October 2021 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillors Karen Jewitt (Vice-Chair), Nina Degrads, Paul Scott, Chris Clark, Joy Prince, Steve Hollands and Simon Hoar

Apologies: Olu Olasode (Chair) and Councillor Luke Clancy

PART A

1/21 **Disclosure of Interests**

There were none.

2/21 **Urgent Business (if any)**

There were no items of urgent business.

3/21 **Presentation on Information Management Risk**

The Head of Digital Operations, Dave Briggs, gave a presentation to the committee.

In response to queries raised by the Committee, the following was clarified:

- The reporting frequency required was due to the fact that the council had been in breach of the reporting standards in the past;
- The challenges around Freedom of Information (FOI) and SAR timescales were specifically around staffing levels;
- It was hoped that new software would assist the way in which Councillors' requests were processed which would reduce the number FOI requests being made by Councillors. It would also significantly reduce requests if certain information could be made available on the council's website;
- More data analysis was required so that requests on the same subject could be mitigated by having more information available on the website;
- The review would include benchmarking with other Local Authorities to see where patterns were and where improvements could be made;
- Exemptions were not seen as an issue;

- This area of improvement work was receiving the backing of the Corporate Leadership Team;
- Cyber security was a major concern but old systems had been closed down to reduce the risk of being hacked;
- GDPR was covered by an e-learning course which staff regularly undertook and this reminded everybody of their responsibilities;
- The ICO could impose fines if the level of responses to FOI and SAR requests did not reach adequate levels, and this was why it had been highlighted as a corporate risk.

The Committee requested that a written report on FOI and SAR would come to them quarterly or sooner if an issue arose.

RESOLVED – That the Committee agreed to note the report.

4/21 **Presentation on Budget Risk**

The Deputy s151 Officer, Matthew Davis, gave a presentation to the Committee and in response to queries raised by the Committee, the following clarified that the money spent to keep people safe during Covid had not all been covered by grants from Central Government, so the budget had taken a reduction as a result. Including savings that had not been delivered that figure was expected to be between £10 million and £20 million.

5/21 **Treasury Management Strategy Statement and Annual Investment Strategy End of Year Review 2020/2021**

The Committee considered a report prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) codes of practice in respect of capital finance and treasury management. The codes recommended that members were advised of the treasury management activities for the whole of each financial year and of compliance with the various strategies and policies agreed by the Council. The Committee received an introduction from the Head of Treasury and Pensions, Nigel Cook.

In response to queries raised by the Committee, the following was clarified:

- The amount of debt was being accrued as the council was investing in schools and other infrastructure which would benefit future generations; but they would also be those who would have to manage the debt;

- The debt was also spread out over time to mitigate fluctuations in interest rates and market conditions so the debt would mature over the next 20, 30 or 40 years;
- A significant interest rate rise was expected but should still be within the expected range and not as high as it was 20 years ago;
- The debt, as it became due was being rolled forward on a short-term basis through the Local Authority Market which offered a lower rate than through the Public Works Loan Board. However, there were risks which needed to be managed and it was hoped to pay down some of the debt by using capital receipts.

RESOLVED - That the Committee agreed to note the report.

6/21 **Financial Performance Report**

The Committee considered a report which set out the financial monitoring position of the Council as at the end of Period 5 (August 2021). The Committee received an introduction from the Deputy s151 Officer, Matthew Davis.

In response to queries raised by the Committee, the following was clarified:

- That the council would continue to incur costs related to Covid and that the grant received from Government was a one-off;
- The particular budget pressure in the Place Directorate related to the unsuccessful bid for the Landlord Licencing Scheme and to increased costs around the transport for children with Special Educational Needs. In addition, some of the parking schemes took longer to implement than expected leading to a reduction in the income;
- Pay & Display parking income had been lower than expected partly due to Covid and a claim had been made to Government for between £600,000 and £1 million for the lost income;
- The focus had been on getting the Revenue Budget sorted and more now needed to be done to ensure that the Capital Budget was also where it should be.

RESOLVED – The Committee agreed to note the contents of the Period 5 Financial Monitoring report as set out in the appendices.

7/21 **Progress Report**

The Committee considered a report which updated Members on the progress of the 2019/2020 Financial Statement and the current findings. The Committee received an introduction from the Key Audit Partner at Grant Thornton, Sarah Ironmonger.

In response to queries raised by the Committee, the following was clarified:

- The Pension Committee would be looking at the issue of the asset transfer again at its meeting in March 2022 as this option was now less attractive;
- The report was complex for Members to understand and it was suggested that before the Audit Findings Report was published that Members received a workshop session where the auditors could explain some of the context around the issues. In addition, it was suggested that the Members appointed to the Committee after the election in May should undertake mandatory training which already happened for the Planning and Licencing committees;
- Some of the risks highlighted in the report were very specific to Croydon Council and were more than would normally be expected which reflected the financial position of the council;
- The £13.2 million adjustment would reduce the amount of reserves and would require time to restore. However, this amount was known about when the work was undertaken to produce the Medium Term Financial Strategy;
- The Croydon Affordable Homes issue outlined in the report still required work;
- The broken culture and lack of leadership had led to the Internal Auditor's notification of bank reconciliations not happening being ignored;
- Grant Thornton hoped that the 2019/2020 Financial Statement would be completed in the next few months;
- The Value for Money Report regarding the Fairfield Halls refurbishment was still being worked on and it was hoped to have it available for the next meeting of GPAC in November 2021.

The Committee suggested that this issue should have a committee meeting where it would be the only item to allow for the time needed and for Cabinet Members to attend.

8/21 **Exclusion of Public and Press**

This was not required.

The meeting ended at 9.14 pm

Signed:

.....

Date:

.....

This page is intentionally left blank

Public Document Pack

General Purposes & Audit Committee

Meeting of held on Thursday, 25 November 2021 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Dr Olu Olasode (Chair);
Councillor Karen Jewitt (Vice-Chair);
Councillors Chris Clark, Joy Prince, Stuart Millson, Steve Hollands and
Simon Hoar

Also Councillor

Present: **Error! No document variable supplied.**

Apologies: Councillor Stephen Mann, Nina Degrads, Paul Scott and Luke Clancy

PART A

1/21 **Disclosure of Interests**

Councillor Pelling declared an interest as Chair of the Pension Committee in relation to Croydon Affordable Homes and the possible asset transfer.

2/21 **Urgent Business (if any)**

There were no items of urgent business.

3/21 **Dedicated School Grant Management Plan**

The Committee considered a report which updated Members on the recent Dedicated Schools Grant (DSG) Management Plan. The grant condition required all local authorities with an overall deficit on its DSG account at the end of the 2020/21 financial year to meet the requirements as set out in the report. The Committee received an introduction from the Head of 0-25 Special Educational Needs Service, Education, Kathy Roberts and Principal Accountant, Finance, Charles Quaye.

In response to queries raised by the Committee, the following was clarified:

- The risk was around cost of moving children out of borough as opposed to remaining in the borough and through the transition process;
- The linkages between children's and adults social care services in the transition process were already being strengthened.

RESOLVED – That the Committee agreed to note the report.

The Interim Corporate Director of Resources & S151 Officer, Finance Investment and Risk, Richard Ennis gave a verbal update to the Committee on the issues raised together with an update on the Medium-Term Financial Strategy and the progress on the budget setting process for 2022/23.

In response to queries raised by the Committee, the following was clarified:

- The concerns raised by Grant Thornton around Croydon Affordable Homes were for 2019/20 and 2020/21 and that those concerns were not raised prior to 2019;
- The number of Interim staff within the Executive Leadership Team was acknowledged but was not seen as a major risk and recruitment was already underway to fill some posts;
- The Unaccompanied Asylum Seeking Children (UASC) funding was a one-off grant and that successive governments had failed to ensure that this was properly funded;
- Reserves level was a risk and would need to be increased over the coming years and that turning around the council's financial position would take several years;
- The costs of the Executive Mayor from May 2022 had been accounted for within the budget proposals using other London boroughs as examples together with costs that would be incurred by the change to governance arrangements;
- It appeared to be likely that a number of capital budgets would roll forward at the end of the financial year;
- Low Traffic Neighbourhoods (LTNs) would only be delivering two of the five schemes due to delays in implementation which would affect income;
- The Fairfield Halls Report in the Public Interest had been sent for consultation to the affected bodies, but it was still hoped it would be published in the first half of December.

The Committee considered a report which was prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) codes of practice in respect of capital finance and treasury management. The Codes recommended that members were advised of treasury management activities of the first six months of each financial year and of compliance with various strategies and policies agreed by the Council. The Committee received an introduction from the Head of Pensions, Nigel Cook.

In response to queries raised by the Committee, the following was clarified:

- The amount of debt was cushioned from rises in interest rates as it covered a long timeframe but rate rises had been factored in nevertheless.

RESOLVED - That the Committee agreed to note the report.

5/21 **Anti-Fraud Corruption Strategy**

The Committee considered a report which requested members to review and approve Croydon's refreshed Anti-Fraud & Corruption Strategy. The Committee received an introduction from the Head of Insurance, Anti-Fraud & Risk, Finance, Malcolm Davies.

In response to queries raised by the Committee, the following was clarified:

- Approximately 120 cases of fraud were investigated each year and Mr Davies stated that he would give members more details of the types of fraud outside of the meeting;
- Officers would be able to look at having a greater involvement of members in raising fraud awareness;
- The Covid pandemic had given rise to greater exposure to fraud in certain areas;
- A risk management approach was being taken which focussed on prevention and tightening up processes where fraud had occurred. The anti-fraud team was very well regarded;
- Misrepresentation within the planning process was a risk that had been highlighted within the risk register;
- Not all cases of fraud would be handled by the authority as some would be dealt with by the Police.

During the consideration of the recommendations, the Committee discussed whether there were sufficient resources to back up the policy with prosecution if required.

The committee requested that data be brought to this Committee regularly, and asked that the promotion of the council's policy on openness be reflected in paragraphs 4.5 to 4.8 of the report.

The Committee also requested that a report regarding the capacity to deliver the Strategy came out before the next Committee meeting to include implications on the budget.

RESOLVED – The Committee agreed to:

- 1.1 Review and approve the contents of Croydon's refreshed Anti-Fraud & Corruption Strategy.

6/21 **Corporate Risk Register**

The Committee considered a report which updated Members on the Corporate Risk Register (the register) as at November 2021. The Committee received an introduction from the Head of Insurance, Anti-Fraud & Risk, Finance, Malcolm Davies.

In response to queries raised by the Committee, the following was clarified:

- The risk related to Covid-19 and public health may be downgraded in the coming weeks due to the success of the vaccine roll-out;
- Corporate Management Team (CMT) now received a monthly update on corporate audits to resolve some of the culture particularly around expenses;
- There would be space on the GPAC work programme for a deep dive into the Whitgift Centre issues;
- Specific housing input would be required to understand the criteria for "high priority" blocks. Mr Davies was asked to facilitate that;
- Financial systems report recommendations were being worked through;
- Temporary accommodation frequently overspent so there was a specific item in the Cabinet report exploring possible solutions and officers had been comparing with other local authorities. The report was due to return to Cabinet on 7 February 2022. The Committee asked for this to be added to the Corporate Risk Register;

- All risks were reviewed on a quarterly basis by CMT and new senior officers are inducted into the risk management systems and the framework which provided a good way of escalating risk;
- A number of risks were expected to fall and over time it was hoped that it would become clearer as to how long some of those risks would be expected to last.

RESOLVED - That the Committee agreed to note the contents of the corporate risk register as at November 2021

7/21 **Internal Audit Update Report**

The Committee considered a report which detailed the work completed by Internal Audit so far during 2021/22 and the progress made in implementing recommendations from audits completed in previous years. The Committee received an introduction from the Head of Internal Audit, Finance Investment and Risk, Dave Phillips.

In response to queries raised by the Committee, the following was clarified:

- An area with poor engagement would be reported back to the Committee via the Chair;
- Some change in culture over staff expenses had already begun.

RESOLVED - The Committee agreed to note the Internal Audit Report to 30 September 2021 (Appendix 1).

8/21 **Annual Governance Statement 2020-2021**

The Committee considered a report which explained that legislation required that the Council conduct a review at least annually of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices. The purpose of the Annual Governance Statement (AGS), which was published with the Statement of Accounts, was to provide an accurate representation of the Council's governance arrangements in place during the year and to identify areas where there were significant gaps or where improvements were required. The Committee received an introduction from the Interim Corporate Director of Resources &

S151 Officer, Finance Investment and Risk, Richard Ennis and the Governance Improvement Adviser, Heather Wills.

In response to queries raised by the Committee officers clarified that the Governance Statement for 2019 to 2020 was issued separately from the accounts.

During the consideration of the recommendations, the Committee discussed the following:

- A governance review had previously been agreed but that this was different from a full constitutional review and it was good practice to have a Constitutional Review Working Group to constantly ensure that it was fit for purpose. However, it was agreed to add a paragraph which reflected the changes that had been made.

A motion was proposed by Councillor Pelling that the report should be withdrawn and that the work carried out on the previous governance review be included and brought back to the next meeting.

The motion was seconded by Councillor Fitzsimons.

RESOLVED – The Committee agreed that the report was withdrawn for comments to be incorporated and for it to return to the next meeting of the Committee:

For the next two items the Chairman handed over to the Deputy Chair, Councillor Karen Jewitt.

9/21 **Use of the Powers available Under the Regulation of Investigatory Powers Act 2000 and Investigatory Powers Act 2016 - year ending 31 December 2020.**

The Committee considered a report regarding monitoring compliance with the Regulation of Investigatory Powers Act and Investigatory Powers Act 2016 to support the Council's approach to corporate governance. The Committee received an introduction from the Information Management and Governance Co-ordinator, Legal Services, Howard Passman.

RESOLVED - That the Committee agreed to note the report.

10/21 **Implementation of Mayoral Governance Model**

The Committee considered a report which set out the programme of work that needed to be undertaken to ensure effective implementation of the Mayoral model of governance which would be effective from 9 May 2022. The Committee received an introduction from the Interim Monitoring Officer, John Jones.

During the consideration of the recommendations, the Committee discussed the following:

- There were proposals to meet with the prospective candidates to explain how the council currently worked but also to gain some insight into their expectations;
- It would be up to whoever was elected to decide on the role of Cabinet but the pre-meetings would give officers time to prepare;
- Other models were being looked at to see how other authorities were working and under the Constitution work stream would include effective Forward Plans and Access to Information.

RESOLVED - The Committee agreed to the following recommendations set out in the report:

1. Note actions underway to implement the Mayoral governance model.
2. Identify any further issues which require consideration and/or action by the Programme Board.

The Deputy Mayor handed the Chairmanship back to the Chair.

11/21 **General Purposes and Audit Committee Member Development**

The Committee considered a report which provided an update on training delivered and planned for members of the Committee. The Committee received an introduction from the Governance Improvement Adviser, Heather Wills.

During consideration of the recommendations, the Committee discussed the following:

- The training needed to be at the right level and that some of it should be compulsory;

- The members of this Committee were elected for just one year and there was merit in the appointments being for a longer time period to ensure consistency and that knowledge was not lost.

RESOLVED - The Committee agreed to the following recommendations set out in the report:

1. Note training delivered and planned for the Committee
2. Suggest any further training required for the Committee during 2021/22 or as part of Member Induction in 2022.

12/21 **General Purposes and Audit Tracker Report**

The Committee considered a report which presented a proposed format for a Tracker to be presented at ordinary Committee meetings to enable progress against actions agreed in Committee to be monitored. The Committee received an introduction from the Governance Improvement Adviser, Heather Wills.

RESOLVED – The Committee agreed to the following recommendation set out in the report:

To review and agree the format of the Action Tracker.

13/21 **Work Programme**

The Committee considered a report which detailed the Committee's proposed work programme for the 2021/22 municipal year.

The Interim Corporate Director of Resources & S151 Officer, Finance Investment and Risk, Richard Ennis reminded Members that some elements of the Work Programme were due to needing clear the backlog.

RESOLVED - The Committee agreed the Work Programme 2021/22 with acknowledgement that four meetings per year were not enough to cover the current workload.

The meeting ended at 10.23 pm

Signed:

Date:

.....

.....

This page is intentionally left blank

Public Document Pack

General Purposes & Audit Committee

Meeting of held on Wednesday, 16 February 2022 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Karen Jewitt (Vice-Chair in the Chair);

Councillors Chris Clark, Clive Fraser, Lynne Hale, Ola Kolade, Stuart Millson, Paul Scott, Margaret Bird (In place of Ian Parker), Pat Clouder (In place of Nina Degrad) and Sean Fitzsimons (In place of Joy Prince)

Also Present: Dr. Olu Olasode

Apologies: Councillors Nina Degrad, Ian Parker, Joy Prince

PART A

11/22 **Minutes of Previous Meetings**

The minutes of the previous meeting held on 25 January 2022, and the Minutes of the meetings held on 26 April 2021 and 8 July 2021 were agreed as an accurate record and signed by the Chair.

12/22 **Disclosure of Interests**

There were none.

13/22 **Urgent Business (if any)**

There were no items of urgent business.

14/22 **Appointment of External Auditors**

The Committee received a report asking for its agreement to recommend to Full Council that the external auditor for the Council and for the pension fund for the audit years 2023/2024 to 2027/2028 should be appointed by Public Sector Audit Appointments Ltd.

Dave Phillips, Head of Internal Audit, introduced the report.

The following matters were raised by Members:

- a) **New External Auditor:** Members highlighted the issues the Council had faced with its current External Auditor. It was noted that the problems currently being faced would remain to be solved even if a new Auditor was appointed
- b) **Rotation:** Members highlighted the benefits of a potential rotation of External Auditors. Although it was noted that this would come with its own set of hindrances, including inconsistency of service, Members suggested it might be in the Council's best interest to implement such a recommendation. The Officer explained that by going out to tender every 5 years, whereby there is fair competition, even if the current contractor is again successful it is not the same as simply extending an existing contract. Notwithstanding, he did acknowledge members concerns regarding rotation of the external auditor
- c) **Role of PSAA:** Members asked a question around what may have happened if you were dissatisfied with service provided. The Officer explained that the PSAA were wholly responsible for the contract management of the External Auditor from the Council and would deal with any concerns had regarding its function.

Councillor Paul Scott proposed additional wording be added to the recommendation requesting for a rotation so that a new External Auditor would be appointed.

This was seconded by Councillor Stuart Millson and agreed unanimously by the Committee.

Following consideration, it was resolved that the Committee:

1. Agreed to recommend to Full Council that the external auditor for the Council and for the pension fund for the audit years 2023/2024 to 2027/2028 should be appointed by Public Sector Audit Appointments Ltd (PSAA), which was a subsidiary of the Improvement and Development Agency (IDeA) which was wholly owned by the Local Government Association, with a request for a rotation so that a new External Auditor would be appointed.

15/22 **Internal Audit Report**

The Committee received a report detailing the findings of the Internal Audit Report.

Dave Phillips, Interim Head of Internal Audit introduced the report.

The following matters were raised by Members:

- a) **Timeframe:** Following a question from a Member, the Officer explained that there was not a specific timeframe by which it was expected to see an improved culture. It was noted that culture change was a process that took time. There had been a lot of movement already, led by CMT actions. Another factor was with new Council staff being appointed, who brought culture in from their previous local authorities, thereby helping improve Croydon's culture.
- b) **Audit Workshops:** Members noted the recent Audit Workshops held by CMT and asked whether they could access the actions and timeframes produced within them. The s151 Officer confirmed that this could be put into place subject to the removal of any Part B sensitive information
- c) **Placement Deposits Audit:** Following a request from a Member, the Officer agreed to circulate the Placement Deposits Audit to Committee Members and ensure it was published online
- d) **FoI/SARs Audit:** The update response detailed in the report to the FoI/SAR report was discussed. Noting that the Council used Power BI to complete a number of tasks and functions, particularly in holding individual teams and services to account for accuracy and providing performance reporting, the update response was queried and clarification was requested.

Following consideration, it was resolved that the Committee:

1. Agreed to note the Internal Audit Report to 31 December 2021 (Appendix 1 of the report).

16/22 **Care Cubed**

The Committee received a report providing an update on the procurement, implementation and effectiveness of the CareCubed costing tool for working age adult and children's social care placements.

Richard Eyre, Head of Improvement introduced the report.

The following matters were raised by Members:

- a) **Projected Savings:** Following a question from a Member, the Officer explained that it was not possible to predict at that moment how much money may be saved overall
- b) **Staffing:** Members highlighted pressures in staffing, particularly within the disability teams. The Officer agreed to note that four critical vacancies had recently been recruited to, including a number of experienced team managers who had taken post
- c) **Report:** It was noted that it would be beneficial for colleagues in Children's Services to bring an update on their area to a future Committee, and for the responsible Cabinet Member to attend. This

would give the Committee more insight and detail on the progress of works and savings.

Following consideration, it was resolved that the Committee:

1. Agreed to note the progress of implementation; and identified for a Committee in Period 6 of 2022/23 for a further progress update

17/22 **Work Programme**

The Committee received a report detailing the Work Programme for forthcoming meetings of the Committee.

Sarah Keeble, Democratic Services and Governance Officer, introduced the report, highlighting that the report contained an Item for 3 March meeting titled 'Report in Public Interest Action Plan' which should be amended to read: Fairfield Halls: Report in the Public Interest Action Plan.

The following matters were raised by Members:

- a) **Subject of Deep Dive:** The Independent Chair highlighted that the Committee had been asked what it would like to see on the next Deep Dive. Members noted that it may be possible to make a more informed decision on what they would like the Deep Dive to report on following the next presentation of the Corporate Risk Register, which was scheduled to come to the meeting of the Committee on 3 March
- b) **Pre-Council Meeting:** Members highlighted the importance of each Group's Pre-Council Meeting. There had been a recent clash in scheduling of a Special Committee meeting which had caused issues for the Majority Group. It was requested that once the Chief Whip from each party had nominated their Pre-Council Meeting date that it be formally put in to the Council diary to avoid any clashes in the future.

Following consideration, it was resolved that the Committee:

1. Considered the agreed work programme for the Committee in 2021/22.

The meeting ended at 8.58 pm

Signed:

Date:

Agenda Item 6

REPORT TO:	Audit and Governance Committee 19 January 2023
SUBJECT:	My Resources – Oracle Cloud Fusion
LEAD OFFICER:	Jane West, Corporate Director of Resources and Section 151 Officer
CABINET MEMBER:	Cllr Jason Cummings Cabinet Member for Finance
WARDS:	All
PUBLIC/EXEMPT:	Public

SUMMARY OF REPORT:

This report provides an overview of My Resources, the Council's Oracle Cloud Fusion ERP System, and highlights the development work to facilitate strengthening of the Council's governance, finance and accountability framework.

The report also provides an updated IT Controls Audit Action Plan for My Resources.

FINANCIAL IMPACT:

As this is an update report for noting, there are no financial implications directly arising.

RECOMMENDATIONS:

The Audit and Governance Committee to note:

1. The current status and known issues as regards My Resources and its adoption in the Council;
2. The planned approach and way forward; and,
3. The updated Audit Action Plan.

1. Background

1.1 My Resources is the Croydon Council Enterprise Resource Planning (ERP) application.

1.2 One of most critical IT systems used across the organisation, the application is a suite of inter-dependant modules that provides the operational backbone of all services, encompassing finance, accounting, budgeting, HR, procurement, risk management and compliance, and supply chain operations. This system is critical to the business continuity of the Council as it enables the payment of

staff and suppliers, the collection of income and management of the Council's finances and employees.

- 1.3 The current platform used to deliver this ERP capability is Oracle's Cloud Fusion product (referred to as My Resources within Croydon). An initial five-year contract was signed in August 2017 with a contract value of £2.575m total (Decision 2617FT CCB1259/17-18).
- 1.4 The My Resources solution went live in May 2019 replacing several separate systems. The total cost of the programme to procure, deploy and migrate to this new platform and undertake the extensive change management work involved to get the system operational exceeded £8M.
- 1.5 In addition to the contract with Oracle for licences to use their Fusion product, Croydon partnered with Evolutionary Systems Ltd (Evosys) to help implement the system. Subsequently a contract was awarded to provide ongoing essential technical support services. (CCB1513/19-20). Value of the core support contract was £624,000.
- 1.6 Reviews during 2021 led by the Assistant Chief Executive and Interim Corporate Director of Resources and Section 151 Officer, and including the Chief Digital Officer, the Independent Financial consultant engaged to review Finance, and the Head of Digital Operations, were conducted following Croydon's issue of a Section 114 notice. The reviews considered the efficacy of the use and controls of the My Resources platform.
- 1.7 Senior Officers also discussed the suitability and capability of the system to support Croydon's Renewal Plan with Senior Officers in other Councils and Organisations and concluded that leveraging the capability of the system is a key enabler and will be essential to implementing the recommendations and improvements listed in the Croydon Renewal Plan.
- 1.8 A discussion paper was presented to CMT in November 2021 outlining the plans for the My Resources system. There was unanimous approval to continue to leverage the Oracle Fusion platform rather than undertake a costly re-tendering exercise to replace it.

2 Current Status

- 2.1 In September 2022, following review and recommendation by the Contracts and Commissioning Board, the Executive Mayor:
 - Approved the variation of the existing contract with Oracle Ltd in order to extend the provision of Oracle Cloud licences for two years from 16/09/2022 at an additional value of £1,091,421, bringing the overall aggregate contract value to £3,698,432.
 - Approved the variation of the existing contract with Evolutionary Systems Ltd (Evosys), now Mastek, in order to extend the provision of Oracle Cloud ERP system third-line support services for two years from

01/9/2022 at an additional value of £440,360, bringing the overall aggregate contact value to £1,492,560.

- 2.2 The system is stable; however, there is a perception within some parts the Council that My Resources can be a blocker to improvements in the way the organisation operates.

3 Problems

- 3.1 The known problems are grouped into two themes and itemised below.

3.2 Known Business Problems

- **Inaccurate Establishment Data**
The organisation has struggled to maintain accurate establishment data as well as keep the data held in My Resources and My Finance aligned. This makes it difficult for the organisation to manage and report on staffing and its associated costs.
- **Compliance issues with self-service processes**
There are known compliance issues with self-service processes including Procure to Pay (P2P), expenses and pcards expenses as highlighted through recent no assurance or limited assurance audit reports
- **Poor Absence Records**
There have been instances where managers do not return staff back from sick leave in My Resources and their pay has been affected.
- **Usability of the system**
Many staff are not feeling confident using the system to monitor budgets. The Finance Review identified several recommendations to improve financial systems and reporting based on CIPFA best practice. CDS carried out a discovery exercise into My Finance, the findings are summarised and included at **Appendix 1**.
- **Effort in Finance to Produce monthly financial reporting**
It requires numerous steps and a lot of effort from the Finance team to prepare monthly financial reporting. It is important that any work arising is co-ordinated between the My Resources work programme other Corporate Projects and Working Groups so it can be prioritised.

3.3 Known Problems with the governance, development and adoption of Oracle

- **Ownership and usability of business processes:**
A lot of the difficulties staff experience is not due to software at all, but rather the design of business processes themselves. For example, processes such as Establishment Control and Procure to Pay (P2P) involve many steps and hand-offs and are difficult to understand and

navigate. In many cases, there is nobody whose job it is to monitor how well the process is working, respond to feedback and improve these processes. The implementation of these processes into Oracle is therefore more complicated than it needs to be.

- **Lack of strategic governance of My Resources**
Since the successful go live of the system, and beyond the immediate early life support stage, senior management oversight and strategic governance of the system had taken something of a back seat, particularly in the light of the wider context in Croydon of COVID19 and financial challenges.
- **Not exploiting the full potential of Oracle**
There is no roadmap of improvements that could be made to the system or processes. Oracle release new features and improvements to the system quarterly which are not being evaluated.
- **Lack of awareness of the capabilities of the system,**
Leading to workarounds using other databases and spreadsheets. For example, there is a Capital Project Finance module within My Resources; however a lot of work is done off system using spreadsheets.
- **Oracle Licences**
We need to monitor licence usage and allocation as part of the My Resources governance to ensure that we do not use more licences than we have paid for. The current licence agreement is due to expire in August 2024.
- **My Resources Support Model**
Oracle support the Cloud Fusion platform; however there is a gap between the support Oracle provide and the technical support required in addition to the in-house support team. This gap is covered by a contract with Evosys (Mastek) for third line support. This contract expires on 31 August 2024. The support model should be reviewed, and requirements gathered so an appropriate procurement can be undertaken before the contract expires

3.4 It should be noted that many of the problems are not specific to My Resources or the Oracle platform it sits on. They would exist whatever technology was in place to run these business processes.

4 Oracle Value Assessment

4.1 As part of the recent contract negotiations with Oracle and Mastek, discussions were held on how to get more from the system to maximise benefits and minimise costs. These have resulted in Oracle recommending a Value Assessment led by the Oracle Insight consultancy team and using Evosys' Value Based Assessment (VBA) service. In effect this uses a software tool and consultancy to review usage of the system and highlight where additional

benefits could be attained and identify where licences can be reduced. This exercise will realistically take 3 months to setup, and then need to run for a minimum of 12 months.

- 4.2 Due to the importance of this system and the value of the underlying contracts, the longer-term intention is to use the information from the VBA review to re-baseline the support and functional licence needs and requirements of Croydon so a more informed competitive procurement exercise can be commissioned before the end of the proposed contract extension period.

5 The Way Forward

5.1 Approach

- 5.2 It is not cost effective to consider changing platforms as the identified problems can be resolved by:

- establishing effective governance, including improving process ownership.
- changing the narrative so the message shifts from 'what the system can't currently do', to 'what can we do to make the system work better for us'; and,
- keeping things as simple and pragmatic as possible – can our default processes change to minimise any tailoring needed in the system so we can reduce the investment needed to make changes to the way we work?
- My Resources is a key enabler for the Croydon Renewal Programme and can support further process improvement.

- 1.2. The following activities set out the steps towards addressing the known problems and deliver improvements to My Resources. This will be a significant undertaking and a long-term improvement programme is required to support this work. The potential costs and efficiencies arising from the improvement programme are currently being assessed and a business case will need to be developed. However, the first phase of this programme will be managed within existing resources.

1.3. Now – next 6 months

- **Re-establish the governance at strategic level**
 - Establish a refreshed governance model for My Resources, to ensure the right decisions are made at the right level in the organisation and input is obtained from Oracle and Evosys, enabling My Resources to be seen as an asset to Croydon's improvement journey.
 - Implement a Finance and HR Corporate Steering Group, chaired by the Corporate Director of Resources reporting into Digital Internal Control Board.
 - Consolidate work already done on Establishment Control, Finance and Budget Monitoring in response to the recommendations of the Finance Review.

- It is critical that the governance of My Resources is not separate to the Corporate Governance. Ownership of work already underway needs to be co-ordinated under the oversight of a governance board
- **Develop a programme of work**
 - A coherent programme of work (roadmap) for the next two years which acknowledges:
 - Technical and BAU activities to 'keep the lights on'
 - Critical path activities (Value Assessment)
 - Other projects and improvements (prioritised based on robust business case and support of corporate objectives)
 - Sufficient resources and funding to deliver this at appropriate pace
- **Confirm process ownership**
 - Understand the key business processes across the organisation. Key processes within My Resources are
 - Procure to Pay (P2P)
 - Establishment Control,
 - Budget Monitoring
 - Receivables
 - Employee and Manager Self-Service
 - Expenses including Procurement Cards (or P-Cards)
 - Recruitment
 - It is critical that work to improve key business processes is led by process owners and co-ordinated with other corporate programmes and working groups.
- **Set up a user group**
 - Consider how best to understand how people are using the system and can contribute to improvements.
 - Focused on the key business processes
- **Establishment Control**
 - Build on the work of the recent establishment project to ensure consistency of the data held by HR and Finance and to improve the processes to maintain an accurate establishment.
- **Current Work in Progress**
 - Continue with the current programme of business-as-usual activities (Roadmap attached at **Appendix 2**, including:
 - Adults and Children's ICT systems (Liquid Logic and ContrOCC) interfaces
 - Direct Debits
 - New Property System interfaces
 - New Maternity Plan for HR/Payroll
 - Legislative changes for Teachers' Pensions

- **Commence work on a Value Assessment in conjunction with Oracle and Mastek to review our implementation**
 - Commence work with Oracle to carry out an insight study. Oracle have offered this study as a free of charge service.
 - This will help us to assess the benefits achieved from our cloud solution and identify future areas of improvement where Oracle can work with us to realize further benefits.
 - To complement the Insight study, Mastek, our implementation and support partner, will join Oracle and add value to the study using their Value Based Analytics service (VBA), a suite of tools and analysis against agreed KPIs to highlight where improvements can be made. Mastek have included this service as a “value add”, however there may be a cost for any changes that arise.
 - Review system controls taking account of External Audit recommendations to implement a tool to manage access controls and segregation of duties conflicts

- **Develop a process to regularly review new features with process owners and update roadmap**
 - Ensure that process owners understand Oracle’s roadmap, can evaluate, and if appropriate implement, the new features released by Oracle part of their quarterly updates

- **Review My Resources support model and re-procure 3rd party support**
 - Take account of the Oracle Licence renewal when deciding the term.
 - Review support model to ensure it meets the Council’s requirements
 - Initiate an appropriate procurement to secure ongoing third line-support before the current contract ends.

1.4. Next – 6-9 months

- **Develop an improvement roadmap with a programme of work**
 - Map, review and simplify processes where possible
 - Undertake a training needs analysis and review the training offer
 - Identify any inter-dependencies with other workstreams e.g. Children’s ControCC work, Finance improvements, establishment project, and other workstreams of the Renewal Plan

- **Refine the improvement roadmap and align system target operating model with organisational design outcomes**
 - Review the improvement roadmap to take account of other work in the Council that may have an impact or dependency on the improvements or how My Resources is used and revise the plans where appropriate.

- **Agree programme outcomes, benefits and deliverables**
 - Confirm costs and investment required

- Develop a delivery plan for the programme taking account of:
 - Existing BAU roadmap
 - Capacity within the support team, CDS and business areas
 - Organisational Priorities
- **Confirm Governance and reporting for the programme**
 - The improvement journey needs to be driven by accountable business process owners and supported by the delivery of technical solutions

2. IT Controls Audit Action Plan

- 2.1. Following the IT Controls Audit 2020 a presentation was given to the Councils General Purpose and Audit Committee in June 2021. The presentation included an action plan to address issues raised.
- 2.2. Here is a link to the presentation on the Croydon Council website

[10 Jun 2021 General Purposes and Audit Committee Papers](#)

and a link to the minutes from that meeting (approved on 3 March 2022).

[10 Jun 2021 General Purposes and Audit Committee Minutes](#)

- 2.3. An updated action plan, showing completed and outstanding actions is included as **Appendix 3**.

3. CONSULTATION

- 3.1. Reviews during 2021 led by the Assistant Chief Executive and Interim Corporate Director of Resources and Section 151 Officer, and including the Chief Digital Officer, the Independent Financial consultant engaged to review Finance, and the Head of Digital Operations, were conducted following Croydon's issue of a Section 114 notice. The reviews considered the efficacy of the use and controls of the My Resources platform.
- 3.2. Senior Officers also discussed the suitability and capability of the system to support Croydon's Renewal Plan with Senior Officers in other Councils and Organisations and concluded that leveraging the capability of the system is a key enabler and will be essential to implementing the recommendations and improvements listed in the Croydon Renewal Plan.
- 3.3. The consultation also noted that there is a perception within some parts the Council that My Resources can be a blocker to improvements in the way the organisation operates.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1. There are no direct financial implications as a result of this report. Any costs arising from recommendations as a result of the reviews outlined above will be subject to full business cases and will need to be approved via the Councils governance processes

Approved by Lesley Shields, Head of Finance, Assistant Chief Executive and Resources on behalf of the Director of Finance.

5. LEGAL CONSIDERATIONS

- 5.1. The Head of Litigation & Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that: As this is an update report for noting, there are no legal considerations directly arising.

Approved by Sandra Herbert, Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer

6. HUMAN RESOURCES IMPACT

- 6.1. Further to the matters and know business problems as outlined in the body of the report, there are no immediate HR impacts arising from this report for Croydon Council employees or staff.

(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:

- (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.

- 11.2 All systems should be monitored to ensure compliance with equality standards in relation to disabilities in particular relating to conditions related to some physical disabilities and neurodiverse conditions.

(Approved by: Denise McCausland – Equality Programme Manager)

8 DATA PROTECTION IMPLICATIONS

8.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

YES

8.2 The following table shows the lawful basis for processing of data held in Oracle Cloud Fusion (My Resources). The data was tested against the following 6

Lawful bases: **Contract; Consent; Vital Interest; Legal Obligation; Public Tasks; Legitimate Interest** and recorded below:

ERP			
Data Category	Data Description	Lawful basis for processing	Notes
Suppliers and Customers	Organisation or person Name and addresses, Email, phone numbers, contact person names and their contact details and addresses etc.	Contract	To meet contractual obligations with customers and suppliers
Business information of suppliers and customers	Business type, Tax identifier, tax codes, Office or warehouse locations, Business terms and conditions, DUNS number	Contract	To meet contractual obligations with customers and suppliers
Financial details of suppliers and customers	Credit information like credit terms and conditions, bank names and bank account information	Contract	To meet contractual obligations with customers and suppliers
Financial Transactions	Purchase, sales and cash transactional information with Suppliers and customers. Trade contracts, GL transactions etc	Legal Obligation	The Accounts and Audit Regulations (2015) require that local authorities maintain a financial control system that is suitable for financial management and control. This by definition requires the processing of information about all financial activity such as receipts and payments to or from individuals and organisations. Additionally, it requires information about assets & liabilities, which would include creditors and debtors

			held with other individuals and organisations.
--	--	--	--

HCM			
Data Category	Data Description	Lawful basis for processing	Notes
Personal and Identity information	Employee name, Address, date of birth, national insurance number, password, visa etc	Contract	In order to meet the contractual obligations for Contracts of Employment
Social	Email, contact number, job title, work history, references, interviews, disciplinary actions etc	Consent	In order to meet the contractual obligations for Contracts of Employment
Financial	Bank account details, salary details, pay history	Legal Obligation	To comply with legislative requirements with regards to PAYE, and to meet contractual obligations to pay staff
Family	Marital status.	Legal Obligation	To comply with Tax and pension law
Academic or education or competency	Education Qualification, Degree, year of completion, college or school attended, skills, certificates	Contract	information held for recruitment (Pre-contractual)
Employment	Job, Position, Grade, Department & Location, previous employment history, employment contracts	Contract	Contract of employment

Special categories of data			
Data Category	Data Description	Lawful basis for processing	Notes
Sexual	Gender, sexual orientation	Legal Obligation	To comply with Equalities law
Internal	Gender, marital status, religious belief,	Legal Obligation	To comply with Equalities law
Medical	Sickness absence information, medical conditions, disabilities, employee health reports	Legal Obligation	To comply with legislative requirements with regards to PAYE and Equalities law, and to meet the contractual obligations for contacts of employment.

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

YES

A copy of the DPIA is attached as appendix 4.

- 8.2.2 The Director of Digital and Resident Access comments that this procurement relates to the extension of existing licence and support contracts which have safeguards within the contracting arrangements and working practices.
- 8.2.3 The data is hosted by Oracle and stored in the cloud. The process of granting access to the application and data is managed by the Council who remain accountable.
- 8.2.4 Evolutionary Systems offshore teams work only through a highly secure remote server based in Oracle's IAAS Data Centre in the UK. It is understood that the server is further secured to restrict upload or download of data to any location other than Oracle Cloud and the Council's secure FTP.
- 8.2.5 A number of additional security modules have been procured from Oracle to provide a higher level of protection for data stored in the cloud.
- 8.2.6 The support contract with Evolutionary Systems includes Standard Data Protection clauses issued by the ICO as an appropriate safeguard to ensure that both the Council as the Data Controller, and the contractor have in place suitable controls to protect individuals' rights and freedoms in respect of their personal data.
- 8.2.7 The contractor has adopted the Croydon Information Security Management System (ISMS) set of policies and guidelines.
- 8.2.8 The DPIA was reviewed and approved in 2019 and is currently under review by the Data Protection Officer (DPO).

Approved by: Paul Golland Interim Chief Digital Officer & Director of Resident Access

Guidance Notes

This paragraph must always be completed and should primarily identify whether the subject matter within the report will involve the processing of 'personal data'. If there are no data protection implications then this should be stated.

The Director of the relevant division is responsible for the processing of 'personal data' by the services for which he/she has management responsibility. This paragraph should therefore be completed in their 'name'. Some departments will be processing 'special category data' and 'criminal offence data' and these types of information require additional protections to be in place over and above those required for 'personal data'.

If the report involves the processing of personal data the Council must consider data protection and privacy issues pro-actively and is required to have in place appropriate technical and organisational measures to implement the data protection principles and safeguard an individual's rights. This requires the Council to integrate data protection into its processing activities, from the design stage right through the lifecycle of the information and/or service provision concerned.

Report authors must therefore consider relevant data protection issues that arise from the report including, if relevant, the design, implementation of systems, services, products and business practices that they are describing within their report.

Further guidance is available on the intranet under the Information Management GDPR guidance page including definitions of 'personal data' 'special category data' and also 'criminal offence data'.

<https://intranet.croydon.gov.uk/resources/information-management/gdpr/gdpr-overview>

Once the report author identifies that the report will involve the processing of personal data, the officer should immediately contact the Information Management Team (IMT) information.management@croydon.gov.uk

who will advise if it is necessary to complete a Data Protection Impact Assessment (DPIA). The DPIA will identify if there are any risks to the data being processed and also provide mitigating measures against any identified risk(s). The IMT will provide support to the service in completing a DPIA. If a DPIA is not needed the IMT will advise accordingly

CONTACT OFFICERS:

Jon Martin, Interim Head of Specialist Systems,
Mark Moody, My Resources Programme Lead

APPENDICES TO THIS REPORT

[Appendices to be attached to this report must be listed in number order below]

Appendix 1 - My Finance Discovery Report

Appendix 2 - Work in Progress Roadmap

Appendix 3 - IT Controls Audit Action Plan

Appendix 4 - DPIA

BACKGROUND DOCUMENTS: *[Complete for Part A reports only - list documents that have not been published previously]*

None

My Finance user research discovery report

Croydon Digital Service

Background

This discovery is partly in response to recommendation 58 of the LBC Finance Review by Ian O'Donnell:

58) The authority should consider ways of improving the My Finance system to make it more intuitive and user friendly, or consider moving to another system that more closely meets budget holder requirements. [BP 48]

In September 2020, the majority of LBC budget holders took 28 days to complete the monthly revenue reports. In October, Matthew Davis Deputy S151 Officer Finance, and Nish Popat Head of Corporate Finance asked Neil Williams Chief Digital Officer to find out how much of this delay was caused by the My Finance reporting tool.

CDS held initial meetings end of October with 4 budget holders to find out more. The conclusion from these meetings was that delay in reporting was because some LBC budget holders:

- are not experienced in finance and/or budget monitoring
- do not know how finance at LBC works
- do not understand how the My Finance product works

January 2021, CDS allocated a team to do a discovery and user research to find out more from actual users of the My Finance product.

User research - discovery

Discovery research & goals

The aim of user research in the discovery phase is to find out:

- What users are trying to do
- How they do it currently (for example, what services or channels they use)
- The problems or frustrations they experience
- What users need from a service and/or product to achieve their goal

Our research goal is:

To understand how much of the delay in monthly reporting, is attributed to the My Finance platform

Out of scope: My Resources Procurement module, My Resources Projects module, Capital Finance

**“Designing without research
is like trying to do a jigsaw
with your eyes closed”
- Jesse James-Garrett**

Who are the users

Role	Activity in monthly reporting
System administrator	Set up report, ready for filling
Heads of service OR budget holders	Input data
Directors	Sign off data
Accountants/Head of Finance	Have oversight of departments/directorates
Finance manager	Combine single report
ELT	Review the report

We are aware that some budget holders:

- are not experienced in finance and/or budget monitoring
- do not know how finance at LBC works
- do not understand how the My Finance platform works

Who we spoke to

We interviewed **8 users** from accountants, budget holders (Inc. heads of service) directors and finance team.

Whilst this is a small sample number, for our discovery we wanted to ensure we covered depth (*qualitative*) and gained meaningful insight, and therefore focused on that to begin with.

As we gain insight and start to find themes that require further investigation, we can iterate our research accordingly and carry out more user research.

Limitations with our research

We struggled to speak to users who do not come from a finance background; some of the participants we invited, were frontline workers who were too busy to attend.

Avg. Length of service

3.9 years

Previous experience in budgeting & finance

7 Yes - 1 No

Uses My Finance

5 Yes - 3 No

Who we couldn't speak to

3 out of 4 budget holders who do not have finance experience did not take part in the user research interviews

They work in front line services, e.g. social workers

Monthly revenue reporting is an add on to their core role

There is a conflict in priorities for their time, core role vs monthly revenue reporting

Issues

- Their voices are not fully represented in the user research feedback
- They are likely to be people who need training and support on monthly revenue reporting
- The fact they didn't participate could be indicative of a wider issue with monthly revenue reporting

Insight

Finance specialists vs non finance specialists

Out of the 8 participants, 1 of them did not have finance or budgeting experience.

Those that do come from a finance or budgeting background were either qualified in the field or had previous experience managing budgets and therefore understand how finance works.

Although some were not proficient with the system, they had an idea of what they were looking for with their budgets and were therefore able to navigate the process a lot more easily.

Whilst some users were not familiar with My Finance and kept spreadsheets locally, they were still able to keep up with their budgets and knew where they were with their forecast.

“I am a qualified social worker, not a qualified accountant.....Its impossible for us to keep up with our day to day duties, as well as budgeting when we are not qualified in that”

User quote

Reporting process

Some users commented that the timelines may need reviewing and that they do not always receive their reports in time to start reconciliation.

- Budget holders can't see what accountants can see and therefore need to ask questions, that they could ideally answer themselves, if they had the same view.
- There is no understanding of how establishment data & HR processes interlink with My Finance, i.e. how what is processed through establishment data, impacts their budget.
- Legal fee statements are also sent 2 months in arrears and budget holders don't know what the charges are until they have received the statement and therefore cannot forecast these charges.

Processes
are clunky

Timings &
getting
data from
accountant

You have to wait until
the 1st of following
month before you can
do anything

User quotes

Data from MyFinance

We received various comments about the data available when preparing budgets:

- Spend details are too high level; no option to drill down e.g. £5k spent on overtime, but unable to see who overtime was paid to or what subjective code
- The same inaccuracies come up every month and need to be manually amended
- Staff that have left still appear on reports
- Financial incentives for social workers are not part of the forecast
- There are too many subjective codes
- The spreadsheet is too big and difficult to read
- The way that My Finance interprets the data is different to how accountants interpret the data
- A lot of the data has to be manually manipulated

My Finance - platform

There were various comments made about the usability of My Finance:

- Manual adjustments take 5-10 mins to save
- There are too many filters which are confusing
- It is difficult to find transactions
- The system is not intuitive
- No rejection codes given or reason why – have to ask accountant
- My Finance does not interface with any other commercial systems

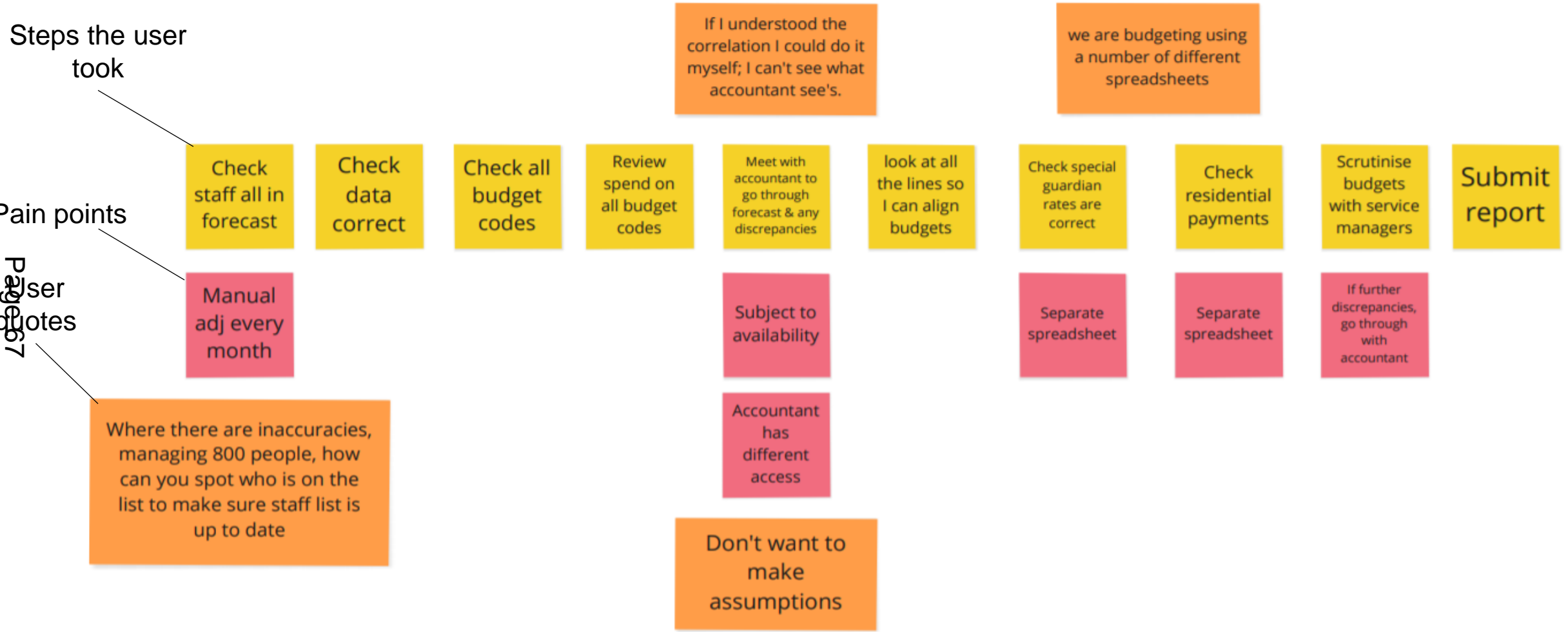
The system
is unyielding

We didn't have
these issues with
One Oracle

User quotes

Experience map -

These are the steps that 1 of the participants currently goes through in order to complete their monthly report



Training & development

Training was a recurring theme with all participants we spoke to.

- We found that some participants either hadn't received any training or were given just an overview of My Finance and no formal training.
- Whilst accountants have tried to train users on the system, some accountants have their own way of doing things.
- A user did comment that their accountant had changed 3 times in a short period of time and therefore has had to relearn each time their accountant changes.
- Some budget holders don't have any budgeting/finance experience and/or numbers isn't one of their strengths. They are having to rely on more experienced budget holders/line managers to support them or ask their accountant for help.

No training - self taught

Need formal corp training

Shown how to input data

Some don't get numbers

“they are an expert and I'm not; they were just clicking everywhere and I can't keep up”

User quote

Training & development: extra survey

We realised that training was an area that needed further research, so we sent an email survey to all 174 budget holders, as well as doing the 8 user research interviews with some of them:

71 out of **174** budget holders responded, covering all departments. From the 71 respondents:

- **43%** have previous finance/budget reporting experience
- **56%** have no previous finance /budget reporting experience

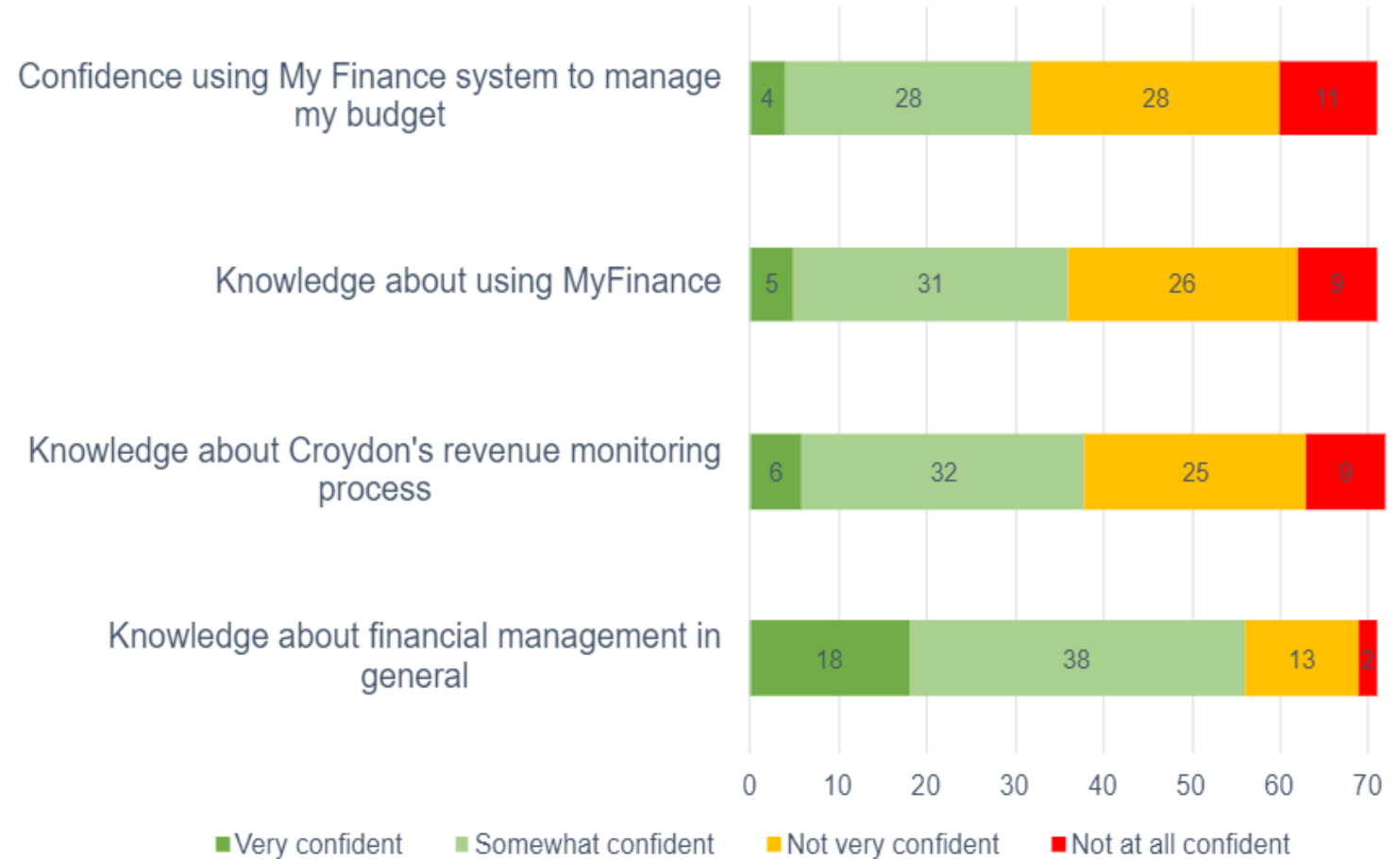
- **41%** received training
- **59%** did not receive training
- Those that did receive training gave the training an average star rating of **3/5**

Training & development

We asked users about their level of confidence around My Finance and financing

We found that majority of users felt either very confident or somewhat confident about finance knowledge and the revenue monitoring process, but felt less confident about using My Finance to budget and the system in general.

Page 70









Training & development

We asked participants what their learning style preference is?

Some users gave more than one answer; however, the top 3 preferences are:

- 1-1 training **(45)**
- Online/virtual tutorial **(35)**
- e-learning **(26)** and classroom training **(26)**

We also found that although there are quick reference guides available, only 28 **(39%)** knew that these existed.

	1-1 training	45
	eLearning	26
	online/virtual tutorial	35
	video guides	23
	classroom training	26
	read a manual	22

Summary & recommendations

Summary

Our research goal was: To understand how much of the delay in monthly reporting, is attributed to the My Finance platform

We interviewed **8 people**

We sent a survey to **174 budget holders***

We identified 4 themes that are contributing to the delay: **process, data, training, My Finance platform**

Out of 16 recommendations to improve the delay in monthly reporting there were:

- **56%** for process/data/training
- **44%** for MyFinance platform

*We did receive an unusually high response rate from the email survey which shows that users were keen to contribute and have their voices heard. It was a 41% response rate, where 10% is the average for this kind of survey.

Theme	Description	Recommendation
Process	Users need one source of truth that every budget holder is reading from to reduce discrepancies and overspend.	Create corporate policy guidelines that every budget holder needs to follow.
Process	Users are unclear on reporting timeline and sometimes receive reports without enough time to scrutinise properly.	Create reporting timetable and make available to all budget holders so they can plan accordingly.
Process	Legal fee statements are issued 2 months in arrears, therefore services cannot forecast these costs in until the statement has been received.	Explore whether statements can be issued sooner, or to have a breakdown of average costs made available, which would give budget holders an indicative cost.

Theme	Description	Recommendation
Data	Inaccuracies reappear on reports, even once cleansed previous months and appears to link to staff data/establishment form.	Need better integration and understanding of how HR systems and data, affects budgets.
Data	Users commented that some of the data they need isn't available on My Finance and are having to keep separate spreadsheets, or have found that some information is no longer available, e.g. FIS sheets, capitol reporting, staff forecast.	Need to understand what reports and data needs to be made available to each budget holder and why.
Data	Users with many budgets, commented that having too many subjective codes causes confusion.	Review cost and subjective codes and consider condensing the amount that are used.

Theme	Description	Recommendation
Training	Some users have not received any official training on how finance works in Croydon or how to use My Finance.	Provide all budget holders with training and make this training available for new budget holders as part of their on-boarding.
Training	Some users have different learning preferences and different needs. Some users may have no understanding of budgeting/finance, whilst some may do, but need to understand how it works in Croydon.	Consider different modules, based on user needs.
Training	We found that users like a variety of training methods, e.g. 121, online tutorials, online documentation.	Consider different training methods and how on-going support can be made available, e.g. online tutorials.

Theme	Description	Recommendation
Platform	Users find the detail on reports too high level and need a way to be able to drill down on the data.	Explore functionality and features on My Finance.
Platform	Some users commented that they do not have access to certain features and need to ask their accountant or manager for clarity, e.g. approval trees, transaction reports.	Refresh of what users have access to.
Platform	Users commented that My Finance is not user friendly and that there is too much data on the screen. It can be slow, and adjustments can take 5-10 minutes.	The smart view add-on is a feature only available to accountants, but is supposed to be a more user-friendly version of My Finance. Consider making this available to all budget holders.
Platform	Users require data to be in real time and said that an alert system and/or RAG system would help them to easily see where they are on forecast.	Explore whether users can have real time data of budget positions.
Platform	Users that also deal with commercial trading services, also rely on other finance systems and need to manually raise PO's on My Finance. For one user they raise 3000 each year.	Consider whether other systems can be integrated with My Finance to speed up the process.
Platform	If any data input is rejected, users are not given a reason and need to ask their accountant for help.	Provide rejection codes.
Platform	There is an option to allow accountants to create templates (set parameters) when preparing for reports, so that they are not having to manually do this monthly, but this was option was not considered when My Finance initially went live.	Relook at functionality and features.

Other research & stakeholder requirements

Deputy CEO interview:

We spoke with the Deputy CEO to understand what is required in the budget monitoring pack which is a high-level report of Croydon's budgeting position, and how it could be improved.

We understand that ELT receive a short monthly report which only contains financial information, but there can often be a delay in receiving up to date figures.

The current report is reviewed in ad-hoc meetings and is clear and understandable. However, it does not meet all user needs, as the report has no correlation with performance reporting or the change work which is being lead by the PMO. The following is also required:

- Balanced score card reports which contains 4 sections; Finance, Performance, Risk and Change.
- Key Indicators: Assets, Adults Social Care, Children's Social Care and Staffing Costs, HRA, Capital Borrowing, Savings, Council Tax Collections, Revs and Bens, Complaints and FOIs.
- A monthly reporting cycle, which is synced across finance and performance.
- The monthly report will be shared with the Deputy CEO's immediate leadership team and strategic leadership team, and should be no longer than 10-15 pages.
- There will also be a requirement to report to external boards, therefore, the report needs to be available in paper format.

Survey by finance team about systems

Corporate Finance Team, Heads of Finance and Finance Managers in the Finance Team were contacted in February 2021 and asked for suggestions to improve and enhance the systems based on their experience.

6 out of 21 users provided feedback.

Summary of suggestions

- 23 about **My Finance system**
- 18 about **My Resources system**
- 4 about **both systems, general documentation and training**
- 17 about **processes**
- 12 about **data**
- 12 about **reporting**

- **50%** about systems
- **50%** about processes, data, reporting



Finance team
feedback

Summary of both sets of research

There is a similar pattern for both sets of research, half of recommendations for improvement are about the actual IT systems, and half for process, data and training.

Who provided feedback	System	Recommendations for improvement
Finance specialists Feb 2021	My Finance / My Resources	84 recommendations <ul style="list-style-type: none">• 50% systems• 50% process, data, training, reporting
All budget holders Jan/Feb 2021	My Finance	16 recommendations <ul style="list-style-type: none">• 44% system• 56% process, data, training

Additional documents

Current process steps

System admin — Set up the report ready for filling

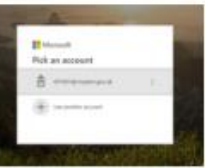
Budget holders — Inputs data completing various tasks

Click on email icon

Click on MyFinance icon

Click on company sign-on

Click on task



Budget holders

Budget setting

Budget monitoring

- Position details of staff establishment
- End date of employee record
- Enter projection for a vacant post
- Enter managers adjustment
- Review employee salaries & on cost spend to date
- Agency projection for new staff
- Update agency forecast for existing staff
- Revenue monitoring
- Comparing projection figures
- View monitoring summary by cost-centre
- View approver & promote cost centre for approval

Once data input

Review & sign-off — oversight of the directorate - Combine into a single report — Review the report

Directors

Accountant/
Head of
Finance

Finance
manager

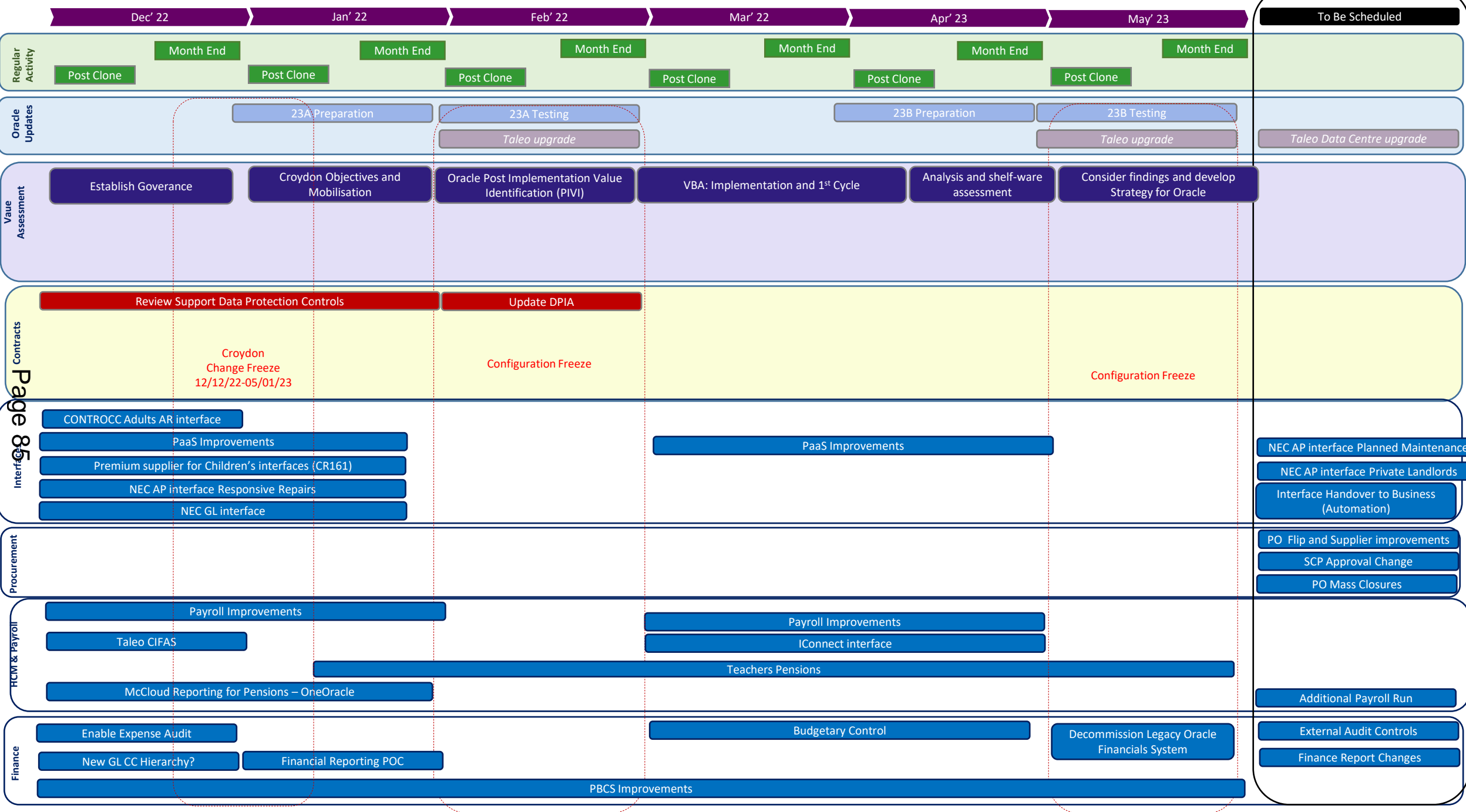
ELT

Links to current MyResources training material on the intranet

<https://intranet.croydon.gov.uk/resources/my-resources/my-resources-quick-reference-guides#budget%20holders>

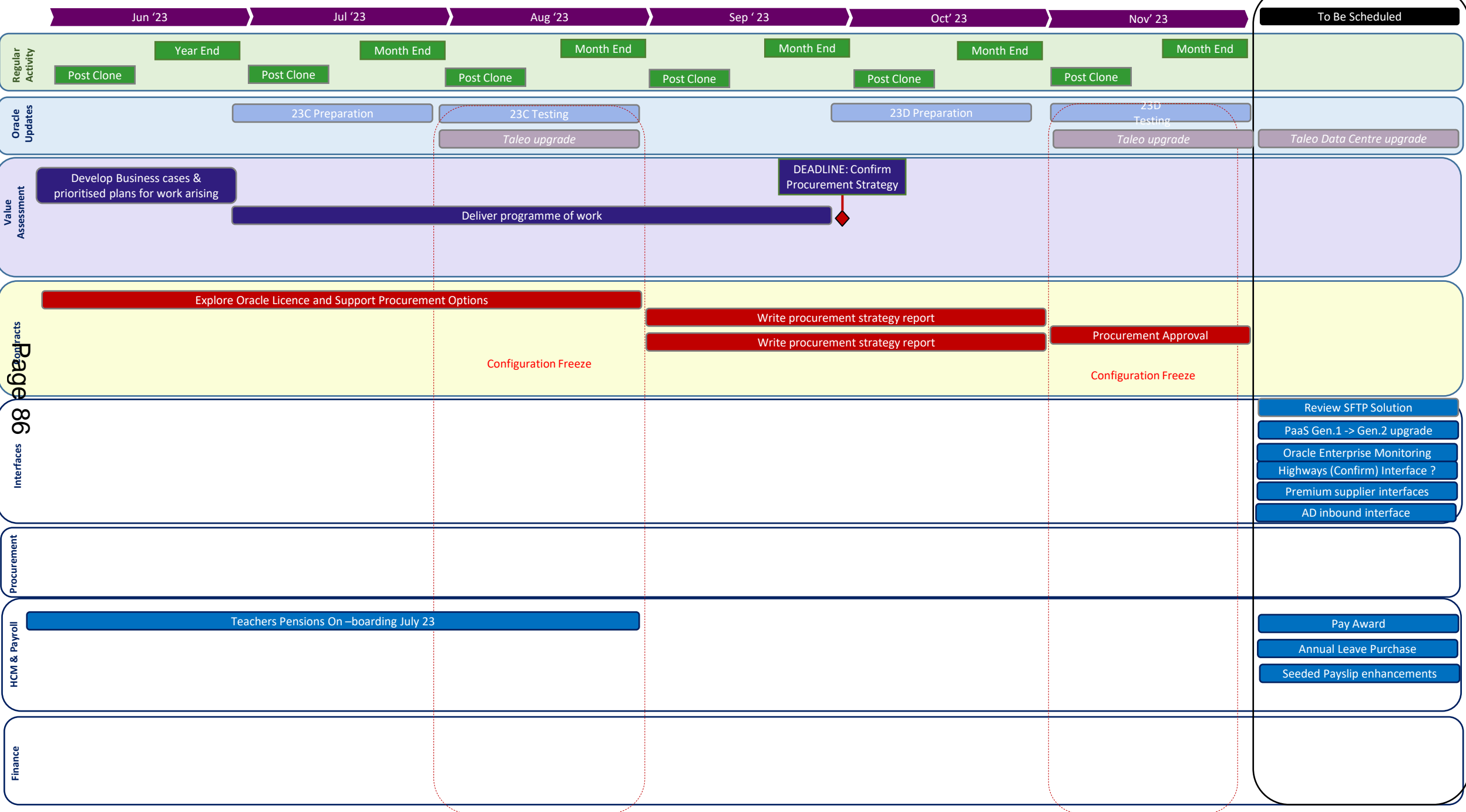
My Resources guides which are quite short: <https://intranet.croydon.gov.uk/resources/my-resources/my-resources-quick-reference-guides>

My Resources Roadmap – Draft for review at Finance and HR Systems Steering Group



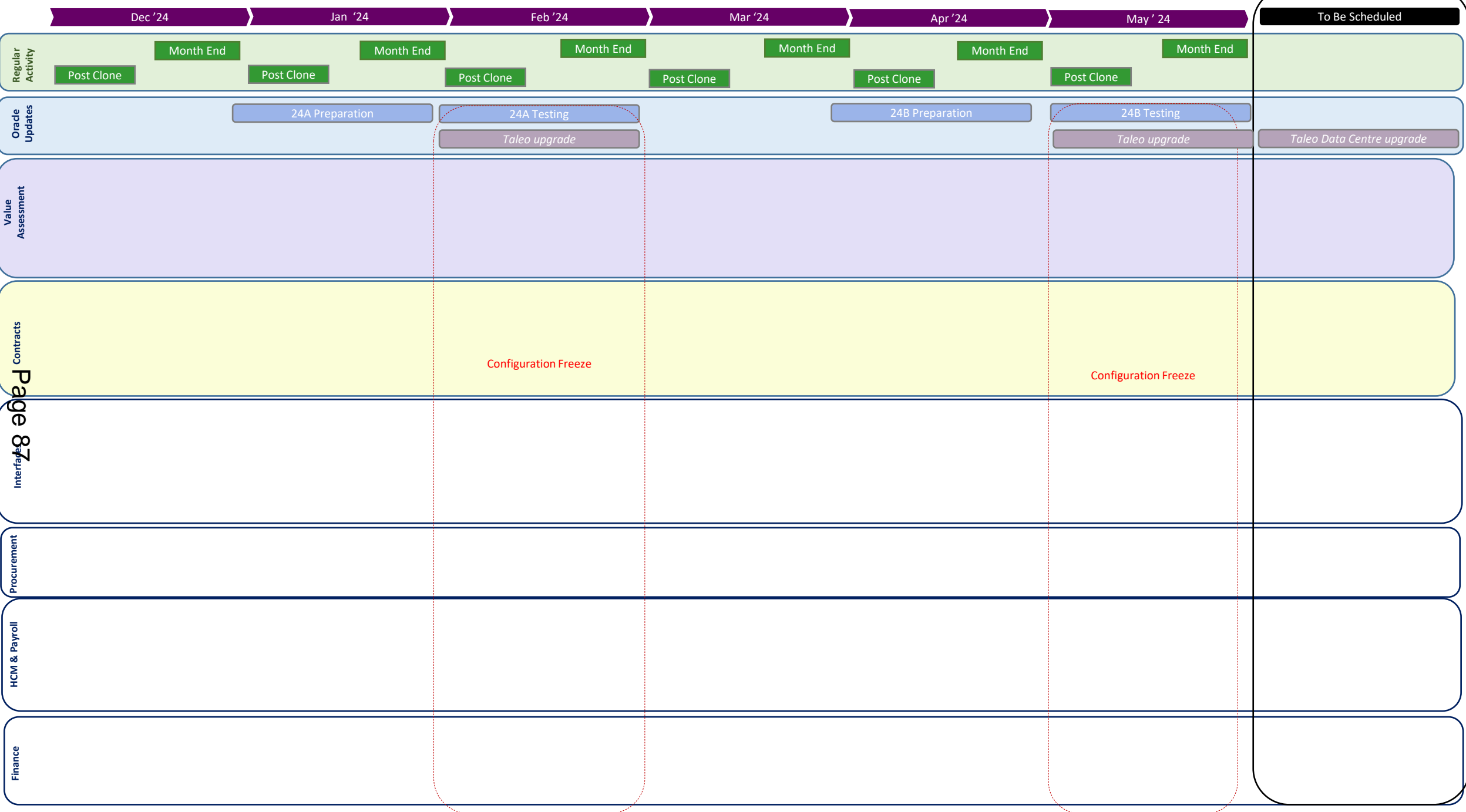
Page 85 of 85

My Resources Roadmap

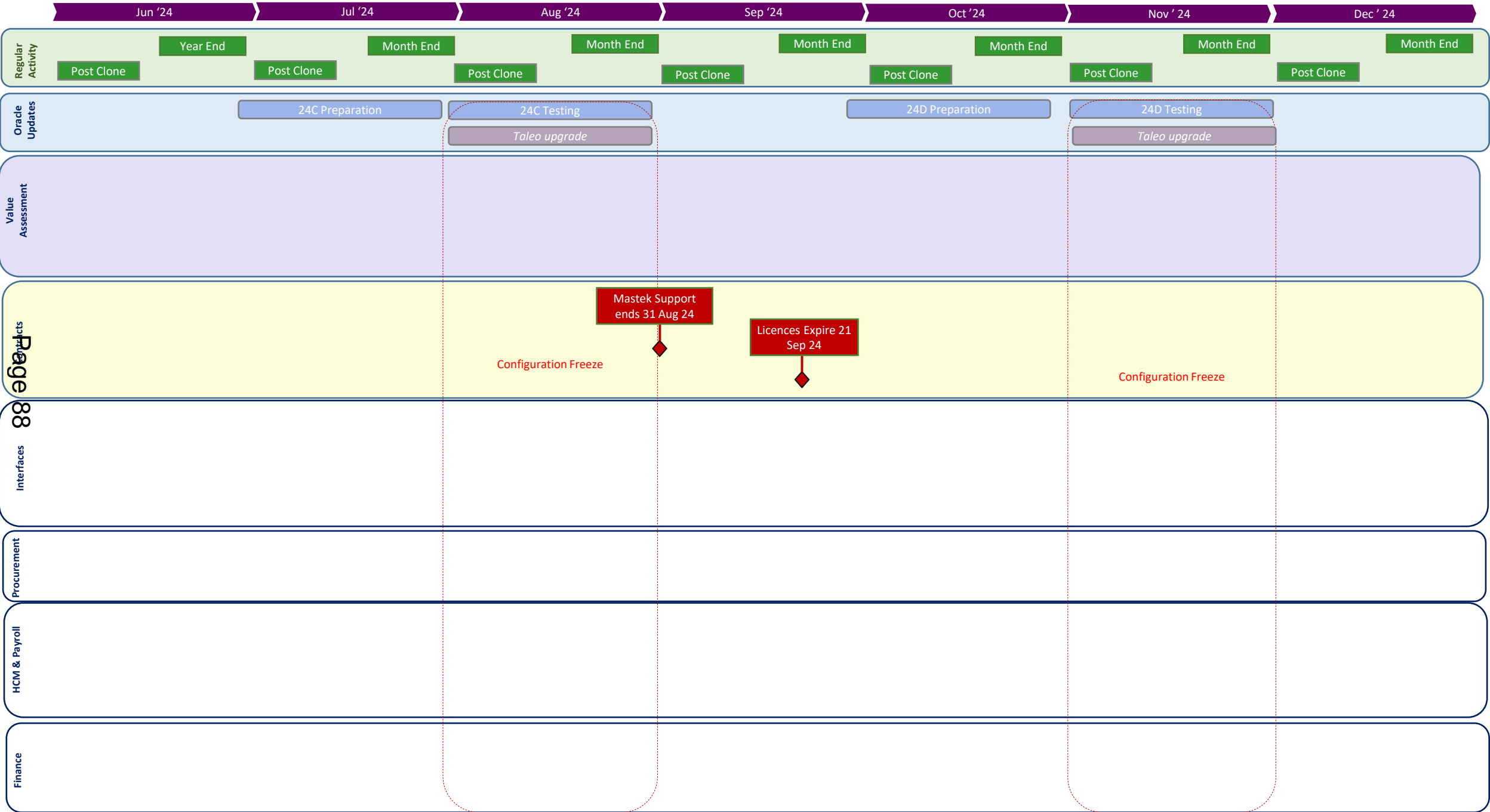


Page 86

My Resources Roadmap



My Resources Roadmap



Page 88

Appendix 3 - IT Controls Audit Action Plan - updated November 2022

Ref	Action	Objective	Assigned to	Due Date	Update 08/11/2022
Observation 1. Segregation of duties conflicts between Oracle system administration, developer, and finance roles					
1.1	Review Support team role and privilege combinations.	To separate financial reporting duties / system access and the ability to administer system security	Oracle Applications Support Team Manager	30-Nov-22	New Roles configured; Plan to roll them out by end of Nov'22.
1.2	Develop procedure for regular independent review of Oracle security logs	Proactive, regular review of logs of information security events (e.g. login activity, unauthorised access attempts, access provisioning activity)	My Resources Lead / Oracle Applications Support Team Manager	N/A	Completed, mitigated by logging in via Single Sign on
1.3	Develop system administrators access policy	To formally document policy and issue to users with system administrator roles	My Resources Lead / Oracle Applications Support Team Manager	31-Aug-21	Completed
1.4	Review the number of people with system admin accounts	To reduce the number of people with system admin accounts	Oracle Applications Support Team Manager	N/A	Completed
1.5	Develop Business Case to use Oracle Risk Management Cloud	To investigate Oracle Risk Management Cloud to facilitate the use of appropriate formalised and documented controls to monitor system administrator and support team access.	My Resources Lead	TBC	On Hold pending Oracle Value assessment.
1.6	Investigate the use of reports to provide some limited monitoring of system administrator and support team access	To proactively and formally review reports to detect inappropriate or anomalous activity.	My Resources Lead / Oracle Applications Support Team Manager	31-Aug-21	Completed

Observation 2. Oracle system configuration access granted to an excessive number of users, including non-IT staff / end users					
2.1	Undertake a detailed analysis of users roles and privileges	To understand roles and privileges, and where system configuration privileges exist within roles assigned to users outside of the support team.	My Resources Lead/Oracle Applications Support Team Manager/Support Provider	N/A	Completed
2.2	Support Provider to explain the approach used to design role based system access	To understand Oracle best practice and how that was applied to the system during implementation.	Support Provider	N/A	Completed
2.3	Undertake sample testing of users with access to critical Oracle functions that allows them to change system configurations to confirm if they can use configuration privileges.	To confirm the risks of users identified having these elevated privileges and confirm if complimentary controls e.g. security profiles and data roles prevent access via the application.	Oracle Applications Support Team Manager	N/A	Completed
2.4	Remove configuration privileges from users identified in our analysis where it was low impact and simple to address.	To reduce the risks of users changing configurations.	Oracle Applications Support Team Manager	N/A	Completed
2.5	Carry out a risk assessment of more complex role and privilege combinations, with support from our support provider	To assess the risk posed by the privileges, investigate if new custom roles without configuration privileges can be created and recommend any appropriate actions.	Support Provider	31-Jul-21	Risk assessment completed.
2.6	Implement regular user access review	To ensure access remains appropriate in line with job duties.	My Resources Lead	TBC	To be reviewed once My Resources Governance re-established

Observation 3. Users self-assigning responsibilities without formal management approval

3.1	Remove access to the IT security manager role from 3rd Party support staff.	To strengthen control. Work requiring the IT Security manager role will be carried out by appropriate members of the Council's Oracle support team.	Oracle Applications Support Team Manager	15-Mar-21	Completed
3.2	Restate the message to users that they must not self-assign roles and must follow the normal user access request process if they require additional responsibilities.	To prevent users self assigning responsibilities without formal management approval.	Oracle Applications Support Team Manager	28-Sep-20	Completed
3.3	Develop a report to identify instances where members of staff have assigned themselves additional responsibilities and any non-compliance.	To monitor users self assigning responsibilities without formal management approval.	Oracle Applications Support Team Manager	30-Jun-21	Completed

This page is intentionally left blank

Data Protection Impact Assessment (DPIA)

Project Name:	My resources – system support services
Project Manager or Sponsor (PM):	Vicki Richardson, Head of HR & Finance Service Centre
Name of person completing the DPIA if different to (PM):	
Service Team and Department:	Resources
Relevant Director and Executive Director:	Jacqueline Harris-Baker
Cost Code:	C13666
Date DPIA received by the IMT:	
Date approved by DPO:	
Date approved by IMT :	

1 Project Scope

You should describe here the nature, scope, context and purpose of the processed processing.

The Council has invested in upgrading its ERP system to latest technology implementing the Oracle cloud solution, locally branded as My Resources which successfully went live in May 2019. "ERP" stands for enterprise resource planning. This is a suite of software used to manage finance, accounting, HR, procurement, and supply chain operations. A complete ERP suite also includes enterprise performance management, software that helps to plan, budget, predict, and report on an organization's financial results. This system is critical to the business continuity of the Council as it enables the payment of staff and suppliers, the collection of income and management of the Council's finances and employees.

Following a tender process the Council selected Evolutionary Systems Company Limited (Evosys) as its implementation partner for Oracle Cloud

The system has been successfully implemented and went live in May 2019. The Council has an ongoing requirement, over and above what Oracle provide as part of their standard cloud services for the highest quality of support for the solution in order to ensure there is no risk to business continuity. There is a small in-house support team but at the present time the skills and capacity does

not exist in house to provide the level of technical support required to maintain the solution.

The DPIA is for a contract to provide extended support arrangements to the councils support team, for Third line support. This is the uppermost level of support in a technical support model accountable for resolving the most difficult problems. It is also known as back-end support, level 3 support, high-end support and many other titles. The title denotes expert level support for troubleshooting.

There is a significant risk to the ability of Council to operate effectively if it does not have effective support arrangements in place for it's ERP system, impacting on paying staff and suppliers, collecting income, managing the Council's accounts, managing Council employees and recruiting staff. Service failure in this area will lead to financial loss, reputational damage and impact the Council's ability to achieve statutory responsibilities.

The ongoing support services that will now be provided by Evolutionary systems company to include third line functional support to assist in the prompt resolution of system errors or bugs and configuration management. As this is a cloud solution there is a requirement to adopt quarterly upgrades and the Council requires support to understand the impact of those upgrades on it's cloud configuration and to gain an understanding of any new features that may be taken advantage of.

In addition, during the implementation of Oracle cloud a number of software tools and customisations developed by Evolutionary Systems Company Limited were deployed as part of the solutions, support for these is also needed from the supplier.

2 Data Description

Answer the questions below so that there is a clear understanding about how the information will be used, who will use it etc. Remember that it's personal information (i.e. information about individuals) that you need to be concerned with. If you do not have answers to all the questions at this time, simply record what you do know.

<p>Whose information is being used?</p> <ul style="list-style-type: none"> - Are there additional concerns that need to be considered due to individuals sensitive/complex circumstances? i.e. vulnerable person 	<p>The Council's HR, payroll, finance and purchasing data. This will include data related to staff HR and payroll records. This will include Special Category Data under GDPR, which is defined as: race; ethnic origin; politics; religion; trade union membership; genetics; biometrics (where used for ID purposes); health; sex life; or sexual orientation.</p>								
<p>What information is being used?</p> <ul style="list-style-type: none"> - Consider the nature of this information E.g. Child's social care file 	<ul style="list-style-type: none"> • Employee records • Financial transaction data • Purchase order data • Accounts Payable data • Accounts Receivable data <p>Please see the below categories of Personal data that shall be processed under this agreement; this will include Special Category Data, see above.</p> <p>Description of data subjects in Oracle Cloud ERP</p> <table border="1" data-bbox="870 1360 1482 1894"> <thead> <tr> <th colspan="2">ERP</th> </tr> <tr> <th>Data Category</th> <th>Data Description</th> </tr> </thead> <tbody> <tr> <td>Suppliers and Customers</td> <td>Organisation or person Name and addresses, Email, phone numbers, contact person names and their contact details and addresses etc</td> </tr> <tr> <td>Business information of suppliers and customers</td> <td>Business type, Tax identifier, tax codes, Office or warehouse locations, Business</td> </tr> </tbody> </table>	ERP		Data Category	Data Description	Suppliers and Customers	Organisation or person Name and addresses, Email, phone numbers, contact person names and their contact details and addresses etc	Business information of suppliers and customers	Business type, Tax identifier, tax codes, Office or warehouse locations, Business
ERP									
Data Category	Data Description								
Suppliers and Customers	Organisation or person Name and addresses, Email, phone numbers, contact person names and their contact details and addresses etc								
Business information of suppliers and customers	Business type, Tax identifier, tax codes, Office or warehouse locations, Business								

		terms and conditions, DUNS number
	Financial details of suppliers and customers	Credit information like credit terms and conditions, bank names and bank account information
	Financial Transactions	Purchase, sales and cash transactional information with Suppliers and customers. Trade contracts, GL transactions etc
	Description of data subjects in Oracle Cloud HCM	
	Human Capital Management (HCM (HR information))	
	Data Category	Data Description
	Personal and Identity information	Employee name, Address, date of birth, national insurance number, password, visa etc
	Social	Email, contact number, job title, work history, references, interviews, disciplinary actions etc
	Financial	Bank account details, salary details, pay history
	Internal	Religious Belief, knowledge, User and password, mother's maiden name,

	Medical	Sickness absence information, medical conditions, disabilities, employee health reports
	Family	marital status,
	Behaviour	attitude, personal activities
	Sexual	Gender, sexual orientation
	Academic or education or competency	Education Qualification, Degree, year of completion, college or school attended, skills, certificates
	Employment	Job, Position, Grade, Department & Location, previous employment history, employment contracts
Does it include special category or criminal offence data?	Yes - Special Category Data	
Can an individual be identified easily from the information?	Yes	
<p>What is the potential impact on privacy of this information?</p> <ul style="list-style-type: none"> - <i>What are the risks/ impact to an individual if this information was lost, stolen or manipulated?</i> - <i>E.g. could it be sold?</i> 	<p>There could be a significant impact on the privacy of the individuals affected if information was lost, stolen or manipulated e.g. Identity fraud from payroll information.</p> <p>Additionally there could be a significant impact if sensitive commercial information was lost, stolen or manipulated.</p>	
Will this change the manner in which we handle, use or protect this information? <i>e.g. should it be encrypted?</i>	The manner in which we handle, use or protect this information will not change, as this reflects the current processing.	


3 Consultation process

Consider how to consult with relevant stakeholders.

When did you consult individuals?	No direct consultation has taken place.
How did you consult individuals?	N/A
If not explain why it is not appropriate.	It is not considered necessary to consult with individuals as this project relates to delivery of technical services. However the workforce privacy statement published on the Council's information does contain information to advise that we may share information with Evosys
Who else within the organisation have you consulted with?	Procurement, legal, HR and Finance
Do you need to speak with your processor to assist?	No
Do you plan to consult information security experts or any other experts?	Consultation with the Council's ICT Security officer is ongoing.

4 Assessment of necessity and proportionality of data usage

<p>What is your lawful basis for processing?</p>	<p>The lawful Basis for processing will include:</p> <ul style="list-style-type: none">• Public task: the processing is necessary to perform a task in the public interest or for official functions, and the task or function has a clear basis in law. For example, the Council is required to process financial information to enable payments to be made and payments of tax etc.• Legitimate interests: the processing is necessary for legitimate interests or the legitimate interests of a third party, unless there is a good reason to protect the individual's personal data, which overrides those legitimate interests, where this applies to processing which is not an official task.• Consent: where an individual has given clear consent the processing of their personal data for a specific purpose.• Contract: the processing is necessary for a contract that has been entered into with the individual, or specific steps required before entering into a contract.
--	---

	<p>The service has provided this table () which sets out the lawful basis for the processing as identified to date. This will be subject to review and revision during the term of the Contract. While the Consent and Legitimate Interests are not specifically listed in the table provided, given the range and scope of the data being processed, it is reasonable to include these, to manage the incidental processing that from time to time may take place.</p>
<p>Is consent being relied upon to share the information? Has explicit consent been obtained? Are data subjects able to opt out from giving consent?</p>	<p>No</p>
<p>Does the processing actually achieve your purpose?</p>	<p>Yes</p>
<p>How will the information be collected? (Verbally, forms, intranet, interview, 3rd party, anonymous)</p>	<p>Information entered into My resources is gathered by a variety of methods including forms, invoices, uploads and interfaces.</p>
<p>Is there another way to achieve the same outcome?</p>	<p>No</p>
<p>How will the information be used? <i>e.g. to write a report</i></p>	<p>The information will be used by Croydon Council employees as appropriate to their jobs role, e.g. finance team accessing financial information in order to manage the Council's accounts or an individual employee to book their annual leave.</p>
<p>Do the individuals know and understand how their information will be used? If there are changes to their information does the privacy notice need to be amended?</p>	<p>Yes the Council has published a workforce privacy statement on the intranet which contains sufficient reference to the sharing of data.</p>
<p>How will it be stored, kept up to date and disposed of when no longer required? <i>e.g. stored in locked cabinet/securely shredded</i></p>	<p>The information will be securely hosted, in accordance Oracle's Operational Policies, by Oracle in their Cloud Platform and will be securely disposed of after the appropriate retention period as per the corporate schedule.</p>

<p>How will you ensure data quality and data minimisation?</p>	<p>Any data changes made will be subject to agreement and quality control checking by the Council.</p>
<p>Who will have access to the information within LBC? - <i>Include approximate number of users</i></p>	<p>All staff have access to One Oracle and will therefore have access to My Resources Oracle Cloud so around 3800. However individuals are only given access to the information that is appropriate for their job role, the security model is role based.</p> <p>One member of the support team who is responsible for supporting interfaces has access to both HCM/Payroll and Finance and Procurement. Other members of the support team and Evosys support consultants have controlled access to either HCM or Finance and Procurement.</p>
<p>Are there new or significant changes to the way we manage, use, handle or collect this information? - <i>Include any identified concerns for the individuals, would these changes heighten risks involved</i></p>	<p>No</p>
<p>Will individuals within an existing database be subject to new or changed handling? - <i>If yes amendments need to be made to the privacy notice and these individuals need to be informed.</i></p>	<p>No</p>
<p>What are the internal arrangements for processing this information? <i>e.g. number of staff who will have access</i></p>	<p>Access is controlled through security profiles and users are given access based on their job role.</p>
<p>How will the information be updated? <i>e.g. monthly check</i></p>	<p>Information is updated daily</p>
<p>Does the project involve the exchange of information outside of the UK and are there set standards for how the information will be treated? How will you safeguard international transfers?</p>	<p>Offshore staff at Evosys based in India will be granted access, by the Croydon My Resources Support Team, to resolve problems on a case by case basis. This access will be removed once the problem is resolved. They will be subject to the same rules on use as onshore Evosys staff.</p> <p>Croydon Council have procured Oracle Cloud technology for its back-office transformation and by default it can in</p>

	<p>theory be accessible from anywhere via internet.</p> <p>For the purpose of Oracle Cloud support, Evosys consultants will have full access to Croydon's data within the new Oracle Cloud system in order to provide the support services. Evosys offshore Consultants (India) will be accessing Croydon's data using the secure remote desktop connection which would be hosted in UK (Oracle Data's centre).</p> <p>For any activity done from offshore which shall be limited to Fault investigation, Configuration, Testing, Report and Interface Developments, the data will only be able to be viewed by individuals outside of the UK, with any operations taking place via servers based in the UK.</p> <p>The only access to data will be as a consequence of carrying out the support activities detailed within this DPIA.</p> <p>Those individuals will not be able to manipulate the data in any way. Evosys offshore Team will not be able to copy/print screen/email Croydon's data to their local machines (offshore) or to any 3rd party. Evosys offshore teams work only through a highly secure remote server based in Oracle's IAAS Data Centre in the UK. The server is further secured using McAfee's Complete Protection and Drive Encryption which restricts upload or download of data to any location other than Oracle Cloud and the clients secure FTP.</p> <p>The Evosys offshore team are employed by Evolutionary Systems Private Limited. The personal data of Evosys will therefore be transferred, for the purpose</p>
--	--

	<p>of data protection legislation, to this company established outside of the EEA.</p> <p>Data will not be accessed from any location outside of the EEA other than in India.</p>
How will you prevent function creep?	<p>The specification of requirements will form part of the contract and will be actively monitored through contract management arrangements.</p> <p>The scope of the support contract is listed in the schedule within the Contract. There is a change control process to approve changes to the system.</p>

5 Assessment of the risks to the rights and freedoms of data subjects

You must describe the source of risk and the nature of potential impact upon individuals and identify any additional measures to mitigate those risks.

5a Security

Who will be responsible for the control for this information?	The control of information will remain with Croydon Council.
How will the access to this information be controlled?	Through creating user accounts with security profiles relevant to job role.
Is the data correctly managed to reduce the risk of collateral intrusion to the data subject?	Yes
Are there adequate provisions in place to protect the information? If so what are they? e.g. <i>Process, security</i>	<p>Access controls, secure hosting of data. A number of additional security modules, recommended by the ICT Security Officer, have been procured to provide a higher level of protection for data stored in the cloud.</p> <p>Whilst Oracle are hosting the data, the data access process will be managed by Croydon who will retain accountability for awarding of inappropriate access.</p>

	Evosys will adopt the Croydon Information Security Management System (ISMS) set of policies and guidelines.
--	---

5b Sharing

Who is the information shared with, why are we sharing the information with this organisation?	Data will be shared with Evosys for the purpose supporting the system												
<p>What purpose does the information we are sharing have to the third party?</p> <ul style="list-style-type: none"> - <i>Ensure that we only share relevant information and not excessively</i> 	To ensure adequate technical support is provided for the system.												
<p>Who will have access to the information, externally?</p> <ul style="list-style-type: none"> - <i>Include approximate number of users</i> - <i>Describe any sharing arrangements and what the level of access is. It may help to produce a diagram to show the data flows.</i> 	<p>Evolutionary Systems Company Limited (Evosys) and Evolutionary Systems Company Private Limited.</p> <p>Evolutionary Systems Company Limited is a wholly owned subsidiary of the parent company Evolutionary Systems Private Limited.</p> <p>Please see the below details of the authorised sub processors;</p> <table border="1"> <tr> <td>Date of Incorporation</td> <td>12-Sep-06</td> </tr> <tr> <td>Registration Address</td> <td>11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, Behind Adani CNG Pump, S.G. Highway, Makarba, Ahmedabad – 380054,</td> </tr> <tr> <td>Registration Number</td> <td>U17122GJ2006PTC049073</td> </tr> <tr> <td>ISO 27001</td> <td>Security Management</td> </tr> <tr> <td>ISO9001</td> <td>Quality Management</td> </tr> <tr> <td>Name of the company</td> <td>Evolutionary Systems Private Limited</td> </tr> </table>	Date of Incorporation	12-Sep-06	Registration Address	11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, Behind Adani CNG Pump, S.G. Highway, Makarba, Ahmedabad – 380054,	Registration Number	U17122GJ2006PTC049073	ISO 27001	Security Management	ISO9001	Quality Management	Name of the company	Evolutionary Systems Private Limited
Date of Incorporation	12-Sep-06												
Registration Address	11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, Behind Adani CNG Pump, S.G. Highway, Makarba, Ahmedabad – 380054,												
Registration Number	U17122GJ2006PTC049073												
ISO 27001	Security Management												
ISO9001	Quality Management												
Name of the company	Evolutionary Systems Private Limited												

	Only staff connected directly with the support of Oracle Cloud will have access to Croydon data.
How will it be transmitted to third parties and when? How often? - <i>Provide details of software used</i>	The data will at all times be held on Servers within the UK and ESC Ltd will only be able to view the data subject to the security restrictions.
Is there a data sharing agreement in place?	Will form part of contract
At what stage will the information be transferred?	No data is being transferred

5c Identified Risks and assessment:

You should take into account the sensitivity of the information and potential harm that inappropriate disclosure or use of the information could cause to any individuals concerned. You should also consider the reputational loss to the Council and the potential for financial penalties being imposed by the ICO.

To assess the level of risk you must consider both the **likelihood** and the **severity** of any impact on individuals. A high risk could result from either a high probability of some harm or a lower possibility of serious harm.

The severity impact level and likelihood should be scored on a scale of 1 to 10 with 1 being low severity and 10 high. The two scores should be **added** together. The RAG status is derived from the following scale:

Score:

- 15 to 20 = Red (High)
- 8 to 14 = Amber (Medium)
- Below 8 = Green (Low)

To be completed by Project Sponsor

Risk Identified	Severity of Impact	Likelihood of harm	Overall RAG rating
Inappropriate access is given to Evosys	3	2	Green
Evosys misuse access	8	2	Amber
Service provider does not comply with GDPR leading to data breaches	8	2	Amber

6 Identify measures put in place to reduce risk.

You must now identify additional measures you could take to reduce or eliminate any risk identified as medium or high risk in step 5.

To be completed by the Project Sponsor

Risk Identified	Options to reduce or eliminate risk	Effect on risk	Residual risk	Measure approved
Inappropriate access is given to Evosys	Council controls access	Reduced	Low	Yes / No
Evosys misuse access	Council to take on Council's ISMS policies	Reduced	Low	
Service provider does not comply with GDPR leading to data breaches	Contractual obligation Contract monitoring	Reduced	Low	

EPCPL will have access to the data in from their Head Office in India. The data will be held on servers within Oracle’s cloud platform located in the UK and the Netherlands. The data is understood not transfer ‘physically’ from these locations but EPCPL will be able to view it for the purposes of managing, providing technical support services to the My Resources Support team.

The offshore team are employed by EPCPL, the personal data it considered appropriate to treat this as ‘transfer’, for the purpose of data protection legislation, to this company established outside of the EEA.

The proposal requires a Restricted Transfer

ICO guidance states that “...sending personal data, or making it accessible, to a receiver to which the GDPR does not apply. Usually because they are located in a country outside the EEA; and...”

“...personal data onto a UK server which is then available through a website, and you plan or anticipate that the website may be accessed from outside the EEA, you should treat this as a restricted transfer.”

Additionally this also concerns Personal/Special Category data that is in a highly structured system/data sets relating to individuals.

The Council’s HR, payroll, finance and purchasing data. This will include sensitive data related to staff HR and payroll records as set out below:

ERP	
Data Category	Data Description
Suppliers and Customers	Organisation or person Name and addresses, Email, phone numbers, contact person names and their contact details and addresses etc
Business information of suppliers and customers	Business type, Tax identifier, tax codes, Office or warehouse locations, Business terms and conditions, DUNS number
Financial details of suppliers and customers	Credit information like credit terms and conditions, bank names and bank account information
Financial Transactions	Purchase, sales and cash transactional information with Suppliers and customers. Trade contracts, GL transactions etc

HCM	
Data Category	Data Description

Personal and Identity information	Employee name, Address, date of birth, national insurance number, password, visa etc
Social	Email, contact number, job title, work history, references, interviews, disciplinary actions etc
Financial	Bank account details, salary details, pay history
Internal	Religious Belief, knowledge, User and password, mother's maiden name,
Medical	Sickness absence information, medical conditions, disabilities, employee health reports
Family	marital status,
Behaviour	
Sexual	Gender, sexual orientation
Academic or education or competency	Education Qualification, Degree, year of completion, college or school attended, skills, certificates
Employment	Job, Position, Grade, Department & Location, previous employment history, employment contracts

Protections Required

India is outside the EEA and EFTA and as such no current adequacy statement with GDPR exists.

Therefore any such Transfer will need to rely upon an appropriate safeguards to ensure that it is lawful. The appropriate Safeguard, in this case, would appear to be adoption of Standard Data Protection clauses issued by the ICO, with the contract. However, this may change as a result of the 'BREXIT process' and as a result of

further guidance issued by the ICO. Therefore, there is a risk that this position will need to be reconsidered in the light of events outside of the Council's control.

These appropriate safeguards are to ensure that both the Council as the Data Controller and the contractor have in place suitable controls to protect individuals' rights and freedoms in respect of their personal data.

It is noted that this proposal does not only concern staff data, it also involves business data which may include Sole Traders (who are data subjects in their own right).

The clauses contain contractual obligations that parties to the Contract are required to meet. Data Subjects are able to directly enforce those rights against the Council as the Data Controller and the For the purpose of Oracle Cloud support, EPCPL will have full access to Croydon's data within the new Oracle Cloud system in order to provide the support services, and will be accessing Croydon's data using the secure remote desktop connection which would be hosted in UK (Oracle Data's centre).

Whilst Oracle are hosting the data, the data access process will be managed by the Council who will retain accountability for awarding of inappropriate access.

For the purpose of this contract the 2010 Controller to Processor, would appear to be appropriate (this is understood to be the latest version of this clause)

On reading the standard clauses there does appears to be a requirement (4 F) to inform the data subjects of the transfer as it involves Special Category Data to a non EEA country.

However the Work Force Data Protection Policy states:

"We require those third parties to keep your personal data confidential and secure and to protect it in accordance with the law and our policies. They are only permitted to process your data for the lawful purpose for which it has been shared and in accordance with our instructions.

The council will not transfer your data to countries outside the European Economic Area."

The processing of the data for the purposes of GDPR (and not the Transfer) would be based In this particular instance, it is likely that it would be, Public task as the processing is necessary for you to perform a task in the public interest or for your official functions, and the task or function has a clear basis in law. For example, we are required to process financial information to enable payments to be made and payments of tax etc. However, this will need confirmation based upon a further details of the processing envisaged.

Data Security Considerations


Data will not be accessed from any location outside of the EEA other than in India.


It has been stated that any activity done from offshore will be limited to Fault investigation, Configuration, Testing, Report and Interface Developments, the data will only be able to be viewed by individuals outside of the UK, with any operations taking place via servers based in the UK.

EPCPL offshore Team will not be able to copy/print screen/email Croydon's data to their local machines (offshore) or to any 3rd party. EPCPL offshore teams work only through a highly secure remote server based in Oracle's IAAS Data Centre in the UK. It is understood that the server is further secured using McAfee's Complete Protection and Drive Encryption which restricts upload or download of data to any location other than Oracle Cloud and the clients secure FTP.

It has been stated that a number of additional security modules, recommended by the ICT Security Officer, have been procured to provide a higher level of protection for data stored in the cloud. EPCPL will adopt the Croydon Information Security Management System (ISMS) set of policies and guidelines. **It was reported by the Council's ICT Business Continuity & Security Officer (at a meeting held on 17 December 2019 and email 17 December 2019) that the security issues had been reviewed and that proposed arrangements were satisfactory. A detailed note of this review is awaited and will form part of this DPIA. Further, the Audit requirement will be included within the Contracting Arrangements.**

Risks and Issues that have been considered and addressed

Risk / Issue	Comments	Actions Required	Updates
Provide a Data 'Processing Map'	Given the issues regarding data security the proposal raises, it is important to have a clear understanding of the processing involved, by whom and the location.	Detail processing in 'Processing Map' this must include security measures.	Processing Map provided  My Resources Support Process Ma
Confirmation that the Council's IT Security Officer is content with the	As above and this is not clear from the DPIA as originally provided.	Need to ensure that within DPIA and related documents that there is a clear line of accountability for security and monitoring of	This is set out in the email 17 December 2019 from the Council's ICT Business Continuity & Security Officer (

proposals.		processing etc. These should be evidenced so that they can be included within the DPIA, along with the ICT Security Officers 'sign off'.	 RE ICO clauses amendments re sec.) provided confirmation that he is content with the proposals. Additional wording added to ICO clause Appendices 1 & 2 in the contract to cover ISO accreditation and audit.
BREXIT	Advice from ICO may change in respect of this type of transfer.	Keep under review.	Ongoing.
Lawful Basis of Processing	This is not clear from the DPIA as originally provided.	Service to provide information as to the statutory / control requirements to process the data as part of the Council's BAU activities.	Section 4 updated.
Review the Work Force Data Protection Policy regarding the processing of data outside the EEA.	The Policy is in conflict with the proposal.	(1) Liaise with Service and DPO to resolve or process data within EEA. (2) Inform data subjects of transfer. Review the need to inform data subjects. If this not to happen record the reasons why, and any relevant	Policy updated and published on Intranet.

		mitigating actions. (see also Contracting Arrangements)	
Contracting Arrangements	<p>(1) The ICO clauses, appear to include a requirement (4 F) to inform the data subjects of the transfer as it involves Special Category Data to a non EEA country.</p> <p>(2) Need to consider contracting arrangements to provide assurance of compliance with GDPR and security of the data</p>	<p>(1) Review the need to inform data subjects.</p> <p>(2) Include within Contract: monitoring of access to 'data', Auditing of systems and work undertaken etc, and regular security reviews.</p>	<p>(1) See above.</p> <p>(2) This is set out in the email 17 December 2019 from the Council's ICT Business Continuity & Security Officer; provided confirmation that he is content with the proposals. Additional wording added to ICO clause Appendices 1 & 2 to cover ISO accreditation and audit.</p>
Data Minimisation	Is all the data required for the stated purpose. Would it be possible to process less data and still obtain the required results etc?	Review the data processing to ensure only the minimum data is being processed at all times.	<p>Data minimisation will be a continuous process.</p> <p>In Q1/2020 Review access to PAAS, SFTP, OTP data and Taleo.</p>

		<p>For example, does the Special Category data have to be processed in this manner?</p>	<p>General Principles:</p> <ul style="list-style-type: none">• Restriction of all access to HR and Payroll access roles for Evosys consultants except for two named individuals who support HR and Payroll.• Review scheduled jobs and ensure that appropriate accounts have been used to run the job.• Disable any project team accounts previously used to run scheduled jobs• To create a restricted role for Evosys consultants that can be applied by default. This access role will remove visibility and access to Personal data including special category data.
--	--	---	--

			<ul style="list-style-type: none"> • Create a locked down admin account which is only shared with Evosys in case of emergency at the discretion of the Apps Support manager. • Remove access for Evosys and Project team users, to the ITSM role.
Access controls and , additional security modules.	It has been stated that a number of additional security modules, recommended by the ICT Security Officer, have been procured to provide a higher level of protection for data stored in the cloud.	<p>(1) Need to evidence these as part of DPIA;</p> <p>(2) If possible reference in contract, KPI's etc; and</p> <p>(3) Undertake due diligence on contractors security, and Information Management processes.</p>	ICT Business Continuity & Security Officer. has provided confirmation that he is content with the proposals. Additional wording added to ICO clause Appendices 1 & 2 in the contract to cover ISO Accreditation and audit.
Risk Assessment	Consider risk within the DPIA as a result of ongoing review of risks and	Complete risk assessment within this DPIA prior to entering contract.	This will be kept under review and prior to completion of contact and during the term of the Contract.

	issues detailed above and within DPIA.		
<p>The above issues have been discussed with the service and the subject of review at the time of writing. As a result in view of the issues raised and the ongoing contractual work these comments are likely to be subject to revision.</p>			
<p>Once finalised this DPIA should be reviewed after 3 months from the agreement of the contract and then at 6 monthly intervals thereafter.</p>			
<p><i>(DPO should advise on compliance, measures to mitigate risk and whether processing should proceed)</i></p>			
Consultation responses reviewed by:		If your decision departs from individuals views you must explain your reasons.	
DPIA to be keep under review by:		Vicki Richardson, Head of HR & Finance Service Centre	

If you require further guidance to complete this DPIA please contact:

Information Management Team (IMT)

Ext: 47777

Email: information.management@croydon.gov.uk

Data Protection Officer

Email: DPO@croydon.gov.uk

This page is intentionally left blank

LONDON BOROUGH OF CROYDON

REPORT:	AUDIT AND GOVERNANCE COMMITTEE	
DATE OF DECISION	19 JANUARY 2023	
REPORT TITLE:	ANNUAL GOVERNANCE STATEMENT 2021/22 AND ACTION PLAN	
CORPORATE DIRECTOR / DIRECTOR:	STEPHEN LAWRENCE-ORUMWENSE DIRECTOR OF LEGAL SERVICES & MONITORING OFFICER JANE WEST CORPORATE DIRECTOR OF RESOURCES	
LEAD OFFICER:	STEPHEN LAWRENCE-ORUMWENSE DIRECTOR OF LEGAL SERVICES & MONITORING OFFICER	
LEAD MEMBER:	CLLR JASON CUMMINGS CABINET MEMBER FOR FINANCE	
DECISION TAKER:	N/A	
AUTHORITY TO TAKE DECISION:	N/A	
KEY DECISION? [Insert Ref. Number if a Key Decision]	No	REASON: N/A
CONTAINS EXEMPT INFORMATION?	NO	
WARDS AFFECTED:	N/A	

1 SUMMARY OF REPORT

- 1.1** The Council must conduct a review, at least annually, of the effectiveness of its systems of internal control and prepare an Annual Governance Statement reporting on the review with the Statement of Accounts. This report sets out the Council's Annual Governance Statement (AGS) 2021/22 for the financial year ending March 2022. The Statement include the significant challenges and risk, the governance arrangement and internal controls in place, progress made, and improvements required.
- 1.2** The Committee is asked to consider and comment on the draft AGS 21/22 and the Action Plan.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to consider and comment on the draft Annual Government Statement 2020/21 and the Action Plan.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and the proper standards of good governance. The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus)(Amendments) Regulations 2020, require the Council to conduct a review, at least annually, of the effectiveness of its systems of internal control and to prepare an Annual Governance Statement (AGS) reporting on the review with the Statement of Accounts.

4 BACKGROUND AND DETAILS

- 4.1 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. CIPFA Delivering Good Governance in Local Government Framework 2016 provides that the Statement: "7.2 enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes. It should reflect an individual authority's particular features and challenges. 7.3 It should be high level, strategic and written in an open and readable style. 7.5 The annual governance statement should include:

- *an acknowledgement of responsibility for ensuring that there is a sound system of governance (incorporating the system of internal control) and reference to the authority's code of governance*
- *reference to and assessment of the effectiveness of key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the authority, the executive, the audit committee, internal audit and others as appropriate*
- *an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework*
- *an agreed action plan showing actions taken, or proposed, to deal with significant governance issues reference to how issues raised in the previous year's annual governance statement have been resolved*
- *a conclusion – a commitment to monitoring implementation as part of the next annual review."*

- 4.2 The Council's draft AGS 2021/22 is attached to this Report. During 2021/22, the Council continued to experience significant governance issues arising from the previous and current year and include the following:
- a) The External Auditors October 2020 published 'Report in the Public Interest' (RIPI 1) that set out serious concerns about the Council's financial situation, its financial decision-making and governance and there are ongoing actions to implement the Report recommendations.
 - b) The PWC November 2020 strategic review of Brick by Brick, Croydon Affordable Homes LLP and the Council's Revolving Investment, Asset Investment and Growth Zone Funds and findings that included significant improvement in the governance arrangement for the oversight of these companies. This has led to the establishment of Croydon Companies Supervision and Monitoring Panel. The Council has strengthened its governance arrangements and oversight of Brick by Brick with a (Member only) Brick by Brick Shareholder Cabinet Advisory Board and a new Board of Chair and non-executive Directors now in place at Brick by Brick.
 - c) The accounting treatment of Croydon Affordable Homes and Croydon Affordable Tenures remains an ongoing issue and the implications could have a significant impact on the Council's budgetary position.
 - d) Following an adverse qualification in the external auditor's conclusion on Value For Money for 2018/19, work on the 2019/20 Audit Findings report has not yet been completed. The accounts for 2019/20 and 2020/21 are in draft and some significant issues are still to be resolved.
 - e) The Council issued two 'Section 114 reports' in November and December 2020. The Council identified actions to achieve a balanced budget and included a capitalisation directive from the Department for Levelling Up, Housing and Communities (DLUHC) in December 2020. Significant work remains to achieve a sustainable Medium Term Financial Strategy over the next three years.
 - f) In January 2022, the Council's External Auditor issued a second Report in the Public Interest (RIPI 2) concerning the refurbishment of Fairfield Halls and related governance arrangements and made recommendations¹ which are the subject of an Action Plan to be included in the Croydon Renewal and Improvement Plan.
 - g) The Annual Report of the Head of Internal Audit for the year ending March 2021/22 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. Several internal audit reports have nil or limited assurance in areas

¹ The report recommends improvements in the governance arrangements and decision-making for major projects to achieve best value and protect the council's interest. It requires improvements in record keeping, compliance with rules on public procurement and subsidy control, the proper execution of contracts, and effective budgeting, monitoring, reporting and control of expenditure.

such as service-based budget monitoring, information management, capital budgeting, contract management and temporary accommodation

- 4.3 During the year (21/22), the Council had in place measures to improve on its governance arrangements. The Croydon Renewal and Improvement Plan was the major programme to, amongst others, strengthen governance and financial practices in response to the RIPI and embed new ways of working to put the Council on a more sustainable financial footing. The progress made with the AGS Action Plan identified in the 2020/21 Statement is attached to the AGS as Appendix 1.
- 4.4 The AGS also confirms as of 31st March 2022 the Council's governance framework that includes the constitutional arrangements for the effective discharge of executive and non-executive responsibilities i.e., Full Council, Executive, Forward Plan, Overview & Scrutiny, Audit and other Committees, and ethical Conduct. The Statement, at the officer level, acknowledge the roles of CMT, DMT, Internal Control Boards and Statutory Officers Group in the effective governance of the Council. Also, the role of Internal and External Audit. The Statement further acknowledge the areas where there are still gaps in governance and improvements are required such as Financial and Risk Management, Housing Standards, Capital Projects, Complaints and Information Governance, Limited or Nil Assurance from Internal Audits and External Auditors recommendations arising from the second Report in the Public Interest (Fairfield Hall). These and other challenges will continue to be monitored in the coming year. Further, an Action Plan has been developed for 22/23 to address the gaps in governance identified in this Statement. The Action Plan is attached to the AGS as Appendix 2. Delivery of these actions will be monitored through the ICBs, CMT and regular updates to the Audit and Governance Committee.

5. ALTERNATIVE OPTIONS CONSIDERED

Not applicable.

6. CONSULTATION

- 6.1 This Governance Statement is informed by the ongoing Croydon Renewal & Improvement Plan (that include the Finance Review (2020), Governance Review (2020), Review of Council Companies (2020), Non-Statutory Rapid Review, Report in the Public Interest 2020 concerning the Council's financial situation and the Report in the Public Interest 2022 on the refurbishment of Fairfield Halls and related governance arrangements) and the various governance issues arising. Also, the Corporate Directors Assurance Statements and the Annual Report of the Head of Internal Audit 21/22.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The AGS aligns with the Mayor’s Business Plan 2022-26 “Outcome 1: The Council balances its books, listens to residents and delivers good sustainable services” and “Priority 4: Ensure good governance is embedded and adopt best practice”.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 There are no financial consideration arising from the Annual Governance Statement and the Action Plan. But there are significant financial and reputational risk arising from non-delivery of the Action Plan which are intended to rectify from the gaps in governance identified.

8.2 LEGAL IMPLICATIONS

- 8.2.1 The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus)(Amendments) Regulations 2020, require the Council to conduct a review, at least annually, of the effectiveness of its systems of internal control and to prepare an Annual Governance Statement reporting on the review with the Statement of Accounts. This obligation is discharged by the preparation and publication of the AGS 21/22 and Action Plan.

8.3 EQUALITIES IMPLICATIONS

- 8.3.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The Annual Governance Statement and Action Plan do not give arise to any equality’s issues. However, the Council has had due regard to its obligations under the Equality Act in preparing and approving the statement.

9 APPENDICES

Appendix 1 Annual Governance Statement 2021/22

Appendix 2 AGS 2020/21 Action Plan and Progress Update

Appendix 3 AGS 2021/22 Action Plan and Progress Update

10 BACKGROUND DOCUMENTS

None.

DRAFT ANNUAL GOVERNANCE STATEMENT (AGS) 2021/22

Introduction

1. Croydon Council is responsible for ensuring that its business is conducted in accordance with the law and the proper standards of good governance. The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus)(Amendments) Regulations 2020, require the Council to conduct a review, at least annually, of the effectiveness of its systems of internal control and to prepare an Annual Governance Statement (AGS) reporting on the review with the Statement of Accounts.
- 1A. This Governance Statement is informed by the Croydon Renewal & Improvement Plan (that include the Finance Review (2020), Governance Review (2020), Review of Council Companies (2020), Non-Statutory Rapid Review, Report in the Public Interest 2020 concerning the Council's financial situation and the Report in the Public Interest 2022 on the refurbishment of Fairfield Halls and related governance arrangements) and the various governance issues arising. Also, the Corporate Directors Assurance Statements and the Annual Report of the Head of Internal Audit 21/22. This Statement reflects the Council's assessment of its governance arrangements as of 31st March 2022 and identifies actions undertaken and planned to address areas of weakness.

Summary

2. During 2021/22, the Council continued to experience significant governance issues arising from the previous and current year and include the following:
 - a) The External Auditors October 2020 published 'Report in the Public Interest' (RIPI 1) that set out serious concerns about the Council's financial situation, its financial decision-making and governance and there are ongoing actions to implement the Report recommendations.
 - b) The PWC November 2020 strategic review of Brick by Brick, Croydon Affordable Homes LLP and the Council's Revolving Investment, Asset Investment and Growth Zone Funds and findings¹ that included significant improvement in the governance arrangement for the oversight of these companies. This has led to the establishment of Croydon Companies Supervision and Monitoring Panel. The Council has strengthened its governance arrangements and oversight of Brick by Brick with a (Member only) Brick by Brick Shareholder Cabinet Advisory Board and a new Board of Chair and non-executive Directors now in place at Brick by Brick
 - c) The accounting treatment of Croydon Affordable Homes and Croydon Affordable Tenures remains an ongoing issue and the implications could have a significant impact on the Council's budgetary position.
 - d) Following an adverse qualification in the external auditor's conclusion on Value For Money for 2018/19, work on the 2019/20 Audit Findings report has not yet been completed. The accounts for 2019/20 and 2020/21 are in draft and some significant issues are still to be resolved.
 - e) The Council issued two 'Section 114 reports' in November and December 2020. The Council identified actions to achieve a balanced budget and included a capitalisation directive from the Department for Levelling Up, Housing and Communities (DLUHC) in December 2020. Significant work remains to achieve a sustainable Medium Term Financial Strategy over the next three years.
 - f) In January 2022, the Council's External Auditor issued a second Report in the Public Interest (RIPI 2) concerning the refurbishment of Fairfield Halls and related governance arrangements and made recommendations which are the subject of an Action Plan to be included in the Croydon Renewal and Improvement Plan.
 - g) The Annual Report of the Head of Internal Audit for the year ending March 2021/22 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. Several internal audit reports

¹ that Brick by Brick significantly underperformed against its 2019/20 business plan, there was an absence of company-wide cash flow and forecasting arrangements and the company's ambitious strategy of development had placed the Council at risk in relation to loans.

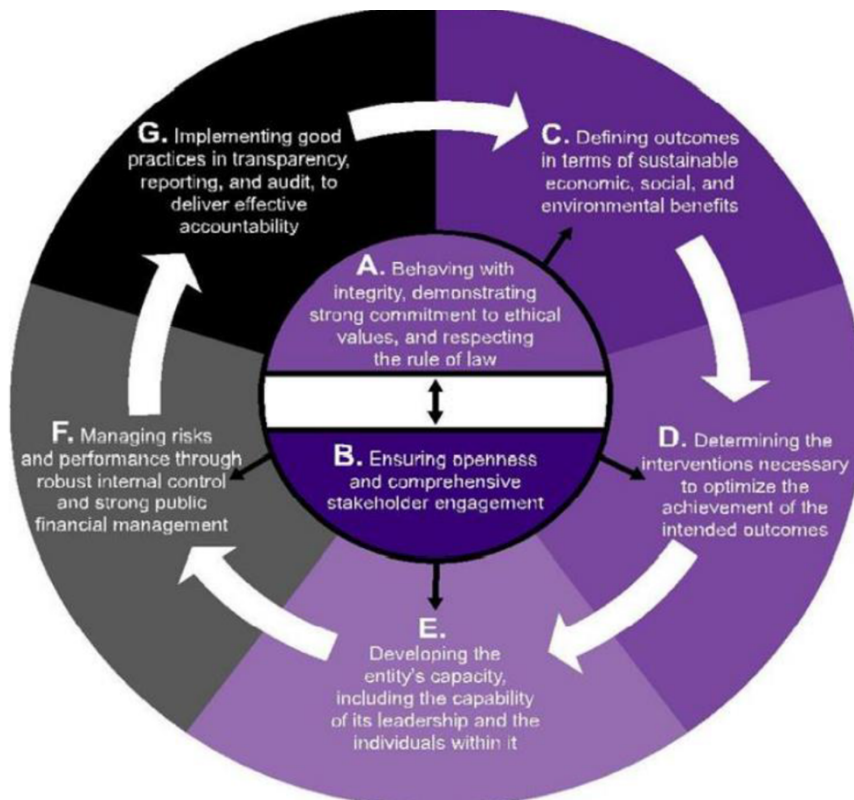
have nil or limited assurance in areas such as service-based budget monitoring, information management, capital budgeting, contract management and temporary accommodation

- 3. The Council has put in place measures to improve on its governance arrangements. The Croydon Renewal and Improvement Plan is the major programme to, amongst others, deliver savings, strengthen governance and financial practices in response to the RIPI and embed new ways of working to put the Council on a more sustainable financial footing.
- 3A The progress made with the AGS Action Plan identified in the 2020/21 Statement is attached as Appendix 1. There is still significant work to be done to embed good practice in decision-making, financial, capital project and risk management, contracts and information management, and the management of the Council's housing stock. The Action Plan to this 2021/22 AGS is attached as Appendix 2.

The Principles of Good Governance

- 4. The Council's Code of Governance sets out the Council's commitment to work to uphold the highest possible standards of good governance. These standards are designed to ensure that the Council conduct its business in accordance with the law and that public money is properly accounted for, as the Council work to achieve the best outcomes for residents.
- 5. The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how these relate to each other.

DIAGRAM



6. The Council's Code of Governance (available here link [code-of-governance-2022.pdf](#)) identifies how component parts of Croydon's Governance Framework meet the principles of good governance in the International Framework. The Code was reviewed and updated in 2021/22.

The Governance framework

7. The Council's Governance Framework (available here [Governance - how we do things overview | Croydon Intranet](#)) was reviewed in 2021/22. The framework is the set of systems, rules, processes, procedures, and values by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads the community. The framework sets out the three lines of defence model operated by the Council², the governance structure in place and the key documents that provide the rules and processes.

The Constitution

9. The Council's arrangements for decision making and conduct of its statutory functions are set out in the Constitution. It contains rules for the conduct of decision-making meetings and the roles and responsibilities of members and officers.
10. Full Council which comprises all 70 Members (Councillors) is responsible for making non-executive decisions such as setting the Budget for the Authority or approving the policies, plans and strategies that are specified in the Council's Budget and Policy Framework detailed in article 4 of the Constitution. The Executive (Leader and Cabinet) is responsible for making all executive decisions which are generally decisions that are not the responsibility of Full Council.
11. Following the outcome of the referendum, the Council changed the governance model from Executive Leader and Cabinet to Mayor and Cabinet. Subsequently arrangements were put in place for the change to the governance model through the Mayor Readiness Board including the necessary constitutional changes, amendments required to the Scheme of Members' Allowances and other relevant matters. In March 2022, the Council approved changes to the Constitution necessary for the implementation of the mayoral model of executive governance. It also approved other constitutional changes to improve the Council's governance, which had been recommended by the Constitution Working Group. A complete review and update of all parts of the Constitution was not conducted but is planned to be carried out during 2022/23.
12. A Mayor and Cabinet executive governance model was to be put in place from 9th May 2022, but through 2021/22, the Council's policy and decision making was conducted through the Leader and Cabinet executive model.
13. The Council publishes a 'Forward Plan' that details the key decisions to be made by the Leader and Cabinet in relation to executive matters.
14. Full Council delegates various non-executive functions to Committees, Sub-Committees and to the Chief Executive for the efficient conduct of business. These Delegations are set out in 'Responsibility for Functions' contained in Part 3 of the Constitution. As with the Scrutiny and Overview Committee, seats on the non-

² The Council operates the three lines of defence model. This model, endorsed by the Institute of Directors and the Institute of Internal Auditors, provides a comprehensive framework for considering the overall arrangements for managing risk and exercising control within an organisation. The **first line of defence** consists of all operational managers (and their staff) doing the right thing (i.e. know and understand the rules, comply with the rules, and shout out any wrongdoing). The **second line of defence** reporting to senior management comprises risk management and compliance functions to help build and/or monitor the first line of defence controls. These are the functions that set direction and define policy and procedures and include: Finance, Performance, Legal, Information Security, Quality Assurance, Health & Safety, Risk Management etc. Each function will also have its own oversight and reporting. The **third line of defence** is to provide independent assurance over risks and consists of Internal Audit (who reports to Audit and Governance) and externally bodies such as External Audit, Ofsted, HMRC, CQC, etc.

executive committees are allocated between the political groups in proportion to their respective numbers of Members.

15. As part of the review of the Constitution, Council approved revisions to the terms of reference of the Appointments and General Purposes and Audit Committees with the aim of:
 - Creating an Audit and Governance Committee with capacity to undertake the full range of functions of a local authority Audit Committee.
 - Implementing the decision of the Ethics Committee that the JNC Model Disciplinary Procedure for Statutory Chief Officers be adopted by the Council. This included revising the Appointments Committee to become the Appointments and Disciplinary Committee and the creation of an Appeals Committee.
 - Creating a non-executive General Purposes Committee to conduct the non-audit functions of the General Purposes and Audit Committee and the staffing functions of the Appointments Committee.
16. The Audit and Governance Committee is responsible for discharging the functions of an audit committee, including reviewing the risk management process, the performance of Internal Audit and agreeing the external audit plan. The appointment of an independent chair of General Purposes and Audit Committee during 2021/22, in response to a recommendation of the MHCLG (now DLUHC) rapid review, was designed to enhance the Committee's effectiveness as a source of independent assurance.

Overview and Scrutiny

17. The role of scrutiny is to scrutinise the decisions of the executive and to contribute to policy review and development.
18. During 2020/21 the Centre for Governance and Scrutiny conducted a Scrutiny Improvement Review. A number of recommendations were made to assist in strengthening the effectiveness of scrutiny and were implemented during 2021/22. Some continue to be implemented and embedded following appointments to the Scrutiny and Overview Committees in May 2022, and the decision to have a pre-scrutiny focus. This will form part of the 2022/23 AGS action plan.

Codes of Conduct

19. The Council has adopted a Code of Conduct for Members (including Co-opted Members). All Members are required to undertake to observe the Code of Conduct when they accept office as Councillors or are appointed to a committee.
20. A review of the Members' Code of Conduct and arrangements for handling complaints on member conduct was completed during 2021/22, informed by recommendations by the Committee on Standards in Public Life and the new national Model Member Code of Conduct.
21. Details of Members' interests are published on the Council's website.
22. The Council has determined that its Ethics Committee shall be responsible for receiving and considering reports on matters of probity and ethics and to consider matters relating to the Members' Code of Conduct. The Monitoring Officer conducts investigations into complaints on Member conduct and, where appropriate, convenes meetings of the Hearings Panel.
23. The Council has appointed several Independent Persons who are consulted on investigations on Member conduct complaints and may advise on other standards matters.
24. The Council also has a Code of Conduct for Officers: all staff are given their own copy as they are inducted into the organisation. This Code was reviewed in 2021/22 to ensure consistency of arrangements for reporting interests, gifts and hospitality for Members and Officers.
25. The Codes are supported by Protocols such as the Protocol on Staff / Councillor Relations and the Planning Code of Good Practice, which are all contained within the Constitution. The Protocol on Staff / Councillor Relations was reviewed during 2021/22; and the Planning Code of Good Practice will be reviewed as part of the 2022/23 review of the Constitution.

26. An officer ‘Guardians programme’ was implemented in 2021/22 and promoted via a series of webinars, to provide staff with a safe space to share concerns about behaviour or the culture at Croydon. The Guardians can signpost staff where appropriate to mechanisms within and outside the Council where they can get advice about situations that cause them concern, such as perceived bullying or inappropriate behaviour. This is an approach which is recognised as contributing to the development of an open culture. It was modelled on the NHS duty of candour and the speak out champions.

Officer-Level

27. The Chief Executive is the most senior officer in the Council. The Chief Executive and the Corporate Directors may exercise any functions of the Council or the Executive which have been delegated to them and they in turn may delegate decisions or functions to one or more officers in any of the Council’s directorates, except when prohibited to do so by the Constitution or law.

28. The current Council structure, approved by full Council on 5 July 2021, provides for a corporate management team, with seven members as its core membership, and six directorates. A programme and project management resource were also established and the post of Director: Commercial Investment and Capital was created to bring commercial expertise into the Council. Management capacity was also built into the structure or retained for the delivery of the Croydon Renewal Plan.

29. The law also requires the Council to appoint certain statutory chief officers that are responsible for the governance of the Council and have specific statutory powers. Similarly, the Council must name the ‘proper officers’ to undertake specific statutory functions. Each of the above are described in more detail below:

1) Chief Executive: The most senior officer in the Council is the Chief Executive Officer (and Head of Paid Service). Certain matters not reserved to the Council, Leader and Cabinet, or a Cabinet Committee (acting either individually or collectively) are decided by the Chief Executive acting under delegated powers, and the Chief Executive is responsible for deciding how executive decisions are implemented.

2) Corporate Management Team (CMT): This is the Council’s senior management team, consisting of the Chief Executive, the Assistant Chief Executive and the **five** Corporate Directors. Reporting into CMT are the respective Directorate Management Teams and the Internal Control Boards.

3) Directorate Management Teams (DMTs): These are the management teams within each of the Council’s six directorates, each headed up by either a Corporate Director or the Assistant Chief Executive and consisting of Directors and, where these report directly to the Corporate Director or the Assistant Chief Executive, Heads of Service. These directorates are the:

- Adult Social Care and Health Directorate
- Assistant Chief Executive’s Directorate
- Children, Young People and Education Directorate
- Housing Directorate
- Resources Directorate
- Sustainable Communities, Regeneration & Economic Recovery Directorate

Each directorate has its own underlying departmental management structure reporting to the DMT.

4) Internal Control Boards (ICB) – The ICBs are corporate boards which operate alongside the respective directorate structures providing governance over cross directorate matters and include the:

- Capital Board
- Commissioning and Contracts Board
- Corporate Resilience Board
- Digital Board
- Equality, Diversity & Inclusion Board
- Finance, Risk & Assurance Board
- Health & Safety Board

- Information Management & Transparency Board
- Performance Board
- Procurement Board
- Resident Voice and Improvement Board
- Statutory Officers Board
- Workforce Board

Each ICB has terms of reference and includes membership from each directorate management team and other officers and is allocated corporate strategies to own on behalf of the Council. The minutes of each Board are presented at the CMT and shared with all directors.

The ICBs can also act as a 'Programme Board' in the overall Project & Programme Management Framework for cross-departmental pieces of work, with highlight reports, exception reports, plans and logs being reported to these meetings. Where projects or programmes are specific only to a directorate, the Directorate DMT may act as Programme Board.

5) **Statutory Chief Officers:** The statutory chief officers are the:

- Head of Paid Service (Local Government and Housing Act 1989, s 4)
- Monitoring Officer (Local Government and Housing Act 1989, s 5)
- S151 (or Chief Finance) Officer (Local Government Act 1972, s 151)
- Director of Children's Services (Children Act 2004, s 18)
- Director of Public Health (National Health Service Act 2006, s 73A(1)); and
- Director of Adult Social Services (Local Authority Social Services Act 1970, s 6(A1))

These are officers that the Council must have in place, some of which may be combined and some of which cannot, but they all have additional personal responsibilities. These officers have statutory mechanisms for bringing concerns to the attention of the Council, and for requiring the Council to consider their decisions and actions publicly. Each of these officers has special employment protection to enable them to highlight their concerns.

There are a number of other statutory officer roles that a local authority must have in place, (such as, but not limited to, a Scrutiny Officer, a Caldicott Guardian, a Head of Internal Audit and a Chief Information Officer) but these are not chief officer posts in their own right.

6) The three chief officer roles with leading responsibilities relating to governance are the:

- **S151 Officer (Chief Finance Officer)** – who is responsible for finance and spending. The Council designated the Corporate Director Resources as the Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. This role was held on an interim basis from February 2021 with a permanent appointment being made in March 2022.
- **Monitoring Officer** – who is responsible for lawful behaviour. The Council designated the role of the Director of Legal Services as the Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989). The Monitoring Officer role was covered on an interim basis from March 2021 with a permanent appointment being made from 1 July 2022.
- **Head of Paid Service (Chief Executive)** – who is responsible for overall functioning of the Council. This role was held on an interim basis from September 2020: a permanent appointment to the role was made in July 2021.

Each of these statutory officers has the power to refer certain matters to the Council. During 2021/22 regular meetings of the Statutory Officers Group were established, chaired by the Chief Executive, to discuss current issues and liaise regularly between meetings on matters affecting the governance of the authority. The Statutory Officers Group ensures the provision of professional advice on all decision-making reports to ensure legal, financial, risk management and equality implications are addressed, including compliance with the Public Sector Equality Duty.

The terms of reference for the meeting have been reviewed to ensure that declarations of interest are managed, and any conflicts are routinely declared. The Board enables a review of adult, children and young peoples' safeguarding and enables an overview of significant contractual arrangements, ensuring that appropriate documentation and compliance is in place.

30. The Chief Executive chairs a weekly meeting of the Corporate Management Team to consider key items of business and ensure the organisation is delivering the Council's priorities. Each Corporate Director holds weekly Directorate Management Team meetings. These are used to support internal control processes (e.g. budget and risk management, diversity and inclusion compliance, monitoring of complaints, corporate performance) as well as key business within the department. Directors are then responsible for cascading information down to Heads of Service (and vice versa) to ensure effective delivery of Council services and decision making in accordance with the scheme of delegation. There is a meeting each month of CMT and Directors and a meeting each month of CMT, Directors and Heads of Service.
31. The Statutory Officers and Directors with responsibility for the development and maintenance of the Council's governance keep the effectiveness of the Council's governance framework under review. The processes which maintain the effectiveness of the governance framework include:
- a) The Council's Constitution, which sets out how decisions are made and the procedures that are followed to evidence open and transparent policy and decision making, ensuring compliance with established policies, procedures, laws and regulations;
 - b) The Council's internal management processes, such as performance monitoring and reporting, the staff performance appraisal framework and monitoring of policies such as corporate complaints and health and safety policies;
 - c) Mandatory training for officers and a 'Re-Induction' of all managers to focus on key accountabilities and corporate objectives as part of the appraisal process is planned for the forthcoming year as part of changing and improving the culture of the Council;
 - d) The financial management of the Council is conducted in accordance with the Financial Regulations set out in the Constitution. The Council's financial management arrangements conform to the requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2013);
 - e) Review by the CMT and DMTs of departmental and corporate risk registers;
 - f) The annual report of the Head of Internal Audit, the opinion of the external auditors in their reports and annual letter;
 - g) Findings from fraud and whistleblowing investigations;
 - h) The work of Scrutiny and Overview Committees and the GPAC (now Audit and Governance Committee); and
 - i) Other review agencies, through their inspection arrangements, such as the Care Quality Commission and Ofsted.

32. Blank

Corporate Directors Assurance Statements

33. The 2021/22 Annual Governance Statement has been underpinned by Corporate Director Assurance Statements. The feedback from the Statements received suggest that there are gaps in areas such as awareness of financial and performance management, counter fraud arrangements, and complaints and information governance. These needs to be addressed in the 2021/22 AGS Action Plan.

Council Priorities, MTFS and Internal Control Boards

34. In November 2020, the Council adopted new Council Priorities and ways of working (replacing the Council's Corporate Plan 2018-2022) and this formed part of the Council's policy framework. The focus of the new Priorities and Ways of Working was on practising sound financial management, being transparent about spending and what the Council can afford by concentrating on core services and a small number of evidence-based outcomes. Delivery of these priorities was supported by new ways of working, namely: becoming a more transparent, open and honest council, involving residents in decision making and being clear about what

the Council can do, and what it can't. These priorities will be replaced during the 2022/23 financial year by the Executive Mayor's priorities.

35. The savings projects within the Medium-Term Financial Strategy have been prioritised in 2021/22 and beyond. Every project and action within the Croydon Renewal Plan has a clearly identified senior accountable officer (SAO) and a named project manager responsible for delivery. A Corporate Programme Management Office (PMO) is in place and works with the SAO and project managers to monitor progress against each project and to capture and report regular updates through a tracker system.
36. Each month, as part of the budget monitoring process, the PMO provides updates and insights on savings delivery which is then compared against service forecasts to identify any anomalies requiring further investigation. The Chief Executive and the Corporate Director of Resources chairs monthly savings assurance meetings to hold the SAO to account and to identify any risk areas, mitigating actions and savings.
37. A three-year Medium Term Financial Strategy (MTFS) is updated annually supporting the Council's strategic objectives. The financial strategy has been designed to ensure the economical, effective and efficient use of resources including a financial management process for reporting the Council's financial standing. There is still significant work required to balance the MTFS over the three years and to deliver the commitments made in the capitalisation direction submission in December 2020.
38. During 2020/21 a Programme Steering Group was established to oversee delivery of key projects and programmes within the Croydon Renewal Plan. As these plans were developed and projects mobilised, programme governance structures were reviewed. Internal Control Boards (ICB) were proposed as part of the senior restructure. These play a key role in the overall governance structure, providing a venue for senior leaders and key others to consider matters within the terms of reference of the respective ICB. Their intention is to enhance internal control and provide CMT with the assurance that the expected deliverables are being developed within agreed time, cost and quality tolerances. This also addresses governance related issues highlighted by the two RIPs. The ICBs play a role in project and programme governance, in so far as they act as 'Programme Board' in the overall Project and Programme Management Framework for cross-departmental pieces of work.

Croydon arm's length companies

39. The Committee on Standards in Public Life report dated January 2019 made a best practice recommendation regarding separate bodies created by local authorities and how such bodies should be referenced in the Council's AGS together with the transparency expected from those bodies, namely that, *'Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place'*.
40. Croydon Council acknowledges that it has an 'arm's length' interest in the following organisations:
 - a) Croydon Council owns a 100% stake in the development company Brick By Brick Croydon Limited, which was established to deliver housing across a number of Council owned sites in the Borough. The Council took a decision in February 2021 to trade out 23 sites to completion and dispose of all of its remaining sites. It is anticipated that this process will be completed in 2023/4.
 - b) The Council has a 99% membership of LBC Holdings LLP which itself holds 10% holdings of the other LLPs in the structure. An independent charity, Croydon Affordable Housing, holds a 90% membership in each of the LLPs (other than LBC Holdings LLP). The Council has entered into 80 year leases and 40 year loan transactions (amongst other agreements) with Croydon Affordable Homes LLP ('CAH') and Croydon Affordable Tenures LLP ('CAT'). A review of the financial accounting position in respect of CAH and CAT was completed by PWC in February 2022 and is necessary as part of finalising the accounts for 2019/20 and 2020/21.

- c) Croydon Council held 40% of control of the board of Octavo Partnership Limited, which was created to deliver school improvement services across the Borough of Croydon and beyond and sells discretionary support services to schools directly whilst delivering statutory services on behalf of Croydon Council. Services were brought inhouse and company dissolved in September 2021. Financial activity in 2021/22 was not considered material.
- d) Croydon owns a 100% stake in YourCare (Croydon) Ltd, a company that carries out sales of aids to daily living equipment to the public. Company is in the process of dissolution. This started in September 2021. Turnover and balances are not considered material. The service has now been insourced.

41. In July 2021, Cabinet agreed the establishment of a Croydon Companies’ Supervision and Monitoring Panel, chaired by the s151 Officer, to ensure good governance of the Council’s external entities. The Panel should formally report at least biannually to Cabinet, making recommendations as appropriate. The Council has strengthened its governance arrangements and oversight of Brick by Brick Croydon Ltd with a (Member and Senior Officer) Brick by Brick Shareholder Cabinet Advisory Board and a new Board of Chair and non-executive Directors now in place at Brick by Brick.

Croydon Renewal & Improvement Plan

42. During 2020/21, following the Report in the Public Interest relating to the Council’s financial position and various other governance related reports, the Council fully recognised the scale and significance of issues to be addressed and the systemic change required. In December 2020, it adopted actions to address areas for improvement through the Croydon Renewal and Improvement Plan, a major programme to deliver savings, strengthen governance and financial practices and embed new ways of working to put the Council on a more sustainable financial footing. The Croydon Renewal Plan is an umbrella term that covers the financial recovery plan, the submission to the MCHLG (now DLUHC) for a capitalisation direction and actions to respond to the RIPIs. Updates were provided to the Cabinet and the Audit and Governance Committee on progress in addressing the RIPI action plans.

Second Report in the Public Interest (Fairfield Halls)

43. In January 2022, the Council’s external auditor, Grant Thornton, issued a second Report in the Public Interest – this one concerning the refurbishment of Fairfield Halls and related governance arrangements. The report detailed significant concerns regarding the decision making, value for money, behaviour and governance arrangements that were associated with this major project during the financial years 2016/17 to 2019/20. On 3 February 2022, the Council accepted in full the Report and recommendations. It also agreed that the action plan be included in the Croydon Renewal and Improvement Plan, which would be refreshed for 2022/23 and beyond. The recommendations fall under the following themes:

R1 Cabinet reports for major projects / legal powers, risk & protecting council’s interest

R2/4 Contract execution prior to the discharge of obligations / adhering to legal advice and requirements/ safe keeping of contractual documentation

R3/7 Record keeping arrangements for executive decisions / Updating Cabinet on changes in legal advice / risk

R5 Compliance with procurement/subsidy controls rules

R6 Response to challenge on decisions and corrective action

R8 Governance arrangement for strategic developments and expectations of nominated representatives

R9 Roles and responsibilities Members, officers, and representatives

R10/11 Financial reporting on significant capital projects and likely spend in excess of allocated budget

R12 Arrangements for inherent conflict of interest for executive directors

These recommendations are now built into the 2021/22 AGS Action Plan in Appendix 2.

SoS Improvement & Assurance Panel

44. The Improvement and Assurance Panel, appointed in January 2021 provides external advice and challenge to the Council and assurance to the Secretary of State via reports on a quarterly basis as the Council continues to deliver the Croydon Renewal Plan. In March 2022, the Improvement and Assurance Panel's fourth report acknowledged the Council's continued progress in making the necessary improvements. The Panel highlighted that the Council remains on the right track, but that it was at a critical point and considerable energy and patience would need to be invested in the recovery journey to ensure a sustainable future moving forward.
45. In addition to input from the Improvement and Assurance Panel, support has been sought from a number of different sources including the Local Government Association and a review of the Council's scrutiny arrangements informed by the Centre for Governance and Scrutiny.
46. In order to balance the 2020/21 budget, borrowing of up to £70m for the financial year 2020-21 was sanctioned by the MHCLG (now the DLUHC) in March 2021 under a 'Capitalisation Direction' and a further £50m in March 2022 for 2021/22. This agreement was and continues to be conditional on the Council delivering its renewal plans at pace and the provision of regular positive progress updates by the Improvement and Assurance Panel to DLUHC.

Housing Improvement

47. Following the coverage of poor housing conditions at Regina Road in March 2021, the Council committed to the creation of the independently chaired Housing Improvement Board and the development and implementation of the Housing Improvement Plan in May 2021. The Cabinet had agreed that the purpose of the Plan would be to address the failings of the housing service highlighted in the ARK Consultancy Investigation into Conditions at 1-87 Regina Road, South Norwood. Since July 2021, the housing service has developed and begun to deliver the Housing Improvement Plan. Improvements to the Council's housing service have since remained a concern of the Improvement and Assurance Panel and the housing directorate's improvement planning must provide a path to compliance with the Regulator for Social Housing's Home Standard and Tenant Involvement & Empowerment Standard. In March 2022, the Council agreed the content of the Plan. In March 2022, Cabinet also required quarterly updates on the implementation of the improvement plan and that going forward it would include commentary from the Housing Improvement Board. In July 2022, proposals were approved to considerably strengthen the Housing Improvement Plan.

Performance and risk management

48. The first RIPI identified signs that basic systems and controls were not in place, including a lack of appropriate performance management. From January 2021, work has been undertaken to rebuild the Council's performance and risk framework.
49. The performance management system sets key targets and produces performance monitoring reports for Cabinet and Scrutiny. The system includes measures of the quality of services for users, use of resources and value for money. The corporate performance team supports benchmarking activities for services and key performance indicators (KPIs), drawing on sector wide data sets from various organisations including the Local Government Association.
50. The Council's risk management process is designed to identify, assess and manage significant risks to the Council's objectives including risks associated with delivering the Croydon Renewal Plan. The process includes a risk management policy statement, corporate and departmental risk registers, and appropriate staff training delivered to risk owners (Directors and above).
51. Since January 2021, the Council has started to work towards an approach to risk management including actions consistent with the 'Three Lines of Defence' model recognised by the Institute of Internal Auditors and HM Treasury 'Orange Book' standards, as good practice. The first 'line of defence' is implemented by the risk owners (the Council's directorates, Corporate Directors, Directors and Heads of Service) to ensure an effective control environment, implement risk management policies in relation to their roles and responsibilities, being fully aware of the risk factors to be considered in every decision and action. The second line of defence is the

maintenance of a risk management framework and compliance functions, in supporting structured risk management implemented by risk owners. The third line of defence is implemented by both internal and external audit who take an independent view of the application of risk management, reviewing and evaluating the design and implementation of risk management and the effectiveness of the first and second lines of defence.

52. Key corporate risks are reviewed quarterly by the Directorate Management Teams, CMT and the Audit and Governance Committee. In addition, risk management 'deep dives' on individual risks are undertaken by the Audit and Governance Committee in addition to a monthly review of corporate 'red' risks by CMT.
53. The action plan in response to the first RIPI includes actions to increase ownership of and capability for risk management across the Council, including risks of non-delivery of financial savings. This included:
 - An externally-led review of the Council's financial risk appetite with Members and Officers to ensure that the council's financial capacity for managing risk is fully understood.
 - A development session for Cabinet on risk management.
 - 1-1 training sessions for relevant officers, Corporate Directors and Directors on the identification of risks and use of risk management software.
 - During 2021/22, reporting on finance, performance and risk was combined into one reporting function to enable a corporate overview, with monthly reports to Cabinet. This report also presents financial risks and opportunities offering a net risk assessed forecast outturn for members to review.
 - Ensure risk considerations are identified at the outset of all new decisions, both for the individual decision and its impact on the whole of the Council by way of the risk and financial impact sections of Member reports.
 - All new programmes of work will be subject to sign off at a Programme Steering Group to ensure appropriate consideration of risk.
 - Terms of reference for the Audit and Governance and Scrutiny and Overview committees were reviewed as part of the review of the Constitution, to ensure clarity of roles and responsibilities in relation to risk.

Procurement & Project Management

54. A Procurement Board meets weekly with director-level attendance to ensure compliance with the Council's Contract and Tender Regulations, holding managers to account and providing challenge to ensure that the use of waivers is minimised. Internal Audit identified a number of improvements required to tender evaluations, contract frameworks, systems and documentation. These are being addressed through the contract's improvement plan.
55. The Council identified a need to develop a more strategic overview of the pipeline of commissioning and contracts and in 2021.
56. While the Council's capacity in relation to project and programme management has been strengthened through the establishment of the PMO, significant underspends on capital projects continue and considerable work is still required to ensure robust management of capital projects, including financial appraisal skills for those leading projects.

Complaints, Fraud and Whistleblowing

57. The Council's formal complaints policy sets out how complaints can be made by the public, what should be expected in terms of response and how to appeal. Lessons learned from complaints are reported in an annual report to directorate management teams and CMT.
58. The Local Government and Social Care Ombudsman (LGO) issued 2 public reports about the Council during 2021/22. The Council accepted the Ombudsman's final report and recommendations, and the Ombudsman confirmed their satisfaction with the actions taken. The LGO annual report is discussed at CMT and taken to Scrutiny and Overview for review and challenge lessons learned.

59. The Council reviewed its Anti-fraud and Corruption Policy and Strategy in 2021/22. It also reviewed its Whistleblowing Policy which enables staff, partners and contractors to raise concerns of crime or maladministration confidentially. This has been designed to enable referrals to be made without fear of being identified and is supported by a whistle blowing hotline supported by a third sector partner. The associated training was to be delivered in July 2022.
60. The Council has commissioned Kroll Associates (UK) Limited (“Kroll”) to undertake an independent, fact-finding review of the circumstances and decision-making process leading up to and following the Council’s approval for Brick by Brick Ltd (a company wholly owned by the Council) to undertake the refurbishment of the Fairfield Halls venue and which was the subject of the second RIPI report. The aims of the investigation include to provide clarity over the probity and integrity of decision making around the Fairfield Halls project, the reasons for the cost overrun and late delivery and the governance failures and whether there is evidence of potential wrongdoing by relevant individuals.

Health and Safety

61. Responsibility for health and safety ultimately rests with the Chief Executive. To ensure this responsibility is discharged effectively across the Council the Corporate Health and Safety Board and departmental subgroups were established. Their role includes the monitoring of statistics, safety audit reports and trends of accidents, dangerous occurrences and notifiable diseases and making recommendations for and monitoring progress on corrective action on unsafe and unhealthy conditions and practices. The Board also monitors the effectiveness of health and safety training and communications and escalating any issues to CMT as appropriate. The Board is chaired by a corporate director and attended by departmental representatives, the corporate health and safety team and trade union representatives. The minutes of the Health and Safety Board are presented at CMT and shared with all directors. The Council’s health and safety policy and terms of reference of the Board were reviewed during 2021/22.

Information Governance

62. The Information Management Steering Group (IMSG) leads the Council’s strategic approach to governance of information management. Chaired by the Council’s Chief Information Officer and Senior Information Risk Owner (SIRO), its membership includes the Caldicott Guardian, Data Protection Officer, Information Manager and key service leads. The Group’s role is to support the Council to ensure compliance with Data Protection, Freedom of Information (FOI) and Caldicott requirements and assist in making good Information Management (IM) part of the culture of the Council. The Group provides advice to the CMT in respect of IM issues/incidents and has an overview of the Council’s compliance with policies, procedure and guidance and commissions reviews of policies, procedure and guidance as appropriate.
63. The first RIPI highlighted a number of gaps in information which may have contributed to poor decision making. Work is being completed to ensure that the IM service is appropriately structured and staffed, and to develop a programme of improvement work in relation to document retention, data protection and associated training.
64. The Council is not meeting targets for responses to FOIs and Subject Access Requests. Steps have been taken to improve capacity and improve the management of the processes and reporting. This an area for ongoing work in 2022/23.

Safeguarding

65. The Council’s approach to safeguarding both in relation to vulnerable adults and children is led by the corporate directors for adult social care and children young people and education respectively and also subject to the relevant statutory inspections. The Croydon Safeguarding Adult Board is independently chaired. Croydon Safeguarding Children Partnership (CSCP) is also chaired by an independent scrutineer.

Learning and organisational development

66. A comprehensive Members' induction and training programme training was developed for implementation after the local government election. This is currently being implemented. In addition, an ongoing programme of training and awareness is available for Members with formal and informal events each year, including all major changes in legislation and governance issues.
67. The development of the programme is overseen by a member-led Member Development Panel and includes training identified as a requirement by the first RIPI.
68. Staff developmental needs are identified through the Council's Appraisal Scheme. The Council's Learning and Organisational Development service delivers and/or commissions a suite of elective and mandatory courses, children, and adult social care specialisations in a variety of formats, including e-learning through a centralised learning management system. Work has been completed to revise the corporate virtual induction programme 'Welcome to Croydon'. The new contents cover three key thematic areas: (i) managers' induction checklist, to ensure effective compliance (ii) mandatory training for new staff on fundamental topics such as health and safety, information governance, and equality and diversity (iii) understanding the council – to ensure effective orientation and understanding of the council, its decision-making processes, governance, and compliance. This will be delivered to all new staff joining the Council, supplemented by department-specific elements. A presentation of the new induction site and contents will be provided to Corporate Management Team in the New Year for oversight and approval.

Working in partnership

69. A number of the Council's services are delivered in partnership with commercial organisations and, increasingly, with other local public sector organisations, and the voluntary, community and faith sector. Internal Audit has identified some areas for improvement in relation to contracting with the NHS which continue to be addressed through the contracts improvement plan.
70. The One Croydon Alliance is a partnership between the local NHS, the Council and voluntary sector, seeking to offer more coordinated support for people's physical and mental health and wellbeing.
71. In 2021/22, the Local Strategic Partnership (LSP) supported partners to coordinate priorities and actions across Croydon – with a particular focus on the Covid pandemic response and recovery. The LSP is led by a board made up of the Leader / Executive Mayor, relevant Cabinet Members, and relevant Chief Executives or equivalent from a wide range of key partners and stakeholders.
72. The LSP has a number of sub-groups coordinating activity along particular themes:
- Safer Croydon Partnership
 - Health & Wellbeing Board
 - Sustainable Croydon Economic Renewal Board
73. These thematic partnerships undertake a range of partnership activities and consultation exercises to enable all residents and customers to contribute to and shape the strategic themed plans such as the Health and Wellbeing Strategy and the Safer Croydon Partnership Community Safety Strategy. In addition, the Council undertakes surveys with residents who provide the Council with reliable feedback on important issues that help improve services as part of establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
74. As set out above, the focus for the LSP in 2021/22 remained the Covid pandemic response and recovery coordination. The LSP is considered to have functioned very effectively during the 2021/22 year, although frequency reduced from the height of the meetings during phase 1 of the pandemic the previous year. The LSP supported partnership work in Croydon in sharing the latest information, issues, and priorities in responding to the pandemic and working within the Mayor of London's framework and priorities for recovery.
75. In May 2022, residents elected the first Executive Mayor of Croydon. An executive Mayor model of governance provides opportunity for wider place leadership, and the Mayor has set out key priorities for partnership working and resident engagement within the Mayor's Business Plan. Going forward, partnership structures will be reviewed to align to these new priorities, and those of our partners.

Internal audit

76. The Council maintains an Internal Audit service delivered by Mazars as part of 'The Apex Framework' providing local authorities including Croydon with internal audit resources in a tried and tested framework that operates in accordance with the Public Sector Internal Audit Standards. The Council's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2019)*. The Council's contract with Mazars is cliented by the Corporate Director of Resources.
77. Internal audit is responsible for monitoring the quality and effectiveness of the Council's governance, risk management and controls. An internal audit plan is compiled annually for the work to be undertaken, which is submitted to GPAC (now the Audit and Governance Committee) for review and approval. The plan is informed by the results of the previous year's audit and follow-up work by Internal Audit, the Council's risk registers and discussions with senior managers, directors and members of the Council's CMT. The Head of Internal Audit is a standing member of the CMT and can attend at any time and ask for items on the agenda. The post reports to the Corporate Director of Resources but also has access to the Chief Executive at any time.
78. The outcome of the internal audit risk-based work is reported to all relevant Corporate Directors and Directors and regularly to GPAC (now the Audit and Governance Committee). Implementation of recommendations is monitored and progress reported to GPAC (now the Audit and Governance Committee) at each meeting.
79. In addition to the quality assurance processes in place, the Internal Audit function is reviewed annually by the external auditors and every five years by an external body to assess compliance with the Public Sector Internal Audit Standards (this is next due for Croydon in 2023).
80. As required by the Accounts and Audit (England) Regulations, the Corporate Director: Resources reviewed the effectiveness of the Internal Audit service during the year and reported this to the GPAC, which concluded that the Internal Audit service was satisfactory and fit for purpose. This undertaking is part of the core functions of the Audit and Governance Committee, as set out in CIPFA's *Audit Committees: Practical Guidance for Local Authorities* and applied in the Council.
81. The Annual Report of the Head of Internal Audit for the year ending 31 March 2021/22 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. 54% of the overall audits undertaken had 'Limited' or 'No' assurance, with 64% of internal audits of systems falling into these categories. The following internal audits from the Annual Report had limited or no assurance:
- Payments to Schools (Including licensed deficit process) (Limited)
 - Parking Enforcement: Pay and Display (Limited)
 - Continuous Auditing (Quarters 1 to 4) (Limited)
 - Service Based Budget Monitoring: Across the Organisation (Limited)
 - Standard Operating Procedures: DLTs, DMTs and Departmental Communications (Limited)
 - Savings Plans: Formulation and Monitoring (Limited)
 - Fees and Charges (Limited)
 - Staff Expenses: Compliance Checks (Limited)
 - Food Safety (Limited)
 - Fire Safety (No)
 - PMO: Structures and Processes (Limited)
 - Community Fund: Contracts (limited)
 - MyResources: HR Modules (Limited)
 - Information Management (Limited)
 - Capital Budgeting and Treasury (No)
 - HRA: Accounting (Limited)
 - Purley Nursery School (Limited)
 - Adult Social Care Payment Process (Limited)
 - Children's Social Care Payment Process (Limited)
 - Out of Borough Adult Social Care Placements (Limited)

- Placement Deposits (Limited)
- Croydon Affordable Homes: Contract Management (Limited)
- Emissions Based Parking Charges (Limited)
- SLWP: Payments and Recharging Processes (Limited)
- Contract Management: Health and Work Programme (Limited)

During the year, Internal Audit identified:

- Internal audit continues to identify general compliance issues in basic areas of governance and control.
- Internal audit work during the year again identified a number of issues with contract letting, monitoring and management across the organisation.
- Internal audit continues to identify a number of instances where privacy notices relating to the collection of personal data were missing or were no longer fit for purpose.
- Internal audits have identified issues over the setting and monitoring of savings plans and over the process of service budget monitoring.
- Internal audits have identified issues in the area of temporary accommodation, including arrangements for repairs and maintenance.

82. The Council has action plans to address these issues and Internal Audit will continue to be involved in further audits of these areas. During 2021/22 CMT on a monthly basis reviewed the management actions arising from internal audits, helping ensure that historic and current actions were being implemented and improvements to systems and controls were made as appropriate.

External audit

83. As stated above, the Council's external auditors Grant Thornton during 2020/21 issued a RIPI in relation to the Council's financial situation, its financial decision-making and governance and made 20 recommendations. During 2021/22 they issued a RIPI in relation to the refurbishment of Fairfield Halls and related governance arrangements. The recommendations and planned action will be the subject of the 2022/23 AGS action plan which is attached as Appendix 2 and a standalone action plan and progress report in Appendix 3.

84. The external audits of the Council's accounts for 2019/20 and 2020/21 are ongoing.

85. The external auditor has raised concerns relating to the settlement agreement reached with the former chief executive of the Council and requested that the Council assures itself that the settlement is lawful. There are still ongoing due diligence enquires and the Council's position will be the subject of a published report to Full Council in 2022/23.

86. The annual audit letter is compiled in accordance with the National Audit Office (NAO)'s Code of Audit Practice which reflects the requirements of the Local Audit and Accountability Act 2014. Grant Thornton complies with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

COVID-19 Pandemic Response

87. In addition to the other issues raised in this Statement, 2021/22 saw a relaxation of the restrictions introduced in response to the COVID-19 pandemic. This did not mean that Council resources were not required to support continued response and recovery activities – as in the previous year resources were deployed to support the response and recovery. The year 2021/22 has seen a gradual return to normal systems of governance, for example return to physical meetings dealing with council business, in line with the Government's roadmap to recovery.

Conclusion

88. The Council has been the subject of significant governance failings that has attracted considerable public interest. During 2021/22, the Council has worked to continue to deliver the necessary and significant improvements in its governance arrangement. These are outlined in the paragraphs above and are referred to in some detail in the 2020/21 AGS Action Plan attached as Appendix 1. The Council is satisfied that there are appropriate governance arrangements to deal with the many challenges arising from the fundamental

failings in governance, in particular, those identified in RIPI 1 and 2. These and other challenges will continue to be monitored in the coming year. Further, an Action Plan has been developed for 2022/23 to address the gaps in governance identified in this Statement. The key themes for action are in areas such as finance awareness and training; service-based budget monitoring and financial management; complaints and information governance; capital projects and boards, budgeting, and financial reporting; contracts execution, management and records keeping; and housing repairs and temporary accommodation. The Action Plan is attached as Appendix 2 and includes all ongoing and outstanding activities arising from all governance findings to date and carried over to 2022/23. The delivery of these actions will be monitored through the ICBs, CMT and regular updates to the Audit and Governance Committee.

Appendix 1 Annual Governance Statement 2020/21 Action Plan and Progress Update

Green - Completed

Amber - Ongoing

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
1.	Access to information for members	Improvements required to access to information for Members	Adopt Access to Information Protocol Commence publication of Forward Plan	Director of Legal (MO)	January 2022 December 2021	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. The Forward Plan and schedule of deadlines is now published.
2.	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 - Complete	Anti-Fraud & Corruption Strategy approved by GPAC in November 2021
3.	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 - Complete	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 took place in July.
4.	Audit	Strengthen the effectiveness of General Purposes	Recruit Independent Chair for General	Corporate Director of Resources	COMPLETED - September 2021	Completed

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
		and Audit Committee as a source of independent assurance.	Purposes and Audit Committee			
5.	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 - Complete	Governance Framework drafted against the National Audit Office 'Three Lines of Defence' model.
6.	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 - Complete	New process developed and ownership with the Monitoring Officer
7.	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 - Complete	In place and ongoing, monthly meeting of CMT
8.	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 FRA ICB Finance training develop and manged by Director of Finance

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
9.	Capital finance management	Recommendations arising from independent review of the Council's financial management arrangements	<p>Establish Capital Board</p> <p>Review capital programme, establish monthly capital monitoring and strengthen capital project management</p> <p>Financial appraisal skills training for project leads</p>	<p>Corporate Director (SCRER)</p> <p>Corporate Director of Resources</p>	<p>July 2021</p> <p>March 2022</p> <p>Complete</p> <p>March 2022</p>	<p>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.</p> <p>The FRA ICB is currently determining how to proceed with this and how to interface with reporting on RIPI/ PFA's oversight of governance improvements</p>
10	Governance	Code of governance not reviewed since 2015/16	Review Code of governance alongside Annual Governance Statement	Corporate Director of Resources	November 2021 - Complete	The Code of Governance has been reviewed.
11	Governance	Review of Constitution overdue	Review Constitution, informed by Constitution Working Group and wider engagement as appropriate,	Corporate Director of Resources	March 2022 Complete	Constitution reviewed following move to Mayor and Cabinet model. Items for further consideration identified and Work programme being developed for ongoing constitution review

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
			supporting development of member/ officer awareness of good governance and clarify senior officer ownership			
12	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
13	Health and safety	Review of effectiveness of health and safety arrangements overdue	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
10.	Information Management	Review of record retention policy and procedures overdue Staff training required to ensure consistent implementation of policies Appropriate capacity required to	Restructure Information Management team and complete recruitment Develop and implement programme of work to ensure all policies and training are updated and backlogs addressed.	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.

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
		deliver improvement work				
11.	Leadership	Executive Leadership Team postholders all on temporary/ interim contracts	Appointment of permanent Chief Executive Implementation of senior management restructure	Leader of the Council Chief Executive	COMPLETED - July 2021 November 2021	Complete
12.	Leadership	Assure compliance in relation to the largest/ highest risk contracts	Establish quarterly statutory officers meetings Review terms of reference to include review of compliance and potential conflicts of interest	Chief Executive	COMPLETED - June 2021 November 2021 Complete	Complete Terms of reference review completed in July
13.	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 Review and adopt new Officer Code of Conduct Review and adopt new Councillor /	Corporate Director of Resources	October 2021 October 2021 March 2022	Member Code of Conduct reviewed reflecting recommendations of Committee for Standards in Public Life. Training given to all members. Officer Code of Conduct reviewed. Officer e-learning module developed and will be launched in July

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
			Officer Working Protocol		Complete	Protocol on Staff – Councillor Member Relations agreed by Council in March 2022 and has been included in the constitution
14.	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
15.	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.
16.	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.
17.	Performance management	RIPI action to introduce regular reporting of performance and risk to Cabinet and Scrutiny	Develop and publish a corporate performance report for review by Cabinet and Scrutiny	Assistant Chief Executive	COMPLETED - October 2021	Completed

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
18.	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.
19.	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.
20.	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 Completed
21.	Risk management	Benchmark against best practice standards in public sector risk	Implement actions arising from RIPI relating to risk	Corporate Director of Resources	March 2022	An external assurance review is underway

	Control area	Governance issue	Action	Responsible owner	Timescale	Update
		management (in particular HM Treasury 'Orange Book')	Implement further actions arising from benchmarking			
22.	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.
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.
24.	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.

Appendix 2 Annual Governance Statement 2021/22 Action Plan

No.	Governance Issue	Action	Accountable	Responsible	Status update
1	Improve arrangements for management of capital projects and programmes	Review capital programme, establish monthly capital monitoring and strengthen capital project management	Corporate Director of Resources	Peter Mitchell	
2	Ongoing review of Constitution to align with new Executive Mayoral arrangement	Establish arrangements for ongoing review of the Constitution.	Corporate Director of Resources	Stephen Lawrence-Orumwense	
3	Improvement in awareness and practice in finance management	Implement CIPFA maturity model. Finance training for non-finance managers	Corporate Director of Resources	Alan Layton	
4	Strengthen governance framework	Establish and implement internal control boards across directorates and functions	Director of Policy, Programmes & Performance	Reece Bowman	
		Ensure directorate schemes of management (i.e. delegaton) are kept routinely updated	Corporate Directors	Corporate Directors & Stephen Lawrence-Orumwense	
5	Review and improve arrangements for health and safety	Review of effectiveness of health and safety arrangements	Corporate Director of SCRER	Nick Hibberd	
6	Improve arrangements for information management	Provide assurance that the Council is operating in accordance with best practice and relevant legislation to include Publication Schemes, Open Data, Data Storage Security, Subject Access Request and Freedom of Information	Assistant Chief Executive	Paul Golland	
7.	Maintain and improve arrangements for member support	Ensure that the Council maintains a culture that enables effective governance by periodically reviewing and monitoring how members and		Stephen Lawrence-Orumwense	

	and better member/officers' relations	officers work with each other and considering where improvements might be made.			
		Implementation of member induction programme and training, linked to scrutiny improvements, financial awareness, treasury management and budget scrutiny. Also, Officer e-learning module.	Corporate Director of Resources	Stephen Lawrence-Orumwense & Simon Trevaskis	
8.	Officer Induction Programme	Establish and maintain an officer induction and performance management programme	Assistant Chief Executive	Dean Shoosmith	
9.	Continue to embed good practice in procurement and contract management.	Address areas for improvement in procurement and contracting identified by Internal Audit	Corporate Director of Resources	Scott Funnell	
10.	Improve Scrutiny function.	Adoption and implementation of scrutiny improvement programme, including budget scrutiny.	Corporate Director of Resources	Stephen Lawrence-Orumwense	
		A more effective role for scrutiny in the pre-decision scrutiny process	Corporate Director of Resources	Stephen Lawrence-Orumwense	
11.	Housing Improvement	Establish, maintain, and implement a programme to deliver on improvement in the housing function and housing standards.	Corporate Director of Housing	Susmita Sen	
12.	Implement the recommendations arising from the Report in the Public Interest relating to the refurbishment of Fairfield Hall.	To develop, maintain and implement an action plan in response to the recommendations. Also, to ensure, learning arising continues to be embedded across the organisation.	Corporate Director of Resources	Stephen Lawrence-Orumwense	

End

This page is intentionally left blank

LONDON BOROUGH OF CROYDON

REPORT:	AUDIT AND GOVERNANCE COMMITTEE	
DATE OF DECISION	19 JANUARY 2023	
REPORT TITLE:	UPDATE ON THE WHISTLEBLOWING POLICY AND PROCEDURE	
CORPORATE DIRECTOR / DIRECTOR:	STEPHEN LAWRENCE-ORUMWENSE DIRECTOR OF LEGAL SERVICES & MONITORING OFFICER JANE WEST CORPORATE DIRECTOR OF RESOURCES	
LEAD OFFICER:	STEPHEN LAWRENCE-ORUMWENSE DIRECTOR OF LEGAL SERVICES & MONITORING OFFICER	
LEAD MEMBER:	CLLR JASON CUMMINGS CABINET MEMBER FOR FINANCE	
DECISION TAKER:	N/A	
AUTHORITY TO TAKE DECISION:	N/A	
KEY DECISION? [Insert Ref. Number if a Key Decision]	No	REASON: N/A
CONTAINS EXEMPT INFORMATION?	NO	
WARDS AFFECTED:	N/A	

1 SUMMARY OF REPORT

- 1.1 The purpose of this report is to update the Committee on the Council's arrangements for whistleblowing through the Whistleblowing Policy and Procedure and the minor amendments to be made. Effective whistleblowing arrangements should function as a deterrent to malpractice, encourage openness, promote transparency, and underpin the risk management systems of the Council. Whistleblowing is an essential safety valve within the internal control environment. The Audit Committee has a key role in the monitoring of arrangements for the proper management of risks to the Council. The report also provides an update on recent disclosures made.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to consider and comment on the Council's Whistleblowing Policy and Procedure and the minor amendments made.
- 2.2 The Committee is asked to note recent whistleblowing disclosures received and action taken.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council's Whistleblowing Policy and Procedure is regularly reviewed and updated in line with best practice and legislation.
- 3.2 To provide that independent review of the Council's governance, risk management and control frameworks.

4 BACKGROUND AND DETAILS

- 4.1 The Committee Terms of Reference provides

"Governance, risk and control

To monitor the effective development and operation of the Council's risk management arrangements, the control environment and associated anti-fraud, whistleblowing and anti-corruption, strategies, actions, and resources. To consider a quarterly report on whistleblowing activity in the Council.

- 4.2 In May 2022, the Council adopted the Whistleblowing Policy and Procedure attached as Appendix 1. The policy seeks to enable individuals to feel confident in raising concerns in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation even where the concern or allegations are not subsequently confirmed by the investigation. The policy commits to deal with disclosures of wrongdoing made, sets out how to raise concerns, the role of the Monitoring Officer to review disclosures and appoint Designated Assessors to investigate, the protection and support for disclosers, and the action to be taken following an investigation. The policy has been communicated to staff and training provided to Designated Assessors in July 2022. There is a dedicated intranet webpage available here [Whistleblowing - policy documents | Croydon Intranet](#). There is also an e-learning module on whistleblowing and why it is important.
- 4.3 The policy provides that "Reports will be presented to Audit Committee on a six-monthly basis detailing the number of incidents which have been reported including a brief summary of the nature of the issues raised in the allegation

and action being taken (but without compromising anonymity in any way). Since July 2022, the Council has received 3 whistleblowing disclosures. First was anonymous relating to the use of Council vehicle for non-work purposes. The relevant service and staff were not identified, and so no further action could be taken. The second related to alleged financial abuse in a supported living accommodation. The allegation was the subject of a safeguarding enquiry and investigation under the Care Act 2014 and there was no evidence to substantiate the alleged abuse. But further oversight enquiries are being considered. The third related to alleged impropriety in recruitment and is the subject of ongoing investigation.

- 4.4. Following the training in July 2022, 11 officers have been nominated as Designated Assessors. These have now been added on to the Policy document in tracked changes.

5. ALTERNATIVE OPTIONS CONSIDERED

Not applicable.

6. CONSULTATION

Not applicable

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The recommendation aligns with the Mayor's Business Plan 2022-26 Outcome 1 Priority 4: Ensure good governance is embedded and adopt best practice.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 There are no financial implications arising from the recommendations.

8.2 LEGAL IMPLICATIONS

- 8.2.1 The Public Interest Disclosure Act 1998 (PIDA) amended the Employment Rights Act 1996 ("the Act") to create a framework for whistleblowing across the private, public, and voluntary sectors. The Act provides individuals in the workplace with protection from victimisation where they make a protected disclosure about malpractice or wrongdoing at work in accordance with the Act's provisions.

8.3 EQUALITIES IMPLICATIONS

8.3.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. The recommendations do not give arise to any equality's issues.

9 APPENDICES

Appendix 1 Whistleblowing Policy and Procedure

10 BACKGROUND DOCUMENTS

Whistleblowing Policy and Procedure

January 2023

1. Introduction

In 2020 and 2021, several external reviews identified serious concerns about the council's governance and financial position. The failings uncovered as a result of these reviews have shown how important it is that concerns about any form of malpractice can be raised, and appropriate action taken, as part of an open, transparent and accountable council.

Croydon Council is committed to promoting the highest standards of openness, probity and accountability for all of its employees, contractors and members and takes very seriously any form of malpractice that is identified or discovered. These standards are reflected in the Council's values which, with the Seven Principles of Public Life (the Nolan Principles), inform the staff code of conduct and HR policies, which all staff are required to follow.

'Whistleblowing' is when someone raises a concern about a possible fraud, crime, danger or other serious risk that could threaten colleagues, members of the public, members of the Council or the Council's reputation. This means that it is in the public interest that such concerns are disclosed.

Employees and others who have these concerns should be able to raise them without fear of victimisation, discrimination or disadvantage, and the law provides protection for employees who raise legitimate concerns about specific matters (see section 11).

It is in the best interests of the Council, its employees, residents and customers that wrongdoing is exposed and dealt with effectively. The earlier the concern is raised, the easier it is to take action.

Members of staff are often the first to realise that there may be something seriously wrong within an organisation. In many circumstances it will be appropriate for staff to raise their concerns with their line manager: the whistleblowing procedure is not intended to discourage this.

If staff are cautious about expressing their concerns because they feel that speaking up would be disloyal to their colleagues or to their employer, this may lead to concerns being ignored. Alternatively, there may also be circumstances where a member of staff has reported their concern to their line manager and received an unsatisfactory response.

The Council expects its employees and others that it works with who have serious concerns about any aspect of the Council's work which they believe shows serious malpractice or wrongdoing within the Council to report those concerns. Senior managers have a particular responsibility to report wrongdoing.

This policy and procedure puts a mechanism in place to enable such concerns to be reported without fear of reprisals, and gives information about how the Council will respond.

2. The Council's commitments

The Council will take very seriously any concern or disclosure about malpractice which is raised under this procedure and will treat all disclosures consistently and fairly.

The Council will ensure that its staff at all levels receive training in relation to whistleblowing law and this policy.

Employees, agency staff, contractors and members who raise a concern about malpractice will not suffer any form of retribution, victimisation or detriment as a result of making a general disclosure about something they consider to be of real concern in the public interest.

3. Aims of the Policy

- i) To support and encourage members of staff, agency staff, contractors and members ('Disclosers') to raise concerns or allegations in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation;
- ii) To give a clear message that allegations of serious wrongdoing or impropriety are taken seriously by the Council;
- iii) To ensure thorough, prompt and confidential investigation of concerns raised about malpractice/ wrongdoing and action where appropriate;
- iv) To deter malpractice;
- v) To set out what employees can expect by way of confidentiality, protection and feedback when making a whistleblowing disclosure;
- vi) To identify independent support for employees who wish to make a whistleblowing disclosure;
- vii) To provide advice on how to pursue those concerns further if the individual is not satisfied with the outcome;
- viii) To ensure compliance with Government guidance and good practice.

4. Scope of the policy

This policy is intended to tackle any concerns of malpractice which are made in the public interest by:

- A member of staff of the Council (both permanent and temporary staff);
- Agency staff, secondees and self-employed staff carrying out Council work;
- The staff of contractors, sub-contractors and suppliers carrying out work for the Council;
- Councillors and co-opted members of the Council.

'Discloser' for the purpose of this policy means an individual who has grounds to believe that malpractice has occurred, is occurring or is likely to occur in connection with the Council.

'Public interest' means the public good, not what is of interest to the public, nor the private interests of the Discloser. When considering whether a disclosure would be in the public interest, the potential harm which may arise if the disclosure is not made should be considered.

The Policy is intended to cover concerns where the Discloser reasonably believes that the disclosure tends to show past, present or likely future wrongdoing by another Council member of staff or any other person or persons acting on its behalf which falls into one or more of the following categories (or 'qualifying disclosures'):

- a) criminal offences, including incitement to commit a criminal act (this may include, for example, fraud, corruption, theft or Modern Slavery);
- b) unauthorised use or misuse of public funds;
- c) failure to comply with an obligation set out in law, the constitution or regulations (including unlawful discrimination to any member of staff or service user in relation to the legally protected characteristics of age, disability, gender, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation);
- d) abuse of authority, position or powers, whether or not for personal gain;
- e) abuse of clients (this may include discrimination or an improper relations with a client);
- f) miscarriages of justice;
- g) endangering someone's health and safety;
- h) permanent damage to the environment;
- i) conduct which may damage the Council's reputation;
- j) other unethical or improper conduct, including serious financial maladministration arising from the deliberate commission of improper conduct;
- k) non-compliance with professional standards, Council policies and the Council's constitution (including financial and contract regulations) and
- l) covering up wrongdoing in the above categories.

It is not necessary for the Discloser:

- to be directly or personally affected by the serious wrongdoing, but the disclosure must be made in the public interest;
- to have proof or evidence that such an act is being, has been, or is likely to be, committed - a reasonable belief is sufficient;
- to make the disclosure in relation to information gained in the course of their employment (for example, a disclosure made by an employee acting as a service user would still be protected under this policy).

No provision in any settlement agreement will prevent employees from making disclosures in the public interest.

Members of the public wishing to raise concerns should use the [Contact Us page on the website](#) or [make a complaint](#). See section 11 for more information on the way the Council will treat disclosures by members of the public.

The Discloser has no responsibility for investigating the matter - it is the Monitoring Officer's responsibility, acting on behalf of the Council, to ensure that an investigation takes place.

5. Out of scope of the policy

This policy should not be used to deal with serious and/ or sensitive matters that are covered by other Council policies and procedures, for example:

- a) the relationship between members of staff, their managers and the Council, for which the employee complaints procedure or collective dispute procedures are more appropriate;
- b) breach of the employee's own contract of employment (more appropriately addressed via the Council's disciplinary or grievance procedures);
- c) concerns and complaints by members of the public to which the corporate complaints procedure will apply;
- d) agency, self-employed or contract staff as an alternative to such dispute resolution procedures as are set out within their contract with the Council or their employer;
- e) issues which have already been settled by means of other Council procedures;
- f) concerns or complaints about the behaviour of members of the Council to which the Members' Code of Conduct will apply*.

*If a disclosure is made about action by a member of the Council in relation to one of the categories listed at section 4 above, it may also be considered under the whistleblowing policy.

6. Raising a concern or disclosure

An individual who has grounds to believe that wrongdoing has occurred, is occurring, or is likely to occur in connection with the Council and believes that the disclosure is in the public interest, should report their concerns as soon as practicable.

They may do this:

- a) to MonitoringOfficer@croydon.gov.uk which is only accessed by the Monitoring Officer, Deputy Monitoring Officer and their Executive Support Officer.

Monitoring Officer
Bernard Weatherill House
8 Mint Walk
Croydon, CR0 1EA

- b) via an online form on the [Online Form](#) which will only be accessed by the Monitoring Officer, Deputy Monitoring Officer and their Executive Support Officer.
- c) to CHIEF.EXECUTIVE@croydon.gov.uk in the case of any allegations in relation to the Monitoring Officer (only accessed by the Chief Executive and their Executive Support Officer).
- d) via **Protect**, the confidential reporting facility (formerly Public Concern at Work) Tel: 0203 117 2520 or <https://protect-advice.org.uk/contact-protect-advice-line/>.

Protect will provide advice. If the discloser wishes them to do so, they will also pass details of the allegations to the Monitoring Officer (or their Deputy), or to the Chief Executive in the case of allegations in relation to the Monitoring Officer.

Wherever possible, the initial disclosure should be made in writing, with as much supporting evidence as possible, including:

- the reason why they are concerned;
- the background and history of the concern, including relevant dates;
- the extent to which they have personally witnessed or experienced the problem;
- the basis for their belief that wrongdoing has occurred, is occurring or is likely to occur;
- why they have not felt able to raise their concerns through normal management channels.

If it is not possible to provide the disclosure in writing, it should be made orally, i.e. by telephone or at interview with a Designated Assessor (see section 8 below).

The Council will acknowledge receipt of the concern/ disclosure where practically possible within five working days of the written or verbal communication.

- e) to the Council's external auditor, Grant Thornton: paul.dossett@uk.gt.com.
- f) via an external route – see section 14 below.

7. Anonymous disclosures

Disclosers are encouraged to give details of their identity. If the Discloser provides details of their identity when making a disclosure to Protect (the confidential reporting facility), these will not be passed to the Monitoring Officer or any other Council employee without the Discloser's express consent (see also Section 11 below). Any Officer revealing the name of the Discloser without their express permission may be subject to the Council's Disciplinary Procedures.

Disclosers wishing to remain anonymous may ask a third party, such as a trade union or a Guardian (see also section 15 below), to make a disclosure on their behalf.

Anonymous disclosures which do not have a point of contact to which correspondence can be sent (eg an email address) will be considered by the Monitoring Officer in consultation with a Designated Assessor but, depending on the information given and the credibility of the evidence, there may not be enough information for a thorough investigation without the investigator being able to contact the discloser for further information. Nor will it normally be possible to provide feedback on the outcome unless the Discloser provides an anonymised email address or seeks a telephone appointment. In these circumstances there may not be sufficient evidence to pursue an investigation.

It may be more difficult for anonymous disclosures to benefit from legal protections for whistleblowers as there would be no documentary evidence linking the employee to the disclosure for an Employment Tribunal to consider.

When considering whether to investigate an anonymous disclosure, the Designated Assessor will consider the following factors:

- the seriousness of the issues raised.
- the credibility of the concern.
- the likelihood of confirming the allegation through other suitable sources.

Anonymous allegations are preferred to concerns about serious wrongdoing not being reported.

8. Designated Assessors

The Council's Monitoring Officer will designate at least three senior members of staff of appropriate experience and standing within the Council as 'Designated Assessors'. The Monitoring Officer may revoke any such designation as necessary and appoint a new Designated Assessor.

On instruction by the Council's Monitoring Officer (or their Deputy), Designated Assessors are responsible for the preliminary investigation of disclosures and for making recommendations to the Council's Monitoring Officer as to what further steps, if any, should be taken. The Monitoring Officer will co-ordinate the training of the Designated Assessors in the use of this procedure.

The Designated Assessors are:

Officer	Post	Email
Malcolm Davies	Head of Insurance, Anti-Fraud and Risk	Malcolm.Davies@croydon.gov.uk
Catherine Black	Head of Payments, Revenues Benefits and Debt	Catherine.Black@croydon.gov.uk
Dave Phillips	Head of Internal Audit	Dave. Phillips@croydon.gov.uk
Grace Addy	Head of Learning & Organisational Development	Grace.Addy@croydon.gov.uk
Simon Bashford	Community & Voluntary Sector Manager	Simon.Bashford@croydon.gov.uk
Caroline Baxter	Head of Business & Service Compliance	Caroline.Baxter@croydon.gov.uk
Debbie Broughton	Operations Manager	Debbie.Broughton@croydon.gov.uk
Steve Dennington	Head of Spatial Planning	Steve.Dennington@croydon.gov.uk
Emma King	Public Health Consultant	Emma.King@croydon.gov.uk
James Moore	Public Health Consultant	James.Moore@croydon.gov.uk
Valentine Nweze	Principal Social Worker & Head of Adult Mental Health & Substance Misuse	Valentine.Nweze@slam.nhs.uk
Shelley Prince	Head of Commissioning & Procurement	Shelley.Prince@croydon.gov.uk
Daniel Shepherd	Head of Independent Travel	Daniel.Shepherd@croydon.gov.uk
Graeme Smith	Head of Music and Arts	Graeme.Smith@croydon.gov.uk

or such other specialist independent assessor as the Monitoring Officer may designate.

A Designated Assessor may decline to investigate a disclosure on reasonable grounds such as to request another officer with specialist knowledge undertake the investigation.

The Monitoring Officer will endeavour to appoint a Designated Officer from a different service area to the one under investigation.

9. Review of the disclosure

The Monitoring Officer (or their Deputy) will, on receipt of a disclosure, consider whether it falls under the criteria for a Whistleblowing disclosure as set out in this policy. Where the Monitoring Officer (or their Deputy) believes that the disclosure is not covered by this policy they will consult with the Head of Internal Audit (or their Deputy). If they agree that the disclosure is out of the scope of this policy, they will (unless the disclosure is anonymous) advise the Discloser accordingly, directing them to an appropriate procedure where possible.

The Monitoring Officer (or their Deputy) may liaise with Human Resources on a confidential basis in relation to any disclosures which are more appropriately dealt with under HR procedures or vice versa.

Where they believe the disclosure to be consistent with this policy, the Monitoring Officer (or their Deputy) will pass it to a Designated Assessor within five working days of receipt.

On receipt of the disclosure, and where the identity of the Discloser is known, the Designated Assessor will contact the Discloser to offer a confidential interview and advise on the likely timescale for conduct of the investigation.

The interview should take place as soon as practicable after the initial disclosure but usually no later than 10 working days of the matter being referred to the Designated Assessor by the Monitoring Officer.

The Discloser may be accompanied by a local trade union representative or work colleague. The Designated Assessor may be accompanied by another officer to take notes. These notes will not identify the Discloser. For safeguards in relation to confidentiality, see Section 11 below.

The purpose of the interview will be for the Designated Assessor to:

- obtain as much information as possible from the Discloser about the grounds of the belief of malpractice including why the disclosure is considered to be in the public interest;
- consult with the Discloser about further steps which could be taken;
- provide further feedback on the likely timescale for completion of the review.

The Designated Assessor (or their supporting officer) will produce a summary of the meeting for record keeping purposes and provide a copy to the Discloser.

As soon as practicable after the interview (or after the initial disclosure if no interview takes place) and where possible within three weeks of the interview or initial disclosure if no interview takes place the Designated Assessor will:

- a) consult with the Monitoring Officer (or their Deputy);
- b) determine their recommendations as to the further steps that should be taken such as:
 - A report to the police or other appropriate public authority;

- Investigation by the Council's Internal Auditor or Anti-Fraud team (this will be the usual course where there are allegations of financial irregularities);
- An investigation into the Council's procedures and processes either internally by the Head of Internal Audit or externally e.g. by the Council's external auditors or by investigators appointed by the Council;
- Action under the Council's Employee Complaints Procedure;
- Referral for consideration under other specific procedures (e.g. child protection); and
- No further action (the basis for which see below).

The grounds on which the Designated Assessor may recommend no further action are as follows:

- if they are satisfied that there is no evidence that malpractice within the meaning of this procedure has occurred, is occurring or is likely to occur;
- if they are satisfied that the Discloser has raised concerns which are known to be untrue, or where the Discloser knows that there are no reasonable grounds for the allegation, in which case the matter may be referred for disciplinary action;
- if the matter concerned is already the subject of legal proceedings, or has already been referred to the Police or other public authority; and
- If the matter is already, has already been, or should be, the subject of proceedings under one of the Council's other procedures relating to staff.

The Monitoring Officer, Chief Executive and Corporate Director of Resources will review the Designated Assessor's anonymised recommendations to decide whether or not they agree with the recommendations in whole or part as soon as is reasonably practicable.

The recommendation(s) will be made without revealing the identity of the Discloser except in the circumstances set in Section 12 below.

If at any stage the Discloser decides not to proceed further with the disclosure, the Monitoring Officer may pursue investigation of the concern without the Discloser's further involvement.

Where a disclosure about the Monitoring Officer is made to the Chief Executive, the Chief Executive will take all actions related to the commissioning of an investigation and review of its findings and may nominate an independent person to support them to do so.

10. Outcome of the review

Once it has been decided what further steps (if any) should be taken, the Designated Assessor or the Council's Monitoring Officer (or designated nominee) will inform the Discloser of the decision (where their identity is known). If no further action is proposed, the Designated Assessor will give the Discloser the reasons for this in writing.

Weaknesses in the Council's controls may be identified through investigations and recommendations to improve these will be raised with relevant managers, the Chief Executive, Corporate Director of Resources and Head of Internal Audit (without revealing the identity of the Discloser or that these may have originated through whistleblowing). Some concerns may be resolved by agreed action without the need for further investigation.

In all cases the Council will seek the most appropriate sanction against employees that it considers guilty of malpractice. This includes instigating action under the Council's disciplinary procedures, which may include dismissal, and, in conjunction with Counter Fraud and law enforcement agencies, instituting criminal proceedings.

The Council, wherever possible, will seek to advise the Discloser of the progress and outcome of the review. However:

- the Council is bound by the Data Protection Act 2018 and the Human Rights Act 1998 in respect of allegations relating to individuals and may not be able to disclose information where legal proceedings are pending;
- there are situations where the Council is legally required to conduct an investigation under separate procedures such as investigating allegations of ill-treatment or abuse of children or vulnerable adults. In these circumstances, the Council will, wherever possible, advise the Discloser that the disclosure will be investigated under another process, but there may be situations where it is not appropriate to disclose the existence of these investigations.

If the Council's Monitoring Officer and the Corporate Director of Resources decide not to implement fully any or all of the Designated Assessor's recommendations, that decision, anonymised with reasons, will be reported in the next six-monthly report to the Audit and Governance Committee. The Discloser shall also be advised of this outcome.

The Discloser will not be required by the Council, without their consent, to participate in any enquiry or investigation into the matter established by the Council unless there are grounds to believe that the Discloser may have been involved in the misconduct or malpractice.

Where the Discloser participates in any enquiry or investigation, that participation will usually be required to be on an open rather than a confidential basis. The obligations of the Designated Assessor in relation to confidentiality (section 11) will remain in relation to the identity of the individual as the original Discloser of information.

11. Protection for Disclosers

The Employment Rights Act 1996, as amended by the Public Interest Disclosure Act (PIDA) 1998 provides the right for employees to take a case to an employment tribunal if they have been victimised at work or have lost their job because they have 'blown the whistle'. This is on the basis that the employee has a reasonable belief that what they have reported is true and the report is in good faith.

Unlike disclosures by employees, PIDA does not offer legal protection for disclosures made by members of the public. However, the Council will take reasonable and appropriate action to protect members of the public when they make a disclosure and will handle any disclosure made by members of the public in respect of serious misconduct in the same way as disclosures made by employees.

Protection provided by the law and this policy does not extend to those who:

- knowingly make a false, vexatious and/or malicious disclosure against another employee;
- make an allegation for personal gain.

Employees who make such disclosures and/or victimise others for making a disclosure under this policy may be disciplined under the Council's disciplinary policy.

12. Confidentiality

The Council hopes that a person will raise their concern of malpractice openly.

However it is recognised that there may be circumstances when a person would prefer to speak to someone confidentially first regarding their concerns. If this is the case, the Discloser should inform, at the outset, the person they discuss their concerns with.

If the Discloser asks for their identity not to be disclosed, the Designated Assessor, will document this request and will not disclose their identity without the Discloser's consent (in writing) unless required by law (for example where the information relates to a child or vulnerable adult or where the police require your personal evidence to investigate a possible criminal offence). The Council will alert the Discloser where appropriate to do so if it is necessary to tell the police or another official body.

The investigation process could reveal the source of the information and the Discloser may be asked by the Designated Assessor to provide a statement as part of the evidence required. In such cases, the Discloser will always be asked for their consent to disclose their identity.

There is however a risk that some colleagues may speculate about who has raised a concern through this Policy.

The Council, as a public authority, is subject to the Freedom of Information Act. This means that there is a presumption that the Council releases any information it holds, unless that information falls under one or more exemptions and, in most cases, that the application of that exemption is in the public interest.

The Council is mindful, in reconciling the legal obligation to release information it holds under the Freedom of Information Act 2000 (FOIA) and /or Environmental Information Regulations (EIR), of its legal obligations under:

- a) The Public Interest Disclosure Act 1998 to avoid the discrimination or victimisation of employees; and
- b) The Health and Safety at Work etc. Act 1974, to protect the health and safety (including mental health) of employees.

Requests for information under the FOIA and EIR must be supplied where the public interest supports the release of the requested information. When considering how to respond to such requests, the Council will consider whether answering a request might impact on an individual's privacy or a duty of confidentiality that may be owed to someone who has made a disclosure or whether, by answering the request for information, it would prejudice the ability to conduct an investigation.

If the Council receives a request for information which would lead to the identification of a Discloser, it will contact the Discloser to seek their views in respect of the release or withholding of the information requested and, wherever possible, it will seek to comply with those views.

The Designated Assessor will ensure that all information relating to the disclosure (including that held electronically) is kept secure so that, as far as practicable, only the Designated Assessor shall have access to it.

Disclosers are under an obligation to use all reasonable endeavours to ensure that they and their representative or work colleague (if any) keeps this matter strictly confidential save, as permitted under this procedure, as required by law or until such time as it comes into the public domain.

The Monitoring Officer will maintain a confidential and secure register of all concerns raised through this Whistleblowing Policy, actions taken in response and feedback given to Disclosers. This information is used for monitoring purposes and to detect if there are areas where there is a high incidence of alleged serious wrongdoing.

For the purposes of investigating whether or not there are any systemic issues that need to be addressed, and to monitor the performance of any investigation, an anonymised summary of all disclosures of serious wrongdoing made by employees will be sent on a quarterly basis to the Director for the area to which the complaint relates, where applicable and where it is possible to do so without risking breaching confidentiality. The Council will, where appropriate, share this information with other appropriate regulatory bodies.

All records will be treated as confidential and kept no longer than necessary in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulations. Individuals have a right to request and have access to certain personal data: however, some information may be withheld in order to protect a third party.

Reports will be presented to Audit and Governance Committee on a six-monthly basis detailing the number of incidents which have been reported including a brief summary of the nature of the issues raised in the allegation and action being taken (but without compromising anonymity in any way). Personal information regarding a Discloser will not be available save with the express consent of the Discloser.

Therefore any document, report or recommendation prepared by the Designated Assessors in relation to the matter will not identify the Discloser, unless:

- the Discloser has consented to this in writing; or
- there are grounds to believe the Discloser has acted maliciously; or
- the Designated Assessor is under a legal obligation to do so; or
- the information is already in the public domain; or
- on a strictly confidential basis to the Designated Assessor's administrative assistant/administrative support; or
- on a strictly confidential basis to a professionally qualified lawyer for the purpose of obtaining legal advice.

13. Continuing concerns

If, on conclusion of the review conducted by the Designated Assessor, the Discloser reasonably believes that the appropriate action has not been taken, they should raise their concerns, in the first instance, with the Monitoring Officer.

The Discloser may also seek advice from Protect or contact external audit or one of the prescribed bodies described in section 14 below.

14. External Disclosure

While it is the Council's aim that this policy will give Disclosers the reassurance they need to raise such matters internally, the Council would rather that matters were raised with the appropriate external body than not at all.

Individuals are advised to get independent advice if they are not sure if they would be protected under law when making an external disclosure (eg with Citizens Advice). They may make an external disclosure:

- on a confidential basis, directly with appropriate external bodies (see below). Before taking any such action, the Discloser is encouraged to inform the Monitoring Officer or Designated Assessor where one is already undertaking an investigation;

- if they believe that the information being passed on is substantially true i.e. more than just suspicion and have reasonable grounds for believing that disclosure within the organisation would lead to evidence being concealed or destroyed or that the Discloser will be subjected to a detriment as a result of making the disclosure;
- on a confidential basis for the purpose of taking legal advice.

Disclosers should not disclose information that is confidential to the Council or to anyone else, such as a client or contractor of the Council, except on the above basis or to one of the prescribed persons or bodies as set out below.

There are a number of public authorities to whom Disclosers may make such a disclosure and enjoy the protection of the Public Interest Disclosure Act 1988. These are referred to as prescribed people and bodies. A complete list of prescribed people and bodies, their contact details and guidance can be found on the Department for Business, Energy & Industrial Strategy website: www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2.

The list is not exhaustive; it identifies organisations that are most relevant to the local authority environment and which have usually been designated as prescribed persons because they have an authoritative or oversight relationship with the sector, often as a regulatory body.

Disclosures which are made to the media will not, in most cases, be protected under the Public Interest Disclosure Act.

15. Support for Disclosers

If Disclosers raise a genuine concern under this Policy, they should have nothing to fear and they will not be at risk of losing their job or suffering any form of retribution as a result. Provided they are acting in good faith, it does not matter if they are mistaken, no action will be taken against them.

The Employment Rights Act 1996 (as amended by PIDA) provides legal protection for staff who raise concerns about matters which are 'qualifying disclosures' (as set out in section 4 above).

The Council will not tolerate the harassment or victimisation (including informal pressures) of anyone raising a genuine concern in the public interest and it would be considered a disciplinary matter to victimise anyone who has raised a genuine concern.

Any investigation undertaken in response to a concern or a disclosure will not influence, or be influenced by any disciplinary, capability or redundancy procedures that already affect an employee.

Any Discloser who considers that they have been, are being or are likely to be victimised, dismissed, made redundant or made to suffer some other detriment as a result of making a report under this procedure, should report their concerns to the Monitoring Officer. The matter will then be dealt with as a new referral under this procedure.

Where appropriate, the Council will provide support after a disclosure has been made, such as mediation and dispute resolution, to help rebuild trust and relationships.

Anyone unsure about raising a concern can contact Protect for independent advice on 020 3117 2520 or at <https://protect-advice.org.uk/advice-line/>

Every effort will be made to minimize any difficulties that the Discloser may experience as a result of raising a concern. For instance, if the investigation finds that malpractice/ wrongdoing has occurred, the Discloser may be required to give evidence at a disciplinary hearing or at court. In such circumstances the Council will arrange for the Discloser to receive advice and support throughout the process.

See also section 16, Guardians, below.

Advice and support are also available from:

- HR – Humanresources@croydon.gov.uk
- Internal Audit – internal.audit@croydon.gov.uk
- Anti-Fraud team - caft@croydon.gov.uk
- ACAS - www.acas.org.uk/contact
- [a local trade union](#).

16. Guardians

Guardians are specially trained members of staff who can offer support to colleagues who are experiencing an issue in the workplace. They provide a safe space to confidentially share concerns about behaviour or the culture at Croydon, to take through issues and be signposted to relevant support and guidance. More information can be found on the intranet.

At Croydon Council we have a set of values we ask everyone to follow and work by. These values sit underneath and inform our staff code of conduct and HR policies – policies that all staff are asked to follow.

However, we know from staff feedback that in practice these values are not always followed and that there are instances of staff behaviour that have caused concern and distress to others. Our Guardians programme provides support to staff to resolve any issues that they face and ensures that we stick to our commitment to creating a safe and inclusive working environment for all.

Guardians will make themselves available to staff who have something that they might want to share and talk through but are unsure about the best way of doing so. Guardians respect and maintain absolute confidentiality over issues raised with them expect in cases where the issues might amount to a criminal offence.

They are trained in the roles and processes that exist within Croydon Council and are available to advise other staff about the options available if they have an issue to raise.

The [Contact a Guardian intranet page](#) lists the profiles and contact details of the Council's Guardians.

17. Who is responsible?

The Chief Executive has overall responsibility for the Whistleblowing Policy.

The Corporate Director of Resources is responsible for undertaking formal assessment of the effectiveness of the policy, identifying any patterns and reporting this to the Chief Executive and Audit and Governance Committee.

The Monitoring Officer will maintain a central register of all matters raised under the Whistleblowing Policy in order to assess the effectiveness of this policy and any emerging pattern. The Monitoring Officer will bring points of learning for the Council (anonymised) to the Statutory Officers Board and, where appropriate, Corporate Management Team.

It is not the responsibility of members of the Council to monitor this Policy or the disclosures made.

18. Review

The Monitoring Officer will conduct regular surveys to ascertain the satisfaction of whistleblowers.

This policy and procedure will be reviewed annually and may be amended from time to time by the Council following review by the Audit and Governance Committee. Any comments or suggestions about the policy and procedure should be referred to the Monitoring Officer.

For general advice on the procedure contact:

Monitoring Officer
Bernard Weatherill House
8 Mint Walk
Croydon, CR0 1EA
MonitoringOfficer@croydon.gov.uk
Tel: 020 8726 6000 ext. 14787

Stephen Lawrence-Orumwense, Director of Legal Services and Monitoring Officer)
Bernard Weatherill House
8 Mint Walk
Croydon, CR0 1EA
stephen.lawrence-orumwense@croydon.gov.uk
Tel: 07716092579

This page is intentionally left blank

LONDON BOROUGH OF CROYDON

REPORT:	Audit and Governance Committee	
DATE OF DECISION	19 January 2023	
REPORT TITLE:	Council's Assurance Framework	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources and S151 Officer	
LEAD OFFICER:	Dave Phillips, Head of Internal Audit Dave.Phillips@croydon.gov.uk	
LEAD MEMBER:	Jason Cummings, Cabinet Member for Finance	
KEY DECISION? [Insert Ref. Number if a Key Decision]	No	REASON: N/a
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	N/a	

1. SUMMARY OF REPORT

- 1.1 The Council is required to prepare an Annual Governance Statement (AGS) and to present it alongside the Statement of Accounts. This report summarises the annual process for compiling the AGS.

2. RECOMMENDATION

- 2.1 For the reasons set out in the report the Audit and Governance Committee is recommended:

- To note the report

3. REASONS FOR RECOMMENDATION

- 3.1 On 26 January 2022 Croydon Council's external auditors published a Report in the Public Interest (RIPI2) following a review of the council's arrangements for the refurbishment of Fairfield Halls, which took place between June 2016 and September 2019. The report made 12 recommendations, seven of which were statutory recommendations.

- 3.2** The Council fully accepted the findings and apologised for the historic actions that led to the failings in the RIPI2. The action plan to address the recommendations, which was agreed at full Council on 3 February 2022, included as action 6.4 that:

A new assurance framework will be developed and reported on annually to the General Purposes and Audit Committee.

- 3.3** This report is to present the new assurance framework to the Audit and Governance Committee (which has replaced the General Purposes and Audit Committee.)

4. BACKGROUND AND DETAILS

- 4.1** The Council is required to prepare an Annual Governance Statement (AGS) and to present it alongside the Statement of Accounts. The AGS provides public assurance that the Council has a sound system of internal control and robust corporate governance arrangements, designed to help manage and control its risks. It is an important public expression of what the Council has done to put in place good business practice, high standards of conduct and sound governance.

- 4.2** CIPFA/ SOLACE guidance suggests that the process for compiling the AGS should be clearly set out and provided as part of supporting evidence.

- 4.3** The report to General Purposes and Audit Committee in relation to the Annual Governance Statement for 2020/21 stated that:

In normal circumstances, the AGS would be prepared in light of assurance statements completed by all Council directors. For the year 2020/21, the decision was taken not to seek assurance statements in light of:

- a. the significant amount of externally-produced information about areas for improvement in the Council's governance, and;*
- b. the need for officer attention to focus on identified improvement actions and the development of plans for a balanced budget.*

The opportunity has been taken, informed by the process of developing the AGS for this year, to revise the process of obtaining statements of assurance from directors to inform the AGS for 2021/22. Directors will be asked to complete a fuller statement than in previous years, giving detail of work planned to address areas for improvement. These statements will then be reviewed and counter-signed by the relevant Corporate Directors to ensure appropriate challenge and oversight of improvement actions. The statements will be used to inform an assessment of the effectiveness of the Council's governance for 2021/22.

4.4 In January 2022 CMT agreed that the process of developing the AGS and considering statements of assurance will take place as part of the Council's ongoing improvement journey and will be informed by all other audits and inspections, as follows:

4.5 Annual process

January:	The Monitoring Officer convenes a working group, including the Head of Internal Audit, the Head of Insurance, Anti-Fraud and Risk and a nominee from each directorate, to review the Code of Governance (Appendix A) through self-assessment against the CIPFA/ SOLACE Framework for good governance and to compile appropriate evidence through liaison with each directorate as required.
Mid-March:	Internal Audit sends the statement of assurance form (Appendix 3) to each Corporate Director and requires them to: a) Require all direct reports to complete their own version of the form and return to the Corporate Director in time (i.e. for them to complete the master return.) b) Complete a master version of the form, informed by their directors' own returns, for completion by the end of April.
March:	The internal control board with responsibility for governance reviews the revised draft Code of Governance and identifies any points for amendment/ addition.
May:	The Monitoring Officer meets with the working group to review the returns and to draft the AGS, taking account of all other relevant risk registers, performance reports, improvement plans, reviews, audit and inspection reports. The internal control board with responsibility for governance reviews the draft AGS and approves a revised version for submission to CMT.
June:	Corporate Management Team reviews the draft AGS and Code of Governance.
July:	The Audit and Governance Committee comments on the AGS prior to it being approved by the Mayor and the Chief Executive. AGS and Code of Governance published.

4.6 Corporate Directors are required to ensure that any Director leaving their service completes an interim statement, using the required form and returns it to the Corporate Director who will:

- share it with the new postholder to inform their end-of-year return
- use it to inform the agreement of priorities with the new postholder.

4.7 The Monitoring Officer will require any Corporate Director leaving the Council to complete an interim statement and will:

- share it with the new postholder to inform their end-of-year return
- discuss any priorities for action with the Chief Executive.

4.8 Delivery of actions included in the AGS action plan will be monitored by the internal control board responsible for governance. Delivery of actions identified in directorate and divisional statements of assurance will be monitored by Directorate Management Teams.

5. CONTRIBUTION TO COUNCIL PRIORITIES

5.1 This process directly contributes to '*OUTCOME 1: The Council balances its books, listens to residents and delivers good, sustainable services*' and part 4 to '*Ensure good governance is embedded and adopt best practice.*'

6. IMPLICATIONS

6.1 FINANCIAL IMPLICATIONS

6.1.1 There are no direct financial implications as a result of this decisions. Any financial impact will be fully considered as part of subsequent reports as it arises.

6.1.2 Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. (09/01/2023)

6.2 LEGAL IMPLICATIONS

6.2.1 Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk.

6.2.2 Regulation 4 provides that the Section 151 officer must determine, on behalf of the authority, the form of its accounting records and supporting records, and its financial control systems, and must ensure on the authority's behalf, that those systems are observed and that the accounting records are kept up to date.

6.2.3 Regulation 6 provides that the Council must, each financial year conduct a review of the effectiveness of the system of internal control required by

Regulation 3, and prepare and publish an annual governance statement which must be prepared in accordance with proper practices in relation to accounts. Insert at the end of the legal section: Comments approved by Sandra Herbert, the Head of Litigation & Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 05/01/2023)

6.3 HUMAN RESOURCES IMPLICATIONS

6.3.1 There are no HR impacts arising from this report for Council employees or staff. If any matters should arise this will be managed through the appropriate HR policies and procedures.

6.3.2 Approve by Gillian Bevan, Head of HR Resources and Assistant Chief Executives on behalf of the Chief People Officer (22/12/2022)

6.4 EQUALITIES IMPLICATIONS

6.4.1 The Council is required to comply with the Public Sector Equality Duty [PSED], as set out in the Equality Act 2010. The PSED requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the Council being exposed to costly, time consuming and reputation-damaging legal challenges.

6.4.2 As set out in the code of corporate governance, there are a number of resources and structures in place to support the Council in delivering against the PSED. These include dedicated staff resources, an Equality Strategy and policy statement and a dedicated Internal Control Board.

6.4.3 Comments approved by Gain Handford, Director Policy, Programmes & Performance. (10/01/2023)

7. APPENDICES

7.1 Appendix 1 – Code of Governance

7.2 Appendix 2 - Governance Framework

7.3 Appendix 3 - Corporate Director's Assurance Statement 2022/23

8. BACKGROUND DOCUMENTS

8.1 None

9. URGENCY

9.1 There is none.

This page is intentionally left blank

Corporate Code of Governance

January 2022

CROYDON
www.croydon.gov.uk

Corporate code of governance

Introduction

“Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people in a timely inclusive, open, honest and accountable manner. In the case of local authorities, it comprises of the systems and processes for the direction and control through which they account to, encourage with and lead their communities.”

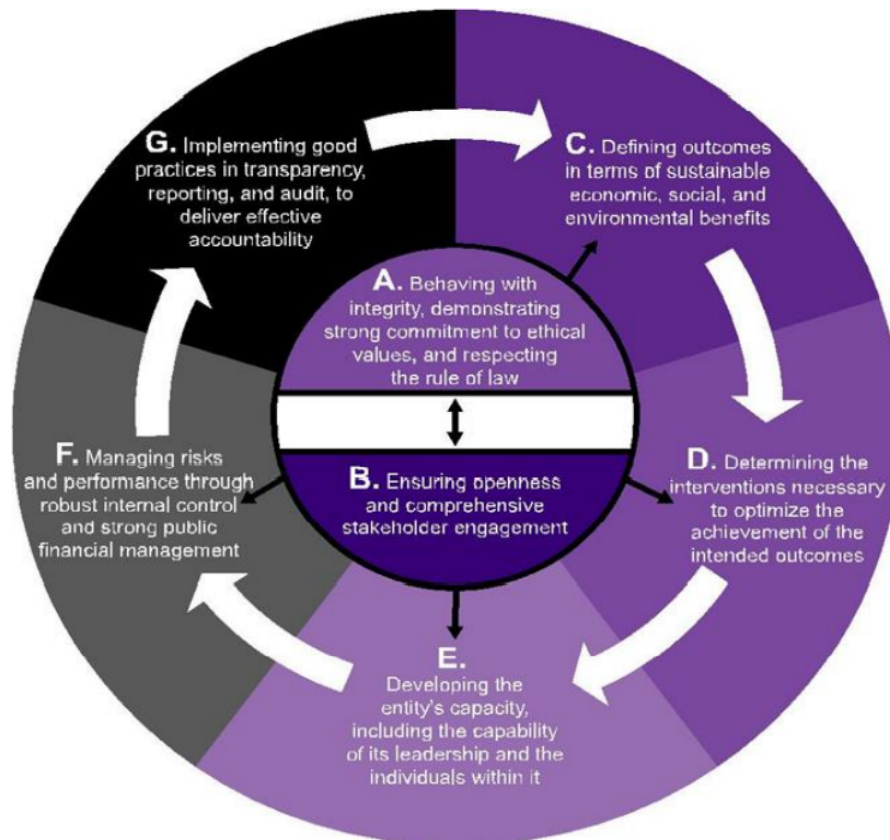
‘CIPFA/SOLACE, Delivering Good Governance in Local Government – 2007’

Croydon Council has chosen to define Governance as “Doing the Right Thing”.

This Code of Governance sets out the Council’s commitment to work to uphold the highest possible standards of good governance. These standards are designed to ensure that we conduct our business in accordance with the law and that public money is properly accounted for, as we work to achieve the best outcomes for our residents.

Croydon Council will annually review its Code of Corporate Governance to help ensure that it matches our evolving corporate strategies, policies and procedures. Where practice is found to have fallen short, our Annual Governance Statement will identify this and the action being taken to put it right. The General Purposes and Audit Committee is responsible for overseeing compliance with the standards and policies set out in this code and the implementation of improvement plans related to good governance.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times.



The diagram above, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how these relate to each other.

The International Framework notes that:

Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

The Council's Governance Framework is the set of systems, rules, processes, procedures and values by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads the community. The Framework enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate and cost-effective services.

This Code identifies the component parts of Croydon's Governance Framework, as set against the principles of good governance in the International Framework.

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

The Council supports Principle A in the following ways:

Behaving with integrity.

- The **Constitution** sets out a clear statement of the respective roles and responsibilities of members and key officers individually and collectively whilst defining the organisation's approach putting this into practice. This includes the role of **Monitoring Officer**, who is responsible for promoting and developing high standards of conduct Council wide.
- The **Whistle-blowing Policy** and associated training supports all members and officers (including temporary staff and contractors) to report concerns about malpractice on a confidential basis to the Council.
- Members are required to register interests and gifts/ hospitality: the **register of members' interests and gifts/ hospitality** is published on the council's website and members are required to declare their interests at meetings. Officers are required to submit declarations of interests and a register is published on the council's website on a quarterly basis of gifts and hospitality offered to officers.
- The **Members Code of Conduct** and **Officer Code of Conduct** detail required standards of behaviour that all members and officers are required to comply with.
- The Council has a zero tolerance policy towards bribery and has introduced an **Anti-Bribery Policy** to ensure compliance with the Bribery Act.
- The Council has adopted an **Anti-Fraud and Corruption Policy** to help ensure a robust approach to investigating and combating fraud and corruption.
- The **Member Development Programme** includes training for Members on their roles and responsibilities in relation to integrity and conduct.

Demonstrating strong commitment to ethical values.

- Croydon Council has an agreed set of **5 Corporate Values** which all officers and members are expected to adhere to. Croydon has also adopted the Seven Principles of Public Life (**the Nolan Principles**).
- Croydon Council has an **Equality Policy Statement** detailing our commitment to equality and our expectations of all colleagues, members and relevant 3rd parties. The **Equality Strategy 2020 to 2024** sets out the actions the Council will take to tackle and address inequality. The **Equality and Inclusion Programme Manager** provides expert advice and guidance in relation to the Council's Public Sector Equality Duty and other requirements of equalities legislation.

Respecting the rule of law.

- The Council's **Monitoring Officer** is responsible for advising on the correctness and propriety of the Council's decisions and the Director of Legal Services provides advice to ensure that council decision-making follows relevant regulations and legal processes.

- Croydon Council's **Scheme of Financial Delegation** lays out the responsibility and accountability of officers for financial matters. The Council also delegates non-financial decisions through a series of schemes of delegation and management.
- The Council's Constitution includes a set of **Financial Regulations** and **Tenders and Contracts Regulations** to help ensure that the authority operates within a prudential financial framework. Underlying financial procedures are set out in the **Financial Procedures**.
- The statutory roles of the Head of Paid Services, Section 151 Officer and Monitoring Officer are clearly defined within the Constitution.
- Croydon has a professionally qualified **Chief Financial and Section 151 Officer (CFO)**, whose core responsibilities include those set out in the CIPFA's Statement on the Role of the CFO in Local Government. The CFO reports directly to the Chief Executive and is a member of the Corporate Management Team (CMT).
- The CFO is responsible for ensuring that budget calculations are robust, reserves adequate and in accordance with CIPFA guidance. The CFO also has a line of professional accountability for finance officers within the Council and is responsible for ensuring that appropriate management accounting systems, functions and controls are in place and kept under regular review.
- The **Council's Health and Safety Policy** sets out aims, roles and responsibilities and performance standards. Each department details individual responsibilities and arrangements for implementing the policy.

Principle B

Ensuring openness and comprehensive stakeholder engagement.

The Council supports Principle B in the following ways:

Openness.

- Reports and decisions of the Cabinet, Council and its committees are **published online**. Executive decisions are subject to the call-in process by backbench councillors to enable them to raise any concerns they may have. Council, Cabinet and Committee meetings are webcast and an archive of meetings is available for reference.
- **Freedom of Information and Environmental Information Regulations** processes allow the submission of Freedom of Information requests.
- The Council publishes a **Forward Plan** of key decisions which are due to be made in the month ahead.
- The **Constitution** sets out the Council's governance and decision-making arrangements and is published online.
- Croydon Council actively publicises its purpose, vision, objectives and intended outcomes in the **Croydon Renewal Plan**.

- The **Annual Accounts Report** provides the financial backdrop to the past achievements of the Council, future plans and forward strategy. As part of this document, the Council publishes its accounts to communicate the authority's activities, achievements, its financial position and performance.
- The **Medium Term Financial Strategy (MTFS)** sets out the Council's financial objectives, assumptions and plans over the medium term.
- The Council's **Scrutiny and Overview Committee** produces an annual report on its work.
- The Scrutiny and Overview Committee and its sub-committees and the General Purposes and Audit Committee (GPAC) **co-opt independent members** who are residents with relevant knowledge onto their committees: GPAC additionally appoints an independent Chair for its audit functions.
- The **Croydon Observatory** provides data and information about Croydon: it is an information sharing, mapping and reporting website that can be used by anyone.
- Croydon Council's **Equalities Strategy 2020 – 2024** and **Equalities Policy Statement** sets out the Council's commitment to equality and its aims and objectives. An **Equalities Impact Analysis** is also completed to inform service design and decision-making whenever a new policy, procedure, project, strategy, function or savings proposal is considered or a change is proposed, which will impact on people with one or more characteristics as defined by the Equality Act 2010.

Engaging comprehensively with institutional stakeholders.

- Croydon's **Local Strategic Partnership** supports partners to coordinate priorities and actions across the borough.
- The **Health and Wellbeing Board, One Croydon Partnership** and **Safer Croydon Partnership** support strategic partnership working in health/ wellbeing and community safety services.

Engaging with individual citizens and service users effectively.

- Croydon Council undertakes a **Budget Consultation** exercise each year which gives residents and businesses the opportunity to shape the annual budget.
- The Council works to ensure all corporate communications are readily available to those that require them. The Council's website is designed and written to exceed legal accessibility standards and to facilitate assistive technologies and tools in order to provide information in ways to suit our diverse customer base.
- The Council's **'Get involved'** platform hosts all of the Council's consultation and engagement activities and prompts services to ensure that consultees are informed about the outcomes of consultation exercises. The Communications and Engagement team ensure that consultations posted on the platform are appropriately designed and publicised.
- Croydon provides an interpreting and translation service when required.

- The Council has a **Corporate Complaints Procedure** and annual reports to Scrutiny demonstrate improvements made in response to complaints received. The Council also learns from feedback from the Local Government Ombudsman.

Principle C

Defining outcomes in terms of sustainable economic, social and environmental benefits.

The Council supports Principle C in the following ways:

Defining Outcomes.

- The Council undertakes annual budget challenge sessions as part of the budget setting process. This is linked to departmental objectives and service planning.
- The Council has an **Equalities Strategy** and Equality Policy Statement which sets out the Council's commitment to equality, its aims and objectives. An **Equalities Impact Analysis** is also completed to inform service design and decision-making whenever a new policy, procedure, project, strategy, function or savings proposal is considered or a change is proposed, which will impact on people with one or more characteristics as defined by the Equality Act 2010.

Sustainable economic, social and environmental benefit.

- Reports brought to Cabinet, Council and its committees for decision are required to identify any **environmental implications** arising from the proposal.
- The **Social Value Policy 2019-23** sets out how social value is embedded in the commissioning process and includes measures to be used in contract specifications. The **Contract and Tender Regulations** include a requirement that a minimum of 10% of quality evaluation criteria assessments must be allocated for social value.
- The Council's **Local Plan** sets out the spatial vision for the borough and, supplemented by planning policies, gives the framework for the Council's work with stakeholders to shape the built environment to deliver economic, social and environmental outcomes identified within the Council's plans.
- The Council has a **Performance Management System** which sets key targets and produces performance monitoring reports for Cabinet and Scrutiny. This is published online and includes performance quality measures, use of resources and value for money.

Principle D

Determining the interventions necessary to optimise the achievements of the intended outcomes.

The Council supports Principle D in the following ways:

Determining interventions.

- All reports brought to Cabinet, Council and its committees include consideration of legal and finance comments, and all require legal and finance clearance before publication.
- The **Croydon Renewal Plan** outlines our priorities and high level objectives over a five year period.
- Through the **Council's Constitution** we have set out a clear statement of the respective roles and responsibilities of the Council's Cabinet, the members individually and of the other committees of the Council.
- The Council recognises Unison, GMB and Unite for the purposes of representing the workforce. The Council's formal consultation arrangements are set out in the **Staff Consultation and Trade Union facility arrangements**.

Planning interventions.

- The Council's **performance management system** sets key targets and reports on performance monitoring to Cabinet. It sets standards for performance management within directorates and teams.
- The **Programme Management Office** monitors delivery of key transformation programmes and projects, including savings targets within the approved budget and MTFS to enable action to be taken against non-delivery where required.
- Croydon has prepared contingency arrangements including a disaster recovery plan, business continuity plan and arrangements for delivering services during emergency situations such as adverse weather conditions.

Optimising achievement of intended outcomes.

- Council, Cabinet and committees receive regular reports on **performance monitoring** to demonstrate the level to which intended outcomes are being achieved and any interventions planned to address non-performance
- The Council's **risk management processes and procedures** are designed to help ensure that risks to delivery of intended outcomes are appropriately mitigated.
- **Internal audit** monitors and reports on the quality and effectiveness of the Council's governance, risk management and controls and General Purposes and Audit Committee provides independent assurance of the risk management framework and associated controls, informed by the reports of external audit.

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it.

The Council supports Principle E in the following ways:

Developing the entity's capacity.

- The **Workforce Strategy** sets out the Council's actions to attract, recruit and retain talent, improving equality, diversity and inclusion and developing leaders and managers.

- The Workforce Strategy also includes arrangements to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council. Approximately 45% of full-time members of the workforce are from the local community.
- The Council's **Appraisal scheme** is used to set stretching objectives for officers that are linked to team, departmental and Corporate objectives. The Appraisal process is also used to assess the skills and competencies needed by officers to enable them to fulfil their roles fully.
- It is mandatory for all new starters to complete the **Council Induction Programme** (Inspire) which has been tailored to meet individual needs: this is supported by a manager's dashboard and checklist to ensure all required induction elements are addressed.
- Croydon Council has a **Member Development Programme** which includes arrangements for member induction and supports members to take control of their own learning and development. Mandatory training is provided for members of regulatory committees.
- Both Members and officers can access the **Croydon Learning Pool** which provides access to e-learning and other development resources.

Developing the capability of the Council's leadership and other individuals.

- Croydon Council has a **Member Development Programme** which includes arrangements for Member induction and supports Members to take control of their own learning and development.
- A Learning and Development Board supervises the expenditure of centralised training budgets to ensure that resources are targeted towards statutory responsibilities and delivery of the Croydon Renewal Plan.
- Staff networks for Racial Equality, Disability, LGBT+ allies, Mental health and wellbeing, Women and Working carers are sponsored by members of the leadership team and others, providing network members with personal and career support.

Principle F

Managing risks and performance through robust internal control and strong public financial management.

The Council supports Principle F in the following ways:

Managing risk.

- The **General Purposes & Audit Committee** scrutinises arrangements for the internal control and risk management environment within the organisation. It receives reports relating to whistleblowing, anti-fraud and corruption and oversees the work of internal and external audit.
- The Council's **Risk Management process** is designed to identify, assess and manage significant risks to the Council's objectives. The process includes

corporate, departmental and project risk registers and appropriate training delivered to risk owners.

- The Corporate Management Team reviews the corporate risk register on a monthly basis and GPAC reviews the 'red' risks on the corporate register every second meeting.
- The Council's **Resilience Team** and **Corporate Resilience Board** are focused on emergency planning, business continuity preparedness and response capability in line with the Civil Contingencies Act and associated guidance. The Council also chairs the statutory multi-agency **Borough Resilience Forum**.

Managing performance.

- The Council's **performance management system** sets key targets and reports on performance monitoring to Cabinet. It sets standards for performance management within directorates and teams.
- Compliance with the **Members Code of Conduct** is monitored under the direction of the Council's Ethics Committee.
- The Council's **Appraisal** system enables the consistent setting and monitoring of performance against individual targets.

Robust internal control.

- The Statutory Officer Board provides a forum for the Council's statutory officers to share concerns and risks related to potential serious issues affecting the Council's governance or financial performance and their statutory roles.
- General Purposes and Audit Committee is responsible for providing independent assurance of the Council's control environment.
- The Scrutiny and Overview Committee is responsible for holding the Executive to account.
- **Internal Audit** routinely assesses the adequacy of the Council's governance, risk management and controls. This assessment is fed back to Services and Divisions and responded to as required.
- The Council's **Whistle-blowing Procedure** allows officers to anonymously raise concerns about malpractice.
- The Council's Governance arrangements give the Chief Financial Officer and the Head of Internal Audit direct access to the General Purposes and Audit Committee and External Audit.

Managing data.

- Croydon's Council has an internal **Information Management Team (IMT)** whose practices are overseen by Croydon's Chief Information Officer and Senior Information Risk Owner (SIRO). This team manages and maintains appropriate Policies, Guidance, security measures etc.
- An **Information Management Steering Group (IMSG)**, chaired by the Chief Information Officer and SIRO, oversees the management of risks associated with information and data management and delivery of plans for training and

improvement. The Group also oversees the development of information security and information management policies, reporting to the Corporate Management Team.

- As part of Croydon's new starter induction there is a mandatory Information Management training course and officers are required to complete a refresher on an annual basis.
- When introducing new processes or amending a current procedure a **Privacy Impact Assessment** must be completed, which has IMT's oversight. Reports to Cabinet, Council and its committees are required to identify whether the proposal has any implications for processing personal data and/or any data protection implications.
- Croydon's Information Management Steering Group meets Bi-Monthly to review and discuss any appropriate concerns.
- The Council uses industry leading technologies to protect its data, with security solutions modelled on ISO/IEC27001, the international standard for information security management.
- The Officer Code of Conduct states that failing to observe data protection requirements may amount to a disciplinary offence, which will be dealt with under the Council's disciplinary procedure.

Strong public financial management.

- Croydon has a professionally qualified **Chief Financial and Section 151 Officer (CFO)**, whose core responsibilities include those set out in the CIPFA's Statement on the Role of the CFO in Local Government.
- The **Finance Review Board** oversees all expenditure decisions.
- The **Strategic Contracts and Commissioning Board** provides strategic direction for all procurement and commissioning activities across the Council and the **Procurement Board** oversees daily activity.
- The **Financial Regulations and Financial Procedures** give a clear transparent framework for managing the Council's financial affairs, and **Contract and Tender Rules** ensure compliance with procurement legislation.
- The Cabinet receives monthly **budget monitoring reports**.
- **Scrutiny and Overview Committee** scrutinises budget proposals in terms of their deliverability and impact on the Council's objectives. The Committee also routinely receives budget monitoring reports.
- All proposals considered by Cabinet, the Council and its committees include a statement of financial implications, cleared by the Chief Finance Officer.
- **General Purposes and Audit Committee** is responsible for considering the Council's arrangements for financial management and to recommend any actions accordingly. It receives regular reports such as internal audit plans and risk management arrangements and it approves the Council's Statement of Accounts and Treasury Policy.

Principle G

Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Council supports Principle G in the following ways:

Implementing good practice in transparency.

- The Council's **Constitution** publishes how its affairs will be conducted and how residents can get involved. It includes rules on access to information.
- The Council webcasts its public meetings.
- The Members' and Officers' **Codes of Conduct**, supported by **Declaration of Interest Guidance** provide arrangements for members and officers to declare any potential or actual conflicts of interests.
- The **Annual Governance Statement** provides an annual report on the Council's arrangements for financial and internal control as well as managing risk and identifies areas for improvement and associated actions. This is published on the Council's website.
- The Council publishes **all payments over £500 and procurement card transactions monthly**, and the remuneration details of the Corporate Management Team and directors in the annual Statement of Accounts and on its website.
- The Council publishes a **Forward Plan** of key decisions which are due to be made in the month ahead and its scrutiny workplan.
- The Council's **Pay Policy** and **gender pay gap** are published on its website.

Implement good practices in reporting.

- Cabinet and Scrutiny and Overview Committee receive regular reports on budget, performance and risk.
- Annual reports from the independent chairs of adults and children's safeguarding boards are considered by Cabinet.

Assurances and effective accountability.

- The **Officer Code of Conduct** and the **Members Code of Conduct** define the standards of conduct and personal behaviour expected of members and officers.
- The **HR Handbook** includes all HR-related policies and procedures, including appraisal, probation, discipline, capability and absence management.
- The organisation can be seen to be encouraging openness and honesty within the **Whistle-blowing Procedure**, this allows officers to anonymously raise concerns about malpractice. This is supported by a programme of **Guardians** who provide staff with a safe space to share concerns about behaviour or culture at the Council.
- **Internal Audit** provides independent assurances to management on the effectiveness of the Council's internal control, governance and risk arrangements. The Head of Internal Audit attends departmental leadership team meetings

regularly to report on the latest internal audit reports and any outstanding actions from previous audits.

This page is intentionally left blank

Governance Framework

1. Introduction

'Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.'

'It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.'

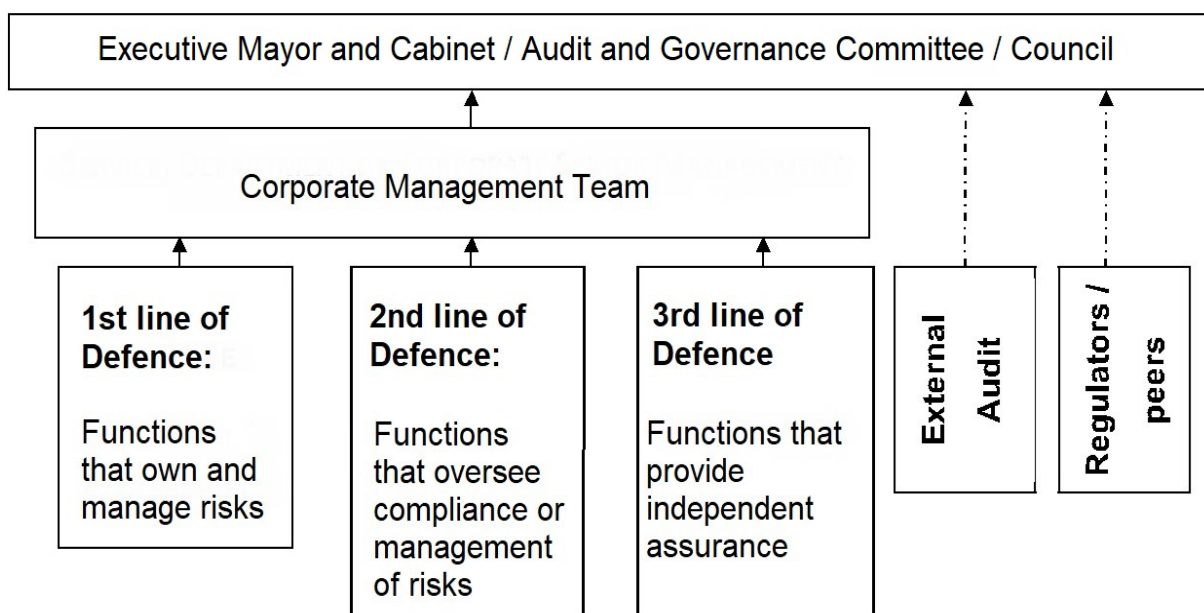
'Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. All authorities should aim to meet the standards of the best and governance arrangements should not only be sound but also be seen to be sound.'

(CIPFA / Solace 'Delivering Good Governance in Local Government Framework' 2007)

- 1.1 Croydon Council has chosen to define Governance as "Doing the Right Thing".
- 1.2 The Council, through the Corporate Code of Governance, has made a commitment to work to uphold the highest possible standards of good governance. These standards are designed to ensure that we conduct our business in accordance with the law and that public money is properly accounted for, as we work to achieve the best outcomes for our residents.
- 1.3 The Council's Governance Framework is the set of systems, rules, processes, procedures and values by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads the community. The Governance Framework enables the Council to monitor the delivery of its objectives and consider whether those objectives have delivered efficient and cost-effective services.
- 1.4 This document describes the Governance Framework for the London Borough of Croydon, detailing the three lines of defence model adopted by the Council, the governance structures in place and the documents that provide the rules and processes. This Framework provides an overview so that we can do the right thing in discharging our accountability for the proper conduct of public business.
- 1.5 Annually the Council considers the effectiveness of its governance arrangements in its 'Annual Governance Statement' and action plan, informed by directors' statements of assurance, which is considered by the Audit and Governance Committee and signed by both the Executive Mayor and the Chief Executive Officer.

2. Three Lines of Defence

- 2.1 The Council has based its internal control systems on the three lines of defence model. This model, endorsed by the Institute of Directors and the Institute of Internal Auditors, provides a comprehensive framework for considering the overall arrangements for managing risk and exercising control within an organisation.
- 2.2 Different parts and levels of the Council play different roles and the interplay between these determines how effective the Council as a whole is in dealing with risk and exercising control. Under this model each officer has a responsibility to **'do the right thing'**, which cumulatively, with the actions of other officers, provides a strong governance framework.



- 2.3 The **first line of defence** consists of all operational managers (and their staff). The Officer Code of Conduct explains that, *'Everyone who works at Croydon Council has a responsibility to our residents and those who use our services. That is why it is so important we ensure that we are "doing the right thing" and adhering to the high standards of governance at the Council. We are accountable to the people who use our services and live within the borough, and so it is vital that we conduct our business with honesty, transparency and accountability.'* This should also be considered in service planning, performance management and appraisals.
- 2.4 **'Doing the right thing'** means that officers have a responsibility to:



Officers should be familiar with the relevant Council policies and procedures (which are summarised in section 3 of this document) so that they can follow these **as well as** understanding the Council's structure / hierarchy (summarised in section 2) so that they can understand how functions and powers have been delegated and how concerns and issues

should be escalated. This is especially important as we have moved to a different governance model with an Executive Mayor and things that officers were familiar with in the past may now have changed .



Comply with the rules

Officers need to comply with the Council's policies and procedures at all times. This means taking time to implement the required procedures and to properly scrutinise documents rather than taking short cuts or making assumptions about what to do.



Escalate any wrongdoing

Officers have a duty to escalate if they become aware of any wrongdoing or poor practice/s. This may simply be to their line management, or to the Head of Internal Audit, the Head of Insurance, Risk and Anti-Fraud, or a Guardian or by using the whistle-blowing route. Please note there is a duty on all of us to act.

- 2.5 The **second line of defence**. Reporting to senior management, the second line of defence comprises risk management and other compliance and internal control functions to help build and/or oversee/monitor the first line of defence controls. These help set direction, define policy and procedures and provide corporate assurance and include: Finance, Performance Management, Statutory Compliance e.g. equalities, Information and Cyber Security, Information Management, Quality Assurance, Safeguarding Assurance, Health & Safety, Corporate Resilience, Risk Management etc. Each function will also have its own oversight and reporting.
- 2.6 The **third line of defence** is to provide independent assurance over risks. This consists internally of Internal Audit and externally of bodies such as External Audit, Ofsted, HMRC, CQC, etc.

Internal Audit provides assurance on the effectiveness of governance, risk management and internal controls, including the first and second line controls. Internal Audit is independent of management with direct reporting lines to the Corporate Director of Resources (S151 Officer), the Chief Executive, the Corporate Management Team and the Audit and Governance Committee. It will regularly report to Audit and Governance Committee on the extent to which officers are implementing agreed actions arising from its work.

3. Governance Structure

- 3.1 While this document is mainly aimed at officers, there is also a need for officers to understand the member level structure (and vice versa) and for officers to ensure that decisions are made appropriately in both officer and member spheres. Therefore both (a) member and (b) officer-level structures are detailed. (Please also refer to Appendix 1, which is a high-level diagram of the Council.)
- 3.2 It is also important to understand the distinction between '**executive decisions**' and '**non executive decisions**'. In addition to asking 'is this a member decision or an officer decision?' the question that also needs to be asked is whether 'it is an executive or non-executive decision?'
- 3.3 Generally speaking, the law says that if a matter is a function of the executive then only the Executive Mayor can take the decision, unless the Executive Mayor has delegated the decision to cabinet acting collectively, an individual cabinet member or an officer or another executive body such as a joint committee. If, however it is not a function of the executive then, only the Full Council can either decide it itself, or delegate it to Council non executive committees, or an officer to make those decisions.
- 3.4 Officers will therefore be able to exercise non-executive powers delegated by Full Council (or by council committee) or executive powers delegated by the Executive Mayor, where set out in the Constitution or a scheme of delegation.
- 3.5 It should also be stressed that, while officers may consult with members through day to day briefings or meetings, elected members cannot make formal decisions outside of the formal Council/Cabinet/Committee meetings or published Mayoral/Cabinet Member Decisions. Furthermore, where a decision is considered to be a 'key decision', this must be published 28 days in advance of the decision being made.
- 3.6 A 'key decision' is defined by the Council's Constitution is one that is likely to:
- (i) *'result in the Council incurring expenditure, or making savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council's budget for the service or function to which the decision relates; or*
 - (ii) *significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough.'*

This is very important to understand and remember. Failure to follow and maintain this distinction was specifically criticised in the two RIPI's in October 2020 and February 2022.

Elected Members

- 3.7 From 9 May 2022 the Council has operated the 'Elected Mayor' model. Under this model the directly elected mayor provides political direction and leadership to the Council. The elected mayor has responsibility for all executive functions of the Council. This; however, excludes the policies contained within the Budget and Policy Framework, (which are proposed by the Mayor but must still be approved by full Council) and non-executive and regulatory functions such as development management, audit and licensing. The elected mayor is required to appoint a Cabinet: the extent to which functions and decision-making is delegated to them or elsewhere is detailed as agreed by the Mayor in the Mayor's Scheme of Delegation.
- 3.8 A Statutory Scrutiny and Overview committee and an Ethics committee must also be in place.
- 3.9 Each of the above are described in more detail below:
- **Full Council:** All 70 Councillors plus the Executive Mayor are entitled to attend and take part in meetings of the full Council. The Council year begins in May and an Annual

Meeting makes appointments to Committees, Sub-Committees, Working Parties and Outside Bodies for that Municipal Year (Note: Executive appointments are made by the Mayor).

Ordinary full Council meetings are held on six other occasions during the Council year. One of the Ordinary Meetings is to set the Council Tax. Extraordinary and Special Meetings of the full Council may also be convened.

Only the full Council meeting may set the Budget for the Authority or approve the policies, plans and strategies that are specified in the Council's Budget and Policy Framework detailed in article 4 of the Constitution.

Further meetings of full Council may be held if necessary.

- **Elected Mayor:** The political leader of the Council, who has overall responsibility for Council policy and the delivery of services.
- **Cabinet:** The Cabinet is appointed by the Elected Mayor and will consist of at least 2, but no more than 9 councillors (including the statutory Deputy Mayor) plus the Mayor. The Cabinet can be made up of different political parties. The portfolio of each Cabinet member will be set by the Elected Mayor.
- **Scrutiny and Overview Committee:** The Scrutiny and Overview function is part of the Council's governance as required by the law for an executive model. The Council has one overarching Scrutiny and Overview Committee encompassing all scrutiny functions required by statute. Seats are allocated according to the rules of proportionality, which provide for the allocation of seats on committees so that they reflect the overall political composition of the Council.

The Scrutiny and Overview Committee ensures the efficient and effective conduct of its responsibilities through the work of a number of Sub-Committees, and 'task and finish' groups.

The Scrutiny and Overview Committee and its Sub-Committees hold the executive to account, monitor the performance of Council services and investigate matters affecting the wellbeing of the borough. In addition the Scrutiny and Overview function has a statutory duty to scrutinise health services, community safety issues and education matters

Any Councillor, except a Cabinet Member, is eligible to be appointed to the Scrutiny and Overview Committee or any of its Sub-Committees. The Scrutiny and Overview Committee reports at least annually to the Council. During the year the Committee and its Sub-Committees may make recommendations to the Elected Mayor and Cabinet and direct to the Council.

- **Ethics Committee:** All members on becoming a member are required to follow the Members' Code of Conduct to ensure high standards in the way they undertake their duties. The promotion of high standards of Member conduct is the responsibility of the Ethics Committee.
- **Health and Wellbeing Board:** This is a formal committee of the Council charged with promoting greater integration and partnership between bodies from the NHS, public health and local government. It has a statutory duty, with clinical commissioning groups (CCGs), to produce a joint strategic needs assessment and a joint health and wellbeing strategy for the local population.

The Board has very limited formal powers and is constituted as a partnership forum rather than an executive decision-making body. It includes representatives of the CCG and local Healthwatch.

- **Other Committees:** The full Council has made arrangements to delegate various powers and duties that are not executive functions to a number of Committees, Sub-Committees and the Chief Executive for the efficient conduct of business. These Delegations are set out in 'Responsibility for Functions' contained in Part 3 of the Constitution. As with the Scrutiny and Overview Committee, seats on the non-executive committees are allocated between the political groups in proportion to their respective numbers of Members.
- **Independent members:** Non-elected individuals (i.e. not Councillors) may be appointed to a Council Committee or Panel. These appointments are mainly to help ensure greater independence, but also may bring specific expertise. These members; however, may not have an executive role.

Officers

- 3.10 The Chief Executive is the most senior officer in the Council and has delegated to them all the powers of the Council other than those reserved to the Council or to a Non-Executive Committee or Sub-Committee or allocated to the Mayor by statute or by the Constitution.
- 3.11 The Chief Executive and the Corporate Directors may exercise any functions of the Council or the Executive which have been delegated to any other officer and may delegate decisions or functions to one or more officers in any of the Council's directorates, except when prohibited to do so by the Constitution or law.
- 3.12 The current Council structure, approved by full Council on 5 July 2021, provides for a corporate management team, with 7 members as its core membership, and 6 directorates.
- 3.13 The law also requires the Council to appoint certain statutory chief officers that are responsible for the governance of the Council and have specific statutory powers. Similarly, the Council must name the 'proper officers' to undertake specific statutory functions.
- 3.14 Each of the above are described in more detail below:
 - **Chief Executive:** The most senior officer in the Council is the Chief Executive Officer (or Head of Paid Service). Certain matters not reserved to the Council, Elected Mayor, Cabinet or a Cabinet Committee (acting either individually or collectively) are decided by the Chief Executive acting under delegated powers, and the Chief Executive is responsible for deciding how executive decisions are implemented.
 - **Corporate Management Team (CMT):** This is the Council's senior management team, consisting of the Chief Executive, the Assistant Chief Executive and the five Corporate Directors. All the papers of CMT are circulated to all directors and corporate directors, Assistant Chief Executive and the Chief Executive. Reporting into CMT are the respective Directorate Management Teams, Improvement Boards, Programme Delivery Boards and the Internal Control Boards.
 - **Directorate Management Teams (DMTs):** These are the management teams within each of the Council's 6 directorates, each headed up by either a Corporate Director or the Assistant Chief Executive and consisting of Directors and, where they report directly to the Corporate Director or the Assistant Chief Executive, Heads of Service. These directorates are the:
 - Adult Social Care and Health Directorate

- Assistant Chief Executive's Directorate
- Children, Young People and Education Directorate
- Housing Directorate
- Resources Directorate
- Sustainable Communities, Regeneration & Economic Recovery Directorate

Each directorate has its own underlying departmental management structure reporting to the DMT. The DMT's can act as project and programme boards for certain directorate programmes. The DMT's must also consider on a regular basis; health and safety, risk management, finance (operating and capital expenditure), performance management of services and diversity and equalities either in the DMT meetings themselves or as directorate sub groups of the DMT.

- **Internal Control Boards (ICB)** – The ICBs operate alongside the respective departmental structures providing governance over cross departmental matters. The minutes all go to CMT. They include the:
 - Capital Board
 - Equality, Diversity & Inclusion Board
 - Health & Safety Board
 - Finance & Assurance
 - Performance
 - Information Management & Transparency
 - Digital
 - Resident Voice and Improvement
 - Corporate Resilience
 - Workforce Board

Each ICB has terms of reference and includes membership from each directorate management team and other officers and is allocated corporate strategies to own on behalf of the Council. ICB's need to be mindful of the relevant work occurring in directorates and not duplicate.

The ICBs can also act where appropriate as a 'Programme Board' in the overall Project & Programme Management Framework for cross-departmental pieces of work, with highlight reports, exception reports, plans and logs being reported to these meetings. Where projects or programmes are specific only to a directorate, the Directorate DMT may act as Programme Board.

- **Improvement Boards:** Improvement Boards are chaired by individuals external to the Council and provide challenge and oversight on improvement work. The following Improvement Boards are either in place or are planned to be in place:
 - Children's, Young People and Education Improvement Board
 - Housing Improvement Board
 - Adult Social Care and Health Improvement Board
 - Sustainable Communities, Regeneration and Economic Recovery Improvement Board

- Resources and Assistance Chief Executive's Improvement Board

The minutes of all these Improvement Boards are sent to the next CMT.

- **Programme Delivery Boards:** Programmes of major projects which affect more than one directorate may be delivered via the relevant Internal Control Board or these may be set up in their own right and staffed with officers from across the Council. The minutes of the Boards are sent to CMT.
- **Statutory Chief Officers:** The statutory chief officers are the:
 - Head of Paid Service (Local Government and Housing Act 1989, s 4)
 - Monitoring Officer (Local Government and Housing Act 1989, s 5)
 - S151 (or Chief Finance) Officer (Local Government Act 1972, s 151)
 - Director of Children's Services (Children Act 2004, s 18)
 - Director of Public Health (National Health Service Act 2006, s 73A(1)); and
 - Director of Adult Social Services (Local Authority Social Services Act 1970, s 6(A1))

These are officers that the Council must have in place, some of which may be combined and some of which cannot, but they all have additional personal responsibilities.

In particular, the Head of Paid Service, S151 officer and the Monitoring Officer have statutory mechanisms for bringing concerns to the attention of the Council, and for requiring the Council to consider their decisions and actions publicly. Each of these officers has special employment protection to enable them to highlight their concerns.

There are a number of other statutory officer roles that a local authority must have in place, (such as, but not limited to, a Scrutiny Officer, a Caldicott Guardian, a Head of Internal Audit and a Chief Information Officer) but these are not chief officer posts in their own right.

The three chief officer roles with leading responsibilities relating to governance are the:

- **Head of Paid Service (Chief Executive)** – who is responsible for the overall resources and functioning of the Council.
- **Monitoring Officer** – who is responsible for lawful behaviour
- **S151 Officer (Chief Finance Officer)** – who is responsible for finance and spending

The Statutory Officers' Board is a regular (quarterly) forum by which the above three statutory officers, with other statutory officers in attendance, share concerns and risks related to potential serious issues affecting the Council's governance or financial performance and the statutory roles they hold. This is to help ensure that the maintenance and improvement of governance is a live discussion within the Council at all times and that it is prepared when the Council is faced with new challenges, priorities and workstreams. Matters arising from these meetings feed into the , Finance, Risk and Assurance Internal Control Board or others where relevant. The minutes go to CMT.

- **Proper Officer:** There are certain functions prescribed by statute, where the Council must name the 'proper officer' assigned to undertake each of these functions individually. These functions can only be discharged by that Officer and in the way

prescribed by the statutory provision concerned. In practice the 'proper officer' for a number of these functions is either the Chief Executive, the Corporate Director of Resources or the Director of Finance, although other officers are also named as 'proper officers'.

Outside bodies

- 3.15 There are a number of organisations which are independent from the Council, but have an impact on its service areas. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected councillors, sit on the various committees and forums that are responsible for these.

Governance Documents

3.16 The Council's main systems, rules, processes and procedures for officers are set out in several documents, which are described in the subsequent paragraphs. It is the responsibility of each Officer to **read, understand and comply** with the processes and requirements detailed in these documents and maintain their knowledge through completing the mandatory and refresh training as required.:

- **The Officer Code of Conduct:** All staff, through their contracts of employment, are bound to the Council's Officer Code of Conduct. The Code details what the Council expects from each member of staff in terms of how they carry out their work, behave, respect and treat their colleagues and members of the public. The Code also binds staff to the Council's Financial Regulations and Procedures, the Tenders and Contracts Regulations and other documents in the HR Handbook.
- **The HR Handbook** – This is all of the Council's HR policies and procedures, including the Officer Code of Conduct.
- **The Council Constitution:** The constitution is a written legal document that guides the Council on its decision-making processes. The framework is set by legislation. It contains important information on procedures and processes from dealing with petitions to rules of conduct for officers and members.

The constitution is split into chapters, with the introduction setting out how the Council operates, how decisions are made, and the procedures followed to ensure these are efficient, open and accountable to local people. Some of these procedures are required by law while others are a matter for the Council to choose.

Included within the Constitution are the:

- Responsibility for Functions – this is the delegation of responsibilities and functions to the Committees and Sub Committees.
- Financial Regulations - These regulations provide the framework for managing the Council's financial affairs and apply to all members and officers, including interims and consultants. The regulations are supported by a set of mandatory Financial Policies and Procedures which provide more detailed direction on the arrangements to be complied with.
- The Tender and Contract Regulations – These regulations provide the framework for procuring and managing contracts so that these contracts are cost effective and meet the priorities of the Council's Corporate Plan.
- Protocol on staff-councillor relations – this sets out the respective roles of officers and councillors.
- **Mayor's Scheme of Delegation** – Sets out the details of the responsibilities and functions allocated by the Mayor to the Cabinet as a whole or to individual Cabinet Members.
- **Schemes of Management** - In accordance with the Council's Constitution (Section 3 - Responsibility for Functions Part 3 – Scheme of Delegations of Authority to Officers) all matters which have not been reserved to Council or a Committee are delegated to Officers. Each Corporate Director must develop and maintain their own internal scheme of management.

- **Scheme of Financial Delegation** – The Council’s Financial Regulations require that the Chief Financial Officer must approve the Council’s Scheme of Financial Delegation which sets out the financial authorisation limits for Officers.
 - **Whistle-Blowing Policy** - This policy and procedure is intended to ensure that a suspicion of wrongdoing can be raised without fear of reprisals and provide information about how the Council will respond. These concerns may be raised by a Council member of staff, agency staff and self-employed staff carrying out Council work, and the staff of Council contractors carrying out Council work.
- 3.17 There are a number of other policies and procedures in place within the Council, including some that are directorate based and/or service specific. These include the following, which are key to the governance framework:
- **Audit Charter** – This 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. This document provides that 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.
 - **Risk Management Strategy** – This outlines the Council's strategy to identify corporate and operational risks, assess these risks for likelihood and impact, identify mitigating controls and allocate responsibility for the mitigating controls. This should be read with the Council’s ‘Practical Guide to Risk Management.’
 - **Project and Programme Management Framework** - This document sets out the framework within which all Croydon Council projects are laid out in a business case, appraised, funded and managed. In order to ensure effective oversight and management of projects and programmes across the Council, compliance with this framework is mandatory.
- 3.18 The [‘Governance - the Right Thing’ section of the intranet](#) contains a number of the key and other guidance documents. It is important that you look at these and familiarise yourself with each.

4. Mandatory Training

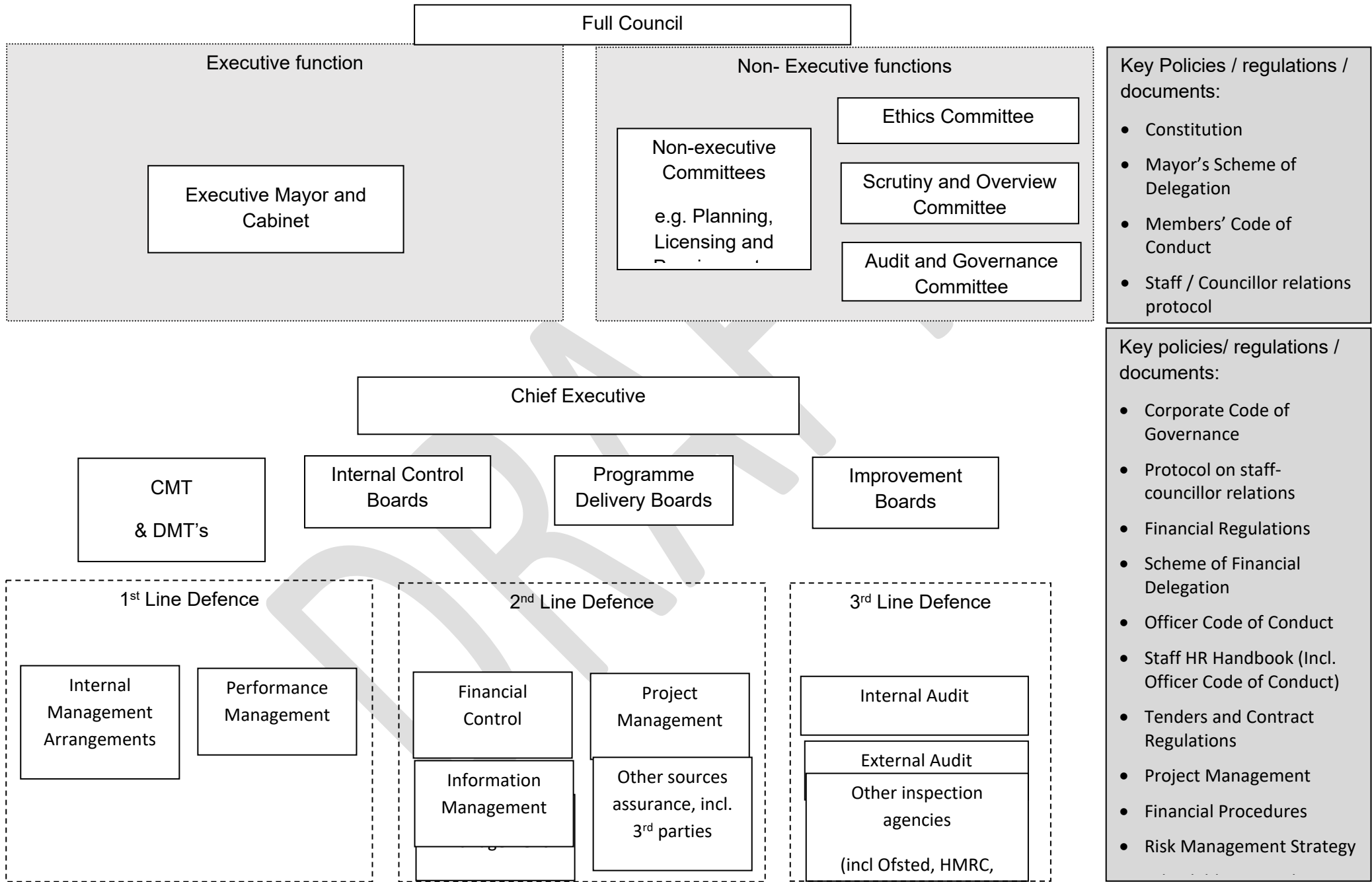
- 4.1 The Council identifies **mandatory training** which is determined as essential for the safe and efficient delivery of services. This type of training is designed to reduce organisational, financial, reputational or health and safety risks. This training may be required by law or where a statutory body has instructed the council to provide training on the basis of specific legislation. Additionally, this training will comply with local or national policies, government guidelines or as directed by the Corporate Management Team.

Induction Training

- 4.2 Effective induction is crucial to a new employee's successful assimilation into their role, the organisation and probationary assessment. All new employees to the Council are required to complete an induction process beginning on the first day of the employment which will include completion of mandatory training accessed via the Council's learning management system Croydon Learning.
- 4.3 It is the responsibility of line managers to ensure that all new employees fully complete the induction process during the probationary period including all mandatory training.
- 4.4 It is the responsibility of managers to ensure that temporary workers complete a temporary workers induction and local induction within the first five days of their engagement, including all mandatory training.

On-going Training

- 4.5 All staff including temporary and agency workers are responsible for ensuring they are competent for their role and have a full understanding of the regulations and requirements related to their duties and responsibilities to enable them to carry out their role.
- 4.6 It is a priority that all employees ensure that training in the mandatory programme and role-specific mandatory training is completed within the expected timescales regardless of an individual's role and should be treated as a high priority in the annual appraisal and development planning cycle.
- 4.7 Managers should ensure that all staff within their services complete mandatory training, as well as ensuring that they have all appropriate training and support to understand and complete their roles.



Corporate Director's Assurance Statement 2022/23

The Accounts and Audit Regulations require the Council to publish an Annual Governance Statement (AGS). The AGS is prepared annually, signed by the Leader and the Chief Executive and approved on behalf of Full Council by the Audit and Governance Committee

In summary the AGS is a statement of assurance to the effect that:

- The Council has followed the principles of Corporate Governance, outlined in the CIPFA / SOLACE publication “Delivering Good Governance in Local Government” and confirmed in the Council’s own Local Code of Corporate Governance
- the Council has an effective Internal Control Framework (ICF) in place
- the ICF has been reviewed in the preceding year. (It must be reviewed annually)
- that any weaknesses that have been identified in the ICF are being dealt with through an appropriate action plan.

Each Corporate Director is responsible for delivering the relevant objectives set out in the corporate plan. Corporate Directors, with their Directors and Heads of Service are responsible for identifying and managing the risks that may affect delivery of corporate and service objectives they are responsible for. This work includes monitoring the effectiveness of controls put in place to mitigate the risks and carrying out remedial action where controls are weak or not in place.

Each Director is required to assist the preparation of the AGS for the Council by providing an assurance statement for the internal control framework within their division, to inform a collated Corporate Director’s statement for the directorate in the form below. Taken together the assurance statements from the Corporate Directors will form a key part of the evidence that supports the signing of the AGS by the Leader and Chief Executive.

The required format for the Statement of Assurance is attached.

Directors/ Corporate Directors should read and **annotate** the Statements before signing the document. Please indicate in the blank column on the right of the table below brief information on any areas where the answer is ‘No’.

The signed document should then be e-mailed to MonitoringOfficer@croydon.gov.uk **along with an action plan with timescales to address any identified weakness.**

	Statement	Yes/ No	If No, detail area of weakness identified
1	<p>Local Code of Corporate Governance</p> <ul style="list-style-type: none"> The principles of Corporate Governance outlined in the Council's Corporate Code of Governance have been consistently applied in the delivery of services by this division/ directorate. I ensure that my division/ directorate scheme of delegation is kept up to date and published/ disseminated as appropriate. 		
2	<p>Risk Management</p> <ul style="list-style-type: none"> I have identified all key risks that may affect the delivery of the division/ directorate's services. My Division/ Directorate Management Team has reviewed the risk register each quarter. I have also identified risks that are considered to be significant (Red) or categorised as 'extreme' (Impact Classification) and that do not at present have effective controls to mitigate the level of risk. I have put in place action plans to provide effective controls going forward where resources allow. I have through 121s and my Division/ Directorate Management Team, ensured continuous review of the progress of risk action plans and implemented contingency arrangements where necessary. 		
3	<p>Budget management</p> <ul style="list-style-type: none"> The division/ directorate receives regular reports on the status of key financial indicators against planned outcomes. The division/ directorate's budget is reviewed on at least a quarterly basis at Division/ Directorate Management Team level including action plans to mitigate overspends. 		
4	<p>Financial Control</p> <ul style="list-style-type: none"> I confirm that all my budget holders are aware of, have read and complied with the Council's Financial Regulations and the Tenders and Contracts Regulations that are available as part of the Council's Constitution on the Intranet. 		

	Statement	Yes/ No	If No, detail area of weakness identified
5	<p>Internal Controls</p> <ul style="list-style-type: none"> • The Division/ Directorate actively ensures that operational staff are diligent, taking responsibility for their actions and line management scrutinises, challenges and holds staff to account. • I have identified controls that are designed to mitigate the key risks identified in 2 above. I have assigned responsibility for the effective operation of each control to a nominated officer. I have, through the 121 process, obtained assurance from each nominated officer that the controls have been tested and are operating effectively. • I monitor completion of management action plans arising from internal audit reports and take action to implementation to agreed timescales. 		
6	<p>Counter Fraud Arrangements</p> <ul style="list-style-type: none"> • Staff in the department have access to and are aware of their responsibilities under the Council's Anti-Fraud & Corruption Strategy and actions to take in the event of detected or suspected fraud and corruption. • The risk of fraud & corruption is specifically considered when reviewing risk registers. • There have been no proven cases of fraud or irregularities that may impact on the ability of the department to achieve the service objectives. • Staff in the department have access to and are aware of the Whistleblowing Policy. • Staff are made aware of the need to make appropriate and timely disclosures of gifts, hospitality and declarations of interests. • I have reviewed the Gifts and Hospitality Register on a quarterly basis. 		
7	<p>Major Projects</p> <p>The Council's Project Management Methodology has been applied for all projects and programmes. In line with this methodology, Division/ Directorate Management Team have reviewed and challenged any new project proposals, appropriate risk registers and action plans are in place and are regularly reviewed for all relevant projects and programmes and appropriate lessons learned exercises are completed on completion of each project.</p>		
8	<p>Performance Management</p> <ul style="list-style-type: none"> • There are relevant, sufficient and appropriate performance indicators operating for all services delivered by the department to appraise performance and where appropriate aligned to the Council's objectives, priorities and statutory 		

	Statement	Yes/ No	If No, detail area of weakness identified
	<p>obligations.</p> <ul style="list-style-type: none"> • There are regular reports to Division/ Directorate Management Team at least quarterly, on the status of key performance indicators and other relevant performance measures against planned outcomes and there is a process in place to address and report on significant poor performance. • Effective processes operate for data quality of source data used for performance management and checks are made on its robustness. • Division/ Directorate Management Team actively monitors complaints, including the timeliness of complaint responses being reviewed in accordance with the Council's Complaints Policy, and these have not revealed any key issues that may affect the system of internal control. 		
9	<p>HR Management</p> <ul style="list-style-type: none"> • Staff within the department are aware, understand and comply with the HR Handbook, including the Staff Code of Conduct, Equal Opportunities, mandatory training and declarations of interest. • There is effective monitoring and reporting of staff appraisals within the timescales prescribed. • Effective arrangements operate to ensure compliance with appropriate statutory requirements including Health & Safety and Working Time Regulations. • Staff job descriptions and person specifications are reviewed on a regular basis and updated as appropriate to ensure that they remain current and relevant. • Levels of sickness absence are monitored and action taken in line with appropriate Council policies. • Staff absence is appropriately authorised and recorded through appropriate Council systems. 		
10	<p>Information Governance</p> <ul style="list-style-type: none"> • Staff have attended the annual mandatory training on the Council's IT security policies and procedures including Email, Internet use and Social Media. • All potential breaches/incidents in information security and data protection have been reported and actions taken to implement any improvements arising. • Data held by service areas is accurate, up to date and relevant for the purpose being held under the Data Protection Act 2018. Appropriate consents are obtained and privacy notices deployed. Documents are managed in line with corporate policies. • Appropriate data sharing protocols operate within the department including mechanisms for the secure transfer of data with all other organisations. 		

	Statement	Yes/ No	If No, detail area of weakness identified
11	<p>External audits and inspections</p> <ul style="list-style-type: none"> • I monitor completion of management action plans arising from external audit and other inspections bodies and take action to ensure implementation to agreed timescales. • There are no other governance and financial management issues arising from external inspections, audits and assurance processes which are not listed in sections 1-10 above. 		
12	<p>Overall Assurance from Director/ Corporate Director</p> <p>Based on the information available to me, in my opinion the internal control framework of this department has been soundly based during 2021/22.</p> <p>All significant risks to delivery objectives have been identified and controls are in place to mitigate those risks. The exceptions to this are listed in the attached action plan which also outlines progress towards implementing outstanding controls.</p> <p>I also confirm my intention to ensure that a sound internal control framework is in operation throughout 2022/23.</p> <p>Signed by Director/ Corporate Director.....</p> <p>Date.....</p>		

Statement of assurance – action plan forDivision/ Directorate

Control theme (eg Risk Management)	Action	Lead officer	Timescale for completion