

Crawley Borough Council

Audit Committee

Agenda for the **Audit Committee** which will be held in **Committee Rooms A & B - Town Hall**, on **Monday, 25 July 2022 at 7.00 pm**

Nightline Telephone No. 07881 500 227



Chief Executive

Membership:
Councillors

J Millar-Smith (Chair), T Rana (Vice-Chair), M L Ayling, T G Belben
and Y Khan

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Published 15 July 2022



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The order of business may change at the Chair's discretion

Part A Business (Open to the Public)

	Pages
1. Apologies for Absence	
2. Disclosures of Interest	
In accordance with the Council's Code of Conduct, councillors are reminded that it is a requirement to declare interests where appropriate.	
3. Minutes	5 - 10
To approve as a correct record the minutes of the Audit Committee meeting held on 15 March 2022.	
4. Public Question Time	
To answer any questions asked by the public which relate to an item on this agenda and which are in line with the Council's Constitution.	
Public Question Time will be concluded by the Chair when all questions have been answered or on the expiry of a period of 15 minutes, whichever is the earlier.	
5. Internal Audit Annual Report 2021/2022	11 - 16
To consider report FIN/577 of the Head of Corporate Finance.	
6. Internal Audit Progress Report	17 - 28
To consider report FIN/578 of the Head of Corporate Finance.	
7. Fraud and Investigation Team Report	29 - 30
To consider report FIN/579 of the Operational Benefits & Corporate Fraud Manager.	
8. Risk Management Update	31 - 52
To consider report FIN/580 of the Head of Corporate Finance.	

	Pages
<p>9. Progress of Annual Audit 2020/21</p> <p>To receive a verbal update on the progress of the 2020/21 audit.</p>	
<p>10. Approval of the 2020/21 Statement of Accounts</p> <p>To consider report FIN/581 of the Head of Corporate Finance.</p>	53 - 54
<p>11. Approval of the Annual Governance Statement 2021/22</p> <p>To consider report LDS/186 of the Head of Governance, People & Performance.</p>	55 - 78
<p>12. Supplemental Agenda</p> <p>Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.</p>	

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Crawley Borough Council

Minutes of Audit Committee

Tuesday, 15 March 2022 at 7.00 pm

Councillors Present:

J Millar-Smith (Chair)

M Flack (Vice-Chair)

M L Ayling, T G Belben, D Crow and K Khan

Also in Attendance:

Iona Bond Senior Audit & Counter Fraud Manager, Southern Internal
Audit Partnership

Officers Present:

Chris Corker Operational Benefits and Corporate Fraud Manager

Karen Hayes Head of Corporate Finance

Mez Matthews Democratic Services Officer

Stuart Small Deputy Fraud Manager

Paul Windust Chief Accountant

Apologies for Absence:

Elizabeth Jackson Associate Partner, Ernst and Young

1. Disclosures of Interest

No disclosures of interests were made.

2. Minutes

The [minutes](#) of the meeting of the Audit Committee held on 29 July 2022 were approved as a correct record and signed by the Chair.

Due to the rise in Covid cases at the time, the Chair of the Audit Committee had cancelled the formal meeting of the Audit Committee which had been scheduled to take place on 14 December 2022. Audit Committee members had held an informal briefing meeting in its place but no formal decisions had been made at that Briefing.

3. Public Question Time

No questions were asked by members of the public.

4. Fraud and Investigation Team Report

The Committee considered report [FIN/563](#) of the Operational Benefits and Corporate Fraud Manager which focused on activity for the period from 7 July 2021 to 27 February 2022. The report indicated that the Team had continued to perform successfully. The Committee noted the increased work undertaken by the Team due to the new benefits introduced by the Government in response to Covid-19, such as the Council Tax 'Energy Rebate' Scheme.

The Committee was provided with details of cases investigated and the Team's investigations, whilst a discussion took place on the Team's work generally. The Committee sought and received clarification on a number of points raised, including removal of the single person discount and the single person discount data matching exercise.

The Committee thanked the Fraud and Investigation Team for their continued work.

RESOLVED

That the Fraud and Investigation Team Report be noted.

5. Internal Audit Progress Report

The Committee considered report [FIN/564](#) of the Head of Corporate Finance. The purpose of the report was primarily to update the Committee on the progress made towards the completion of the 2021/2022 Audit Plan, and to report on the progress made in implementing the previous recommendations.

The Committee welcomed the Senior Audit & Counter Fraud Manager from Southern Internal Audit Partnership (SIAP) to the meeting and acknowledged that the Cabinet, at its meeting on [12 January 2022](#) had agreed that SIAP provide the internal audit service for Crawley Borough Council from 2022/23.

The Committee discussed and noted the Audit Plan Reviews in progress, along with other work as detailed in the report and noted that it was still a 'Covid-19 related year' for Audit. The Senior Audit & Counter Fraud Manager took the opportunity to brief the Committee on the work as detailed in the report and, in relation to the following areas, the Committee noted:

Progress Report (Appendix A to the report):

- That the italicised wording in the Progress Report identified changes since the last Report, with several Audits now underway which had previously been pending.
- There were no high priority findings to report on work completed since the last Report.
- That all Local Authorities had experienced delays in progressing their Audit Plans due to the pandemic.
- That SIAP was confident the remaining Audits would go ahead in time for annual reporting.
- That SIAP did not have any concerns at present in relation to the outcome of the Audits completed under the 2021/2022 Audit Plan. An overall level of Audit Assurance could not however be given until all remaining Audit work had been completed.

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Audit Committee (8)
15 March 2022

Follow Up Audit (Fleet Management Audit 2020/21):

- That the findings relating to “driver assessment checks” and “eligibility to drive” would be looked at as part of an upcoming health and safety review.

Follow Up Audit (Complaints Audit 2021/22):

- That the lack of monthly reporting on complaints identified by the Audit was likely to be due to the extra work created by the pandemic and staff sickness. Following a further query from the Committee, it was requested that the Democratic Services Officer send Committee members the Audit Committee minutes and/or the report which related to the initial findings of the Complaints Audit.
- An item would be published shortly in the Councillors’ Information Bulletin relating to the Complaints Procedure.
- A review of actions taken following the Complaints Audit was included in the Internal Audit Plan and was scheduled to take place in the next three years. The version of the Internal Audit Plan which was attached to the Agenda Pack (and would be considered by the Committee later in the agenda) only included those Audits scheduled for 2022-2023. The Senior Audit & Counter Fraud Manager agreed to consult the full three-year Plan and, should the Complaints review be scheduled for year 3, they would flag to bring it forward into at least year 2.

RESOLVED

That the Internal Audit Progress Report be received and progress noted, as at 28 February 2022.

6. Risk Management Update

The Committee considered report [FIN/562](#) of the Head of Corporate Finance which provided an update on the Council’s Strategic Risks.

The Committee discussed the update provided on Strategic Risk Management. Following queries from the Committee relating to the following areas, the Committee:

New Town Hall (Risk Register attached as Appendix A to the report):

- Was informed that the issue regarding letting the upper floors of the new Town Hall would be reviewed over the next few months.
- Was provided with more detail regarding the letting arrangements for the upper floors.

Cost of Living:

- Noted that this had recently been included as a Corporate Risk.
- Was informed that a Working Group, being set up by the Head of Crawley Homes, would assist in building a means of signposting those in need of financial assistance to the most relevant organisation/s.

The Head of Corporate Finance advised the Committee that the Strategic Risk updates were provided by the relevant member of the Corporate Management Team and so, should the Committee have specific queries relating to a risk, it would be helpful to email the question in advance so a comprehensive response could be sought ahead of Committee.

RESOLVED

That the Committee receive and note the report.

7. Internal Audit Annual Plan 2022-23

The Committee considered report [FIN/565](#) of the Head of Corporate Finance. The Plan was attached as Appendix A to the report.

The Senior Audit & Counter Fraud Manager from Southern Internal Audit Partnership (SIAP) informed the Committee that the Plan was considered to be robust and had been put together by SIAP in collaboration with the Council's Corporate Management Team (CMT) and they thanked CMT for making the time to meet with them as well as their engagement with the process. In addition, the Committee noted that the Plan before it, whilst for the year 2022-2023, was indicative of the work to be undertaken in the second and third year. It was acknowledged that the Plan was a dynamic document and the delivery of the audit work was likely to be subject to change depending on other factors.

RESOLVED

That the Internal Audit Annual Plan 2022-23 attached as Appendix A to report [FIN/565](#) be noted.

8. Internal Audit Charter 2022-2023

The Committee considered report [FIN/566](#) of the Head of Corporate Finance. The Charter was attached as Appendix A to the report.

RESOLVED

That the Internal Audit Charter attached as Appendix A to report [FIN/566](#) be approved.

9. Audit Results Report: Year Ended 31 March 2021

The Committee considered [FIN/567](#) which had been submitted by Ernst and Young (EY). The Head of Corporate Finance read out the key reporting provided by the EY representative who had sent their apologies for the meeting. The Committee was informed that, whilst EY was proposing a draft unqualified Audit Report at this stage, the Committee should be aware that work was still in progress and the Report could change if a material misstatement was identified or another misstatement that management declined to adjust. EY was aiming to sign the Audit Report in April 2022, however specific timing would depend on resolution of its work regarding the rents issue, and an updated Audit Results Report would be circulated via email to Committee members before it was signed. The Head of Corporate Finance referred to two unadjusted errors within the Accounts, these were both where the Council's Valuers disagreed with EY valuers. They had no impact on the bottom line so the Head of Corporate Finance suggested that they would not be adjusted.

The Committee considered matters raised, and in doing so expressed its ongoing concern that the Audit continued to remain unfinished despite its spiralling cost.

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Audit Committee (10)
15 March 2022

Following a query, the Committee was provided with clarification regarding the financial impact of the overcharging of rent to Council Housing tenants.

The Chair informed that Committee that EY had been requested to regularly communicate with regard to the process of external audit work. Following comments made by the Committee, the Head of Corporate Finance agreed to reiterate to EY that it should provide an early indication if/when it became clear that the Audit was likely to cost more than anticipated.

In response to comments made by the Committee, the Head of Corporate Finance agreed to raise the following requests with EY for future reference:

- That EY clarify in its Report whether adjustments related to an overcharge or an undercharge as, in several instances, it was unclear (eg pages 88 and 90 of the Agenda Pack refer).
- That in relation to Internal Controls EY provide more detail as to any “significant deficiencies identified” or, where deficiencies are not found, be more explicit that is the case (page 116 of the Agenda Pack refers).

RESOLVED

That the Audit Results Report for the year ended 31 March 2021 be received and noted

10. Approval of the 2020/2021 Statement of Accounts

The Committee considered report [FIN/568](#) of the Head of Corporate Finance which sought the Committee’s approval of the 2020/21 Statement of Accounts.

The 2020/21 Statement of Accounts was attached as Appendix B to the report.

The Committee noted that as the external Auditor’s Audit Results Report for the year ended 31 March 2021 had not yet been completed by the External Auditors no Audit Report had been included in the Statement of Accounts. Once the Audit had been concluded there was a chance that amendments would be required. The main risk was in relation to the overcharging of rent to Council Housing tenants and the correct accounting treatment was currently being assessed by the External Auditor’s Professional Practice Department and Legal Department.

With regard to any changes required as a result of the Audit’s conclusions, the Committee confirmed it was happy for minor and non-material amendments to be made, as well as any adjustment relating to the overcharging of rent before the Statement of Accounts were signed. The Committee then confirmed it was content to delegate authority to the Chair of the Audit Committee to sign both the Statement of Accounts and the Letter of Representation once the Audit had been concluded on that basis. Should any material changes be required (other than an adjustment relating to the rent issue) the Statement of Accounts would be brought back to the Committee for its consideration.

Following a request from the Committee the Chief Accountant agreed that, where reference was made in the Narrative Report to a grant or fund, the full name of that fund/grant be used so members of the public could identify which Government body or organisation had provided those monies.

The Committee thanked the Chief Accountant and their team for the work they had undertaken in producing the Statement of Accounts and associated documents.

RESOLVED

- (1) That the Annual Governance Statement, as signed by the Leader and the Chief Executive, be endorsed.
- (2) That the 2020/21 Statement of Accounts be approved, following any minor, non-material changes or adjustments relating to the housing rents overcharge.
- (3) That the Chair of the Committee be authorised to sign the 2020/21 Letter of Representation following any minor, non-material changes or adjustments relating to the housing rents overcharge.
- (4) That the Chair of the Committee be authorised to sign the 2020/21 Statement of Accounts on behalf of the Council following any minor, non-material changes or adjustments relating to the housing rents overcharge (should any material changes be required, other than an adjustment relating to the rent issue, the Statement of Accounts would be brought back to the Audit Committee for its consideration).

11. Head of Corporate Finance

On behalf of the Audit Committee, the Chair presented a card and some flowers to the Head of Corporate Finance who was semi-retiring. The Chair expressed the Committee's thanks to the Head of Corporate Finance for their continued support of diligence and hoped they found the work / life balance they deserved in their retirement.

Closure of Meeting

With the business of the Audit Committee concluded, the Chair declared the meeting closed at 8.30 pm

J Millar-Smith (Chair)

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Crawley Borough Council

Report to Audit Committee

25 July 2022

Internal Audit Annual Report 2021/2022

Report of the Head of Corporate Finance (Section 151 Officer) – FIN/577

1. Purpose

1.1 This report has been prepared to:

- Summarise the work undertaken by Internal Audit during 2021/2022 and provide an overall opinion on the adequacy of the Council's governance arrangements, risk management systems and internal control environment.
- Summarise the effectiveness of audit work.
- Provide a statement on conformance with the Public Sector Internal Audit Standards.

2. Recommendation

2.1 The Committee is requested to note this report.

3. Reasons for the Recommendation

3.1 To comply with the requirements set out in the Public Sector Internal Auditing Standards 2013 (updated 2017).

3.2 The Audit Committee is responsible for reviewing the effectiveness of the Council's system of internal control.

4. The Role of Internal Audit

4.1 The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

4.2 The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

4.3 The role of internal audit is best summarised through its definition within the Standards, as an:

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‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

4.4 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

4.5 The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

5. Internal Audit Approach

5.1 Prior to December 2021 the internal audit function has been delivered by an in-house team. However, due to a succession of retirements during the course of the year – both foreseen and unforeseen, the Council had to review the method in which this service was provided going forward.

5.2 Interim arrangements were put in place for the Southern internal Audit Partnership (SIAP) to provide audit management support from September 2021 and from the 1 January 2022 to also support the delivery of the revised annual audit plan for the year.

5.3 Sections G8 and G9 of the Financial and Budget Procedure Rules contained within the Council’s Constitution support the statutory requirements outlined above and states:

- The Head of Corporate Finance is responsible for providing the internal audit of the Council’s systems and processes, ensuring it is sufficient in its coverage and independent in its planning and operation;
- The Head of Corporate Finance is responsible for ensuring that the individual responsible for the Council’s audit function has direct access to the Chief Executive, all levels of management, and Chairs of Committees, as appropriate.

5.4 These provisions remained in place during the course of the year, including during the period of interim audit management and delivery arrangements.

6. Compliance with the Public Sector internal Audit Standards

6.1 Due to a number of circumstances relating to the continuing impact of COVID-19 and resourcing difficulties, the internal audit function for 2021/22 did not meet two key fundamental principles of PSIAS:

- An approved Internal Audit Charter was not in place;
- A Quality Assurance and Improvement Programme in line with the Standards had not been maintained by the in-house audit team.

6.2 The Council formally joined the SIAP on 1 April 2022 who fully conform with all requirements of the PSIAS. Consequently, the Council will maintain a fully compliant internal audit service from 2022/23.

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7. Opinion on the Control Environment

- 7.1 Due to changes in resourcing, for 2021/22 The Head of Corporate Finance has assumed responsibility for the delivery of an annual audit opinion and report that can be used by the Council to inform its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 7.2 In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:
- written reports on all internal audit work completed during the course of the year;
 - results of any follow up exercises undertaken in respect of previous years' internal audit work;
 - the results of work of other review bodies where appropriate;
 - the extent of resources available to deliver the internal audit work;
 - the quality and performance of the internal audit service and the extent of compliance with the Standards; and
 - the proportion of the Council's audit need that has been covered within the period.

Annual Internal Audit Opinion 2021-22

"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the Council's internal control environment.

In my opinion, the Council's framework of governance, risk management and control is 'Satisfactory' and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."

- 7.3 The ongoing pressures presented by the COVID-19 pandemic resulting in a late start to the delivery of the 2021/22 audit plan and the subsequent loss of internal audit staff required a reassessment and review of the audit plan. This was done with the assistance of SIAP to determine the minimum coverage required to still enable provision of an annual opinion for the current financial year.
- 7.4 By its nature, the internal audit plan is risk based and focused on the key risks faced by the Council and therefore any subsequent dilution of the plan is not sustainable going forward. In recognition of this, the Corporate Management Team have fundamentally reviewed and upscaled the audit plan over the next three years. On joining the SIAP, the Council is also securing the required resource to deliver the audit plan requirements.

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8. Internal Audit Coverage and Output

8.1 The annual plan as presented to Audit Committee in April 2021 was subject to significant revision during the course of the year. These revisions were required due to:

- Significant reduction in available audit resource during the course of the year due to the loss of all in-house and most contracted audit staff.
- Inclusion of independent review of key governance areas formerly undertaken by the Audit and Risk Manager (from which assurance could be taken).

8.2 The revisions made to the plan were undertaken in acknowledgement of the requirement to be able to provide an annual assurance opinion in support of the Annual Governance Statement at the end of the year.

8.3 In delivering the annual assurance opinion 16 audit reviews have been delivered during the year ending 31 March 2022. The assurance opinion assigned to each completed review is shown in the following table:

Substantial Assurance	Satisfactory Assurance	Limited Assurance	No Assurance
<ul style="list-style-type: none"> • Council Tax • NNDR • Cash and Bank • FMS • Budgetary Control • Treasury Management • Commercial Rents • Information Governance 	<ul style="list-style-type: none"> • Rents Overcharge • Risk Management • Annual Governance Statement • K2 (COVID-19 contract variation payments) • Disaster Recovery 	<ul style="list-style-type: none"> • Complaints • Health and Safety • Cyber Security 	

Substantial There is a sound system of internal control designed to achieve the system objectives. Compliance with the control process is considered to be of a high standard and few or no material errors or weaknesses were found.

Satisfactory Whilst there is a basically sound system of internal control designed, there are weaknesses, which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Limited Weaknesses in the design of the system of internal controls are such as to put the system objectives at risk, and/or the level of non-compliance with some of the controls puts the system objectives at risk.

No Control design is generally weak leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

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8.4 Additionally, a follow up review was undertaken on the 2020/21 car parks (staff permits) audit that resulted in a no assurance opinion. The follow up review has demonstrated that significant progress has been made in implementing the recommendations from the review. Of 11 recommendations made:

- 8 have been fully implemented.
- 2 have been partially implemented and are set to be completed by the end of July 2022.
- 1 has yet to be implemented, due to a misunderstanding of the requirements of the recommendation. This is now scheduled to be implemented by the end of October 2022.

All outstanding recommendations will continue to be followed up and reported accordingly.

9. Key Observations

9.1 There were no 'No Assurance' opinions issued during the year. In general, internal audit work found there to be a sound control environment in place across a majority of review areas that were working effectively to support the delivery of corporate objectives, however, there were some areas identified that provide challenge to the organisations risk environment:

Review Area	Key Observations
Complaints	<ul style="list-style-type: none">• The Council's Complaints Procedure advises that for issues which are straightforward, can be easily resolved or require little or no investigation, the Council will deal with the complaint as a front line resolution complaint as this will provide a better experience for the customer in resolving their issue more quickly. Audit testing identified that there were inconsistencies in the categorisation between complaint or front line issue.• Stage 1 & Stage 2 complaints were not being responded to within the 10 day deadline with no monitoring undertaken to establish the reasons behind this non conformance.• 'Lessons learned' whilst resolving complaints were not being captured in line with the Local Government and Social Care Ombudsmen guidance. As a result, any service improvements/efficiencies were not being identified. Additionally, reporting of complaints statistics to managers ceased in September 2020 with no identified agreement for this change in process.
Health and Safety	<ul style="list-style-type: none">• Corporate Management Team have not been receiving the reports and metrics outlined in the Health and Safety Policy for a number of years. This predates the COVID pandemic.• The Health and Safety Handbook which supports the Health and Safety Policy has not been updated since 2017. Any relevant changes since this time in working practices, use of equipment, etc are therefore not reflected.• Although new starters are required to undertake Health & Safety eLearning training, not all have taken this up and

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	<p>there is currently no process to follow up or escalate those staff who have not undertaken it.</p> <ul style="list-style-type: none">• Up to date and complete risk assessments are not in place, where relevant across the Council. The Council had recognised that this and work was already underway to identify which areas should be risk assessed at a service level and to put in place arrangements to ensure that this happens.
Cyber Security	<ul style="list-style-type: none">• Although GDPR and Cyber Security Awareness e:learning training is available – both generally and as part of induction for new staff, neither course is mandatory. Only 63.5% of current staff have undertaken this training. Monitoring of the uptake of these courses is not undertaken. As a result those yet to complete are not identified and followed up to ensure training is completed.• Council Members were not receiving GDPR and cyber security awareness induction training at the time of audit. The Democracy and Data Manager has planned for this to be in place following the May 2022 elections.• Reading and accepting the Acceptable Use Policy is not a requirement as part of the new staff induction checklist.• There is currently no requirement for regular cybersecurity awareness refresher training for staff. The Information Security Officer has submitted a request to subscribe to a cybersecurity training company providing general cyber security information as well as phishing testing and training. The proposition was agreed by the Information Governance Committee, but funding has yet to be sourced.• The Cyber security incident reporting procedure is not prominently publicised.

10. Acknowledgement

- 10.1 I would like to take this opportunity to thank all those staff throughout the Council who have continued to engage with the audit work notwithstanding the continued pressures upon them through the COVID-19 pandemic. The working relationship has remained positive and management were responsive to any actions identified through the audit work that have been raised either informally or through the formal reporting.

Report author and contact officer:

Karen Hayes, Head of Corporate Finance
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Agenda Item 6

Crawley Borough Council

Report to Audit Committee

25 July 2022

Internal Audit Progress Report

Report of the Head of Corporate Finance – FIN/578

1. Purpose

- 1.1 The Committee has a responsibility to review the Internal Audit Progress report to ensure that action has been taken by relevant managers on risk based issues identified by Internal Audit.

2. Recommendations

- 2.1 The Committee is requested to receive this report and note progress to date, as at 30 June 2022.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to ensure that action has been taken by relevant Managers on risk based issues identified by Internal Audit.

4. Background

- 4.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
 - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 4.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:
- The status of 'live' internal audit reports (outstanding management actions);
 - an update on progress against the annual audit plan;
 - a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.
- 4.3 The progress report is attached at Appendix A and provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to June 2022.

Report author and contact officer: Karen Hayes, Head of Corporate Finance

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Internal Audit Progress Report (July 2022)

Crawley Borough Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

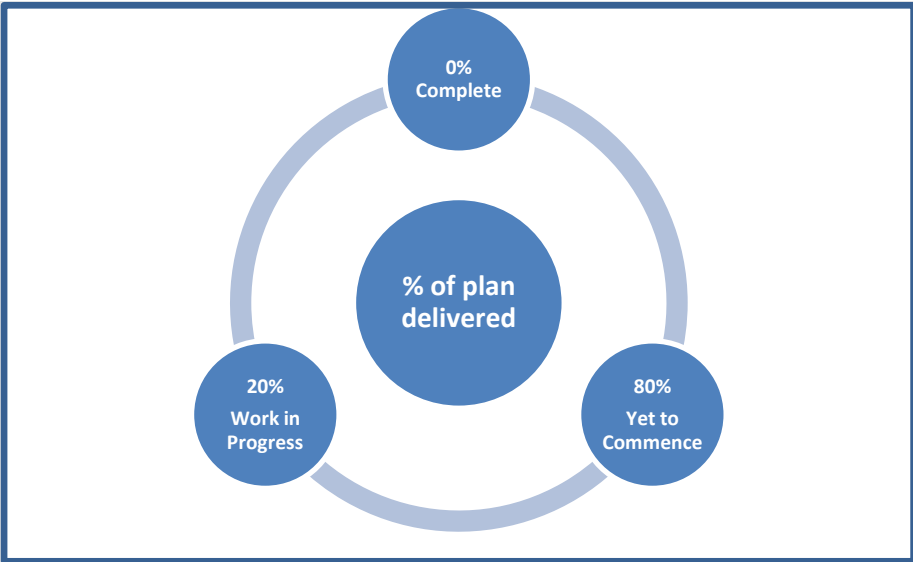
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	<i>There is a sound system of internal control designed to achieve the system objectives. Compliance with the control process is considered to be of a high standard and few or no material errors or weaknesses were found.</i>
Satisfactory	<i>Whilst there is a basically sound system of internal control designed, there are weaknesses, which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.</i>
Limited	<i>Weaknesses in the design of the system of internal controls are such as to put the system objectives at risk, and/or the level of non-compliance with some of the controls puts the system objectives at risk.</i>
No	<i>Control design is generally weak leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.</i>

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of ‘Live’ audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
2021/22										
Risk Management	14.06.2022	HofCF	Satisfactory	4 (0)	0	4				
Health and Safety	15.06.2022	HofGP&P	Limited	7 (2)	0	5	2 (2)			
Annual Governance Statement	23.06.2022	HofCF	Satisfactory	5 (4)	0	2 (1)	3 (3)			
Cyber Security	15.06.2022	HofD&T	Limited	15 (12)	0	12 (9)	3 (3)			
Car Parking (Staff Permits) Follow Up	28.06.2022	HofComS	N/A	3 (2)	0	3 (2)	0 (2)			
2022/23										
No reports finalised										
Total								0	0	0

*Total number of actions (total number of high priority actions)

Audit Sponsor

HofCF	Head of Corporate Finance	HofD&T	Head of Digital and Transformation
HofE&P	Head of Economy and Planning	HofComS	Head of Commercial Services
HofCoS	Head of Community Services	HofGP&P	Head of Governance, People and Performance
HofCH	Head of Crawley Homes	HofSS	Head of Strategic Housing

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no reports published concluding a “Limited” or “No” assurance opinion to date for 2022/23.

6. Planning & Resourcing

The internal audit plan for 2022-23 was presented to the Corporate Management Team and the Audit Committee in March 2022.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Governance								
Contract Management	HofCF							Q4
Fraud Framework	HofCF	✓	✓	✓				
Decision Making and Accountability	HofGP&P							Q3
Health and Safety	HofGP&P							Q3
HR and Organisational Development – Recruitment & Selection, Leavers and Retention	HofGP&P	✓	✓	✓				
HR and Organisational Development – Flexi time Policy	HofGP&P							Q3
IT								
IT Asset Management	HofD&T							Q3
Cyber Security	HofD&T							Q4
Core Financial								
Housing Benefits	HofCF							Q3
Payroll	HofCF							Q2
Delivering value for money and modernising the way we work								
Financial Resilience	HofCF	✓	✓	✓				
Transformation - Governance	HofD&T	✓	✓	✓				
Delivering affordable homes for Crawley and reducing homelessness								
Housing Allocations	HofSS							Q2
Compliance - Asbestos	HofCH							Q4
Compliance - Electrical	HofCH							Q2

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Compliance - Fire Safety	HofCH	✓	✓	✓				
Compliance - Gas Safety Checks	HofCH	✓	✓	✓				
HMO's/Enforcement	HofSS							Q2
Protecting the Environment								
Sustainability	HofE&P							Q4
Water Neutrality Strategy	HofE&P							Q3
District Heat Network	HofComS							Q3
Environmental Health - Pollution	HofCoS							Q2
Improving job opportunities and developing the local economy								
Towns Fund	HofCF							Q3
Crawley Growth Programme	HofE&P							Q3
Providing high quality leisure and culture facilities and supporting health and wellbeing services								
Parks and Open Spaces	HofCoS							Q3
Play Service	HofCoS							Q2
Leisure Contracts (The Hawth)	HofComS							Q2
Leisure Contracts (K2)	HofComS							Q3
Community Facilities - Regulatory Compliance	HofComS							Q4
Creating stronger communities								
Environmental Health - Taxi and Private Hire Licenses	HofComS							Q4

8. Adjustments to the Internal Audit Plan

There have been no adjustments to date.

Plan Variations	
Audit Review	Reason

Annexe 1

Overdue 'High Priority' Management Actions

There are currently no overdue 'high priority' management actions.

*** – Assurance			
Observation:			
•			
Management Action	Original Due Date	Revised Due Date	Latest Service Update

Overdue 'Low & Medium Priority' Management Actions (July 2022)

There are currently no overdue 'low' or 'medium' priority management actions.

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		

Agenda Item 7

Crawley Borough Council

Report to Audit Committee

25 July 2022

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager – FIN/579

1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 28 February 2022 to 10 July 2022. All outcome figures are taken from closed cases. Year to date figures are also included in the report for 2022/23.

2. Recommendation

- 2.1. That the Committee notes the report.

3. Reasons for the Recommendation

- 3.1. The Committee has a responsibility to oversee the Council's anti fraud and corruption arrangements. A major part of those arrangements is the activity of the Corporate Fraud & Inspection Team in identifying, investigating and taking action against cases of fraud.

4. Information & Analysis

- 4.1 The Fraud Team is currently investigating the following case types:

Case Type	Number of open cases	Number of open cases in the last report
Council Tax Support	4	13
Fly Tipping	2	2
Housing Cases	15	18
Non Domestic Rates	4	1
Single Person Discount	2	4
Other	1	0
Enforcement	1	0
Right to buy	0	2
Total	29	40

The above cases are all at various stages in the investigation lifecycle and will be reported on when the cases are closed.

4.2 Housing Fraud

During the reporting period the team has achieved the following:

	In period	2022/23 (YTD)
Properties recovered	3	2
Notional value of savings	£54,000	£36,000

Agenda Item 7

The previous Audit Commission through its 'protecting the public purse' studies conservatively estimated that for each property being misused and not available to the Local Authority it cost the Authority £18,000 per year per property. Housing-vulnerable families in bed & breakfast on a temporary basis is very expensive and can cost in excess of £100 per night. The Audit Commission figure is therefore used for recovering properties and preventing false applications.

4.3 Single Person Discount

Throughout the year the investigators and inspectors will routinely look into referrals received from the public or other means suggesting there are two adults resident and are therefore not eligible for the discount.

	In period	2022/23 YTD
Discounts removed	7 (£6,053)	4 (£2,832)

In addition, the inspectors are now starting their annual Single Person Discount data matching exercise. This is where we match Council Tax accounts against other data sets which highlights there is a second adult living in the property. We will then take action to correct these accounts.

4.4 Council Tax and Business Rates

The team continues to investigate and inspect Council Tax and Business rates.

New billable CT or Rates – inspectors are constantly looking for properties or businesses that are not on the valuation list and therefore not being billed. Legislation does not require occupiers to report new properties.

	Council Tax		Non Domestic Rates	
	In period	2022/23	In period	2023/23
New billable CT or rates	£68,127	£10,875	£607,950	£607,950

5. **Unlicensed House of Multiple Occupation (HMO)**

- 5.1. The team was asked by Private Sector Housing to help investigate a second suspected unlicensed HMO managed by Gatwick & Crawley Room Ltd / Gatwick House & Rooms Ltd of whom Carolyne Hunt was sole director.
- 5.2. Evidence was obtained showing an unlicensed HMO. A financial penalty totalling £55,000 had been imposed on Carolyne Hunt, Gatwick & Crawley Room Ltd and Gatwick House & Rooms Ltd which the Council is in the process of recovering.

6. **Implications**

- 6.1. There are no implications from the report.

Report author and contact officer:

Chris Corker, Operational Benefits & Corporate Fraud Manager - 01293 438598.

Agenda Item 8

Crawley Borough Council

Report to Audit Committee

25 July 2022

Risk Management Update

Report of the Head of Corporate Finance – FIN/580

1. Purpose

- 1.1 The Committee is asked to review the action taken by the Corporate Management Team and staff to mitigate strategic risks.

2. Recommendations

The Committee is requested to:

- 2.1 Consider the contents of this report and confirm it is satisfied with risk management arrangements.
- 2.2 Review the Strategic Risk Register (Appendix A) and determine whether there are any matters that it wishes to draw to the attention of the Chief Executive or to Cabinet.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to ensure that action has been taken by relevant Managers on risk-based issues identified by Internal Audit.

4. Background

- 4.1 The Corporate Management Team regularly reviews the strategic risks of the Council and looks at the mitigations of those risks. The updated risks are presented to the Audit Committee at its meetings. The internal audit service (SIAP) will give an annual report and opinion on the organisation's framework of Governance, risk management and contra based on the audit work conducted in the year. The audit plan looks at these strategic risks.
- 4.2 The Corporate Management Team made a commitment to amend the strategic risks from a long list to one in tabular format; with risk scores without controls in place; what mitigations are in place which gives residual scores. This is the first time this has been presented to the Audit Committee in this format. Future reports will highlight changes from the last report.
- 4.3 The focus of effective risk management is the identification and management of risks and opportunities. It increases the probability of success, reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process which runs throughout the Council's strategies and service delivery.
- 4.4 This enables the Audit Committee to meet its responsibilities to provide the Council with independent assurance of the adequacy of the risk management framework and associated control environment.

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5. Risk Management Arrangements

- 5.1 The Council's approach to risk management is set out in its [Risk Management Strategy](#). This policy is currently being reviewed and an updated policy will be presented to the Audit Committee at its meeting on 27 September 2022. The review will take into account advice from SIAP from a recent audit of risk management arrangements. The objectives of a risk management strategy are to:
- Integrate risk management into the culture of the Council by engendering a positive attitude and understanding to risk throughout service areas
 - Manage risk in accordance with best practice
 - Prevent injury, damage and financial loss to those connected with the Council's delivery of services.

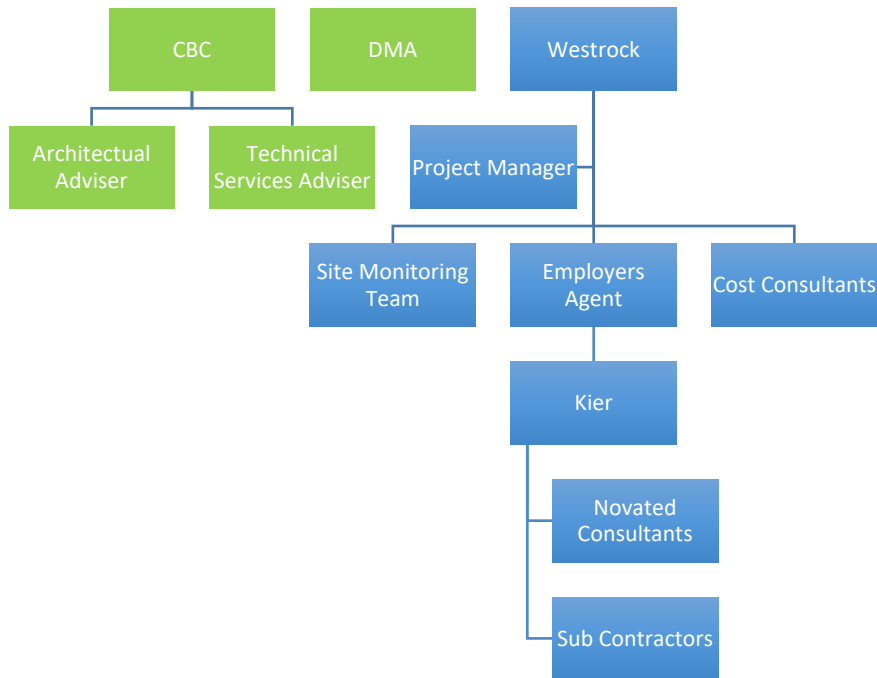
6. Strategic Risk Register

- 6.1 A strategic risk is defined as an event or action that will affect an organisation's overall ability to achieve its corporate objectives and execute strategies successfully. By their nature, strategic risks are generally not service or objective specific; they are areas of risk that cut across service and objective boundaries.
- 6.2 The Strategic Risk Register is reviewed by The Corporate Management Team and is shown in Appendix A. It includes a summary of the current analysis of residual risk as well as detail on each strategic risk. One of the key risks is the new Town Hall.
- 6.3 Despite the challenges of Covid, the construction of the new Town Hall building continues to budget, and working across stakeholders continues to improve. Handover of the building has moved from Dec 2021 to Feb 2022 and now late summer. Negotiations regarding further impacts from Covid and design changes are on-going and programme impacts are being monitored. Commercial agents have been appointed and indications for tenants are positive, but this remains a key risk, there has however been increased interest over the last few weeks.
- 6.4 Conversely Covid has accelerated new ways of working that increases confidence that the organisation will be ready to move, and allows the Council to occupy a smaller amount of space. Nonetheless there is significant work required to implement all aspects of new ways of working ahead of the move. Decisions on layout and capacity within the new space have been put on hold wherever possible until the post-Covid picture is clearer.
- 6.5 Significant progress has been made around the facilities management approach and this will continue. The wider benefits of the redevelopment is being actively pursued albeit that some skills and educational opportunities have been lost due to Covid. The project board overseeing the development has structured itself around these risk areas, and has developed a programme that identifies and manages interdependencies and is actively managing the identified risk. A detailed risk register has been created to reflect this stage of the development and continues to be updated as this stage of the project embeds itself. This is shown in Appendix B.

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6.6 Governance Structure –

Contractual Arrangements



Internal Governance

Member Oversight

- Updates to Cabinet Briefing & regular liaison with Portfolio Holders
- Reporting as requested to Overview & Scrutiny Committee
- Member Working Group advising with particular interest in Groups 2, 4 and 6

Town Hall Board

Group 1: Design & Build	Group 2: Moving into NTH	Group 3: Commercial Space	Group 4: Facilities Management	Group 5: District Heat Network	Group 6: Benefits Realisation
<ul style="list-style-type: none"> • Construction monitoring • Car Park works • Contractor liaison • Financial monitoring • Communications • Interface with other developments 	<ul style="list-style-type: none"> • Cat C design and procurement • Link Transformation Programme • Layout and accommodation • Decant planning and moving 	<ul style="list-style-type: none"> • Appointment of commercial agent • Marketing of building • Tenancy agreements • Occupancy arrangements • Interface with FM 	<ul style="list-style-type: none"> • Commissioning & training for M&E and plant equipment • Plant maintenance contracts etc • Emergency planning • Risk assessments • Car Parking • Front of house 	<ul style="list-style-type: none"> • Procurement of O&M contractor • Billing & Client arrangements • Test & Commission plant • Switch over A2D & Kilnmead • Phase 2 planning and business case 	<ul style="list-style-type: none"> • Public Square and 4th Plinth moment • Public spaces within town hall • Sustainability benefits • CSR benefits

Agenda Item 8

- 6.7 Appendix A shows the remaining strategic risks, this includes a new risk which is the cost of living and the impact that this will have on residents in Crawley. A webpage has been created to direct people to places for help, this webpage is being constantly updated.
- 6.8 A key element to the Risk Management Strategy is to confirm the Council's risk tolerance. The risk tolerance level is the threshold above which the level of risk is not acceptable and requires further action to reduce risk. The new Strategy to be presented in September will have an agreed level, this is likely to be 15. Risks around provision of affordable housing, cost of living, homelessness and water neutrality are exceeding this score together with climate change emergency. In these cases there are external factors that are affecting the score, these risks are being constantly reviewed and updates will be provided to future Audit Committees.

Report author and contact officer:

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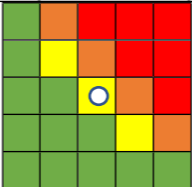
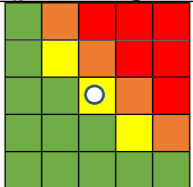
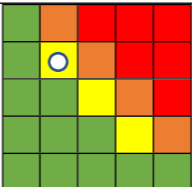
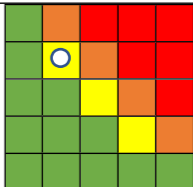
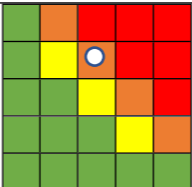
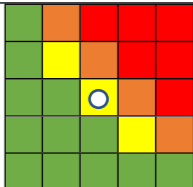
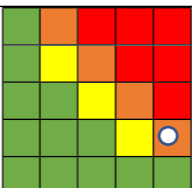
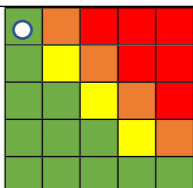
Strategic Risk Register

This register details the strategic risks faced by Crawley Borough Council in relation to achieving its priorities and includes the mitigation action being taken to control these risks. The register is owned by the Chief Executive and Corporate Management Team and is updated regularly.

Below is the matrix we use when scoring risk for any project or activity. We have also considered the risk appetite, based on guidance included in the Orange Book – Management of Risk, Principles and Concepts (2020)

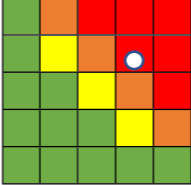
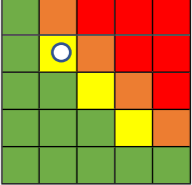
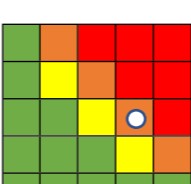
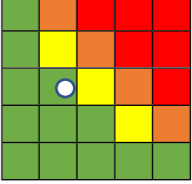
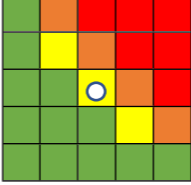
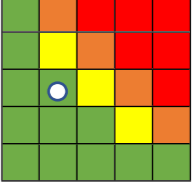
Impact/ Consequence	Likelihood				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

Risk Appetite	Description
Opposed	Avoidance of risk and uncertainty is key objective
Minimalist	Preference for safe options that have a low degree of inherent risk
Cautious	Preference for safe options that have a low degree of residual risk
Mindful	Willing to consider all options and choose one that is most likely to result in successful delivery
Enterprise	Eager to be innovative and to choose options that suspend previous held assumptions and accept greater uncertainty

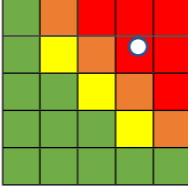
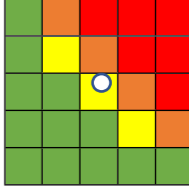
Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
New Town Hall	PC date has been delayed and is now due in August 22. This date has been assessed as achievable and any further delay should be minimal at this stage. Risk of delay relate to reputation, cost, and the state of the current building. Reputationally there has been little reaction to missing the AGM date and so is considered minor. Cost, if exceeding the budget is considered a significant risk, mainly politically as any overspend at this stage would be a small % of the total budget. The current building is in no real fit state for a further winter, but whilst significant (in terms of service disruption) the likelihood is small.	Deputy Chief Executive		Mechanisms within the contract are being used to address delay and cost concerns. Significant effort was taken to ensure these were robust before entering the contract. Professional advice being taken throughout, and communication with key stakeholders being maintained. No further mitigation possible at this juncture.		Mindful
District Heat Network	The District Heat Network Phase 1 has reached practical completion and has been handed over. The key risks moving forward therefore relate to the ongoing operation, maintenance and billing. The inflationary context in particular creates a pricing risk, attempting to ensure value for residents whilst achieving the required return. There is significant reputational risk in getting this balance wrong, especially in the context of potential expansion.	Head of Major Projects & Commercial Services		The operation, maintenance and billing has already been contracted out to a specialist, and the onboarding went very well. Two rounds of price setting have been undertaken, which seems to demonstrate that the DHN is able to balance value with return. However, the score remains consistent given that fuel prices are likely to increase again in October.		Mindful
LEP Infrastructure - Crawley Growth Programme	Risk of budget overspend for the future project delivery within the Programme and scheme delivery time overruns. The remaining Crawley Growth Programme schemes must be delivered by the end of March 2025.	Head of Economy & Planning		Regular financial monitoring and audit work carried out, including quarterly updates to CPAG. The Head of Corporate Finance attends six weekly Programme Delivery Team meetings with West Sussex County Council. A mid-term programme review is to take place in Q3 2022. Regular project monitoring undertaken by individual Project Boards, the Programme Delivery team with West Sussex County Council and reported to the Crawley Growth Board, chaired by the CBC Chief Executive.		Mindful
LEP Infrastructure - Crawley Growth Programme	Discontinuation or withdrawal of support from key partners.	Head of Economy & Planning		Regular interaction to identify and resolve issues promptly at project Board level with the Manor Royal Business District, Network Rail, GTR, Metrobus etc. A mid-term programme review to take place in Q3 2022.		Mindful

Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
LEP Infrastructure - Crawley Growth Programme	A sustained period of economic downturn which slows up private sector investment on key regeneration sites in the town centre.	Head of Economy & Planning		The type of infrastructure investment being delivered by the Crawley Growth Programme in public realm, transport and infrastructure transcends the economic cycle and delivers structural improvements to strengthen Crawley's economic prospects. The target date for delivery of regeneration site outcomes is actually 2030 to take account of the economic cycle and potential for a sustained down turn, which has been exacerbated by the impact of the COVID-19 crisis nationally and internationally.		Mindful
LEP Infrastructure - Crawley Growth Programme	Ineffective co-ordination of delivery across projects, leading to multiple disruption in the town centre and Manor Royal when this was avoidable.	Head of Economy & Planning		Careful planning and close cooperation between CBC, WSCC officers and third party partners / contractors. A mid-term programme review to take place in Q3 2022.		Mindful
Delivering the Affordable Housing Programme	The recent water neutrality position statement issued by Natural England has both immediate and future impacts on the delivery programme. A delay of at least 6 months to schemes due to be starting on site now is expected impacting the delivery of 230 new affordable homes. Additional costs arising from the requirement for schemes to evidence water neutrality through on-site and off-setting measures may impact the viability of schemes and the level of affordable housing that can be delivered.	Head of Strategic Housing Services		Officers are engaged in discussions with Natural England and Southern Water as well as with neighbouring local authorities in seeking to minimise impacts on the delivery programme. Work is underway to quantify and maximise headroom to take forward new development through offsetting measures within existing stock. Supported by external consultancy advice officers are working up proposals to evidence water neutrality for key developments caught by the new requirements. Pilot project underway in Crawley Homes looking to explore water savings through use of a flow regulator, plans to extend to 1000 homes after the pilot with water savings to enable development at two key sites.		Mindful
Delivering the Affordable Housing Programme	Beyond the medium term, the majority of larger sites within the Council boundary that can easily be built upon will have been developed. This will leave smaller sites that are more challenging and contentious in nature and therefore more resource intensive to bring forward, or finding other opportunities such as regeneration.	Head of Strategic Housing Services		Work has been undertaken to identify these future sites and opportunities, feeding into the Local Plan and developing programmes of work. Planning and Housing teams continue to work proactively to maximise opportunities afforded by development within neighbouring Districts and Boroughs adjoining the Council's boundaries.		Minimalist
Homelessness	Following increased demand for temporary accommodation during the pandemic, levels of homelessness continue to rise. The ongoing economic impacts from the pandemic, cost of living rises and increased additional demand arising from asylum and refugee resettlement programmes are placing an unprecedented burden on the Council in meeting temporary accommodation duties. Demand for TA significantly outstrips supply necessitating heavy reliance on expensive nightly paid accommodation with significant budgetary implications. The full TA budget allocation for 2022/23 has been fully spent during Q1.	Head of Strategic Housing Services		Efforts to relieve and prevent homelessness using all available options continue. 5 additional units of TA have been secured with a further 27 units anticipated in November. All potential acquisition opportunities are being explored. Three potential sites have been identified for modular housing and design work is in progress. Options with potential immediate impact are under consideration but must be balanced against impact on other duties to applicants with high level need on the Council's Housing Register. Homelessness grant reserves will offset impacts for the current financial year.		Mindful
Three Bridges Station	A way forward for the scheme is unable to be agreed.	Head of Economy & Planning		A budget review for the scheme will take place as part of the overall Crawley Growth Programme review in Q3 2022. Officers are working actively to secure the outstanding Community Infrastructure Levy required to finance the scheme. A comprehensive risk register is overseen by the Project Board of the Crawley Growth programme.		Cautious

Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
Disaster Recovery and Business Continuity - Data Breaches (Technical issue)	<p>Inadequate data sharing and data security arrangements, including failure to maintain public services network accreditation (PSN).</p> <p>Failure to maintain technical security safeguards – e.g. that firewalls are up to date or that the latest advice from NCSC has not been assessed and followed where appropriate.</p>	Head of Digital & Transformation		<p>The Council has made some considerable strides in this area. Most significantly it has re-secured its PSN certification providing assurance that its infrastructure is robust and secure. This will continue to be tested on an annual basis.</p> <p>The migration to the Azure Cloud provides an extremely high level of confidence as it has the weight of Microsoft's technology and finance to support it and is used globally.</p> <p>MFA (multi-factor authentication) has been rolled out to all staff with network accounts – this was done face to face for complete assurance.</p> <p>Immutable back ups are being secured for all of CBC's systems, as recommended by NCSC.</p> <p>The council recruited an Information Security Officer.</p>		Minimalist
Disaster Recovery and Business Continuity - Data Breaches (Human error)	<p>Improper disclosure of confidential information (in any format i.e. digital, paper etc.) could bring both financial loss (ICO fines, or worse, a ransomware attack) as well as reputational damage to the organisation.</p> <p>Failure to comply with GDPR legislation could lead to major reputational damage, loss of public confidence and the inability to operate key business processes</p>	Head of Digital & Transformation and Head of Governance, People & Performance (Data Protection Officer)		<p>A recent audit report identified a few areas of weakness, all of which are being addressed through a comprehensive plan. This is already being implemented.</p> <p>Training and awareness are key, as well as clear procedures for staff on what to do in the event of suspicious activity or possible breach.</p> <p>In preparation for the move to the new Town Hall, an Information Management project has been set up to audit all information assets and policies and the Information Governance Board has been refreshed.</p> <p>The council recruited an Information Security Officer</p>		Minimalist
Disaster Recovery and Business Continuity - Health & Safety Breaches	<p>Failure to comply with the requirements set out by Health & Safety legislation which covers the functions of the Council.</p> <p>Lack of clarity and / or understanding regarding the legal duties of Managers to ensure that risk assessments in respect of places, activities and people are regularly undertaken.</p>	Head of Governance, People & Performance		<p>Review the council's Health & Safety Handbook for Employees and Health & Safety Policy. Provide training where appropriate.</p> <p>Evaluate the Council's Health & Safety compliance status. Implement a H&S Action Plan for compliance</p>		Minimalist
Maintaining a balanced budget	A balanced budget is not achieved in the Medium Term, resulting in an increased use of reserves, which is not sustainable.	Head of Corporate Finance		<p>CMT are working on the budget position throughout the new financial year, including assessing the impact of Covid-19.</p> <p>Quarterly budget monitoring reports are submitted to Cabinet and Overview & Scrutiny Commission. A challenge of budgets exercise is taking place to identify savings, efficiencies and increased income in order to mitigate future budget gaps. The impact of the current economic climate is challenging future budget projections.</p>		Mindful

Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
Organisational Capacity, Recruitment & Succession Planning	Failure to recruit and retain Cat 1 employees namely Chief Officer roles e.g. S.151 Officer, Monitoring Officer	Head of Governance, People & Performance		<p>HR is undertaking benchmarking exercise to ensure that the Council is 1) aware of market salaries and trends and 2) may consider measures which might make it more competitive with the view to attracting quality candidates.</p> <p>People Board and HR Team working on developing the Council's "Employer Value Proposition". This will shape future recruitment campaigns and communications with existing staff.</p> <p>HR are working closely with managers to ensure that they properly plan and execute a professional recruitment campaign including quality, modern adverts and better communication and feedback with candidates before, during and after the process.</p> <p>Address the skills gap (and therefore lack of candidates) in the market by potentially "growing our own" experienced staff</p>		Mindful
Organisational Capacity, Recruitment & Succession Planning	Failure to recruit and retain Cat 2 employees namely professional roles e.g. lawyers, accountants, planners, EHOs	Head of Governance, People & Performance		<p>HR is undertaking benchmarking exercise to ensure that the Council is 1) aware of market salaries and trends and 2) consider measures which might make it more competitive with the view to attracting quality candidates.</p> <p>People Board and HR Team working on developing the Council's "Employer Value Proposition". This will shape future recruitment campaigns and communications with existing staff.</p> <p>HR are working closely with managers to ensure that they properly plan and execute a professional recruitment campaign including quality, modern adverts and better communication and feedback with candidates before, during and after the process.</p> <p>Address the skills gap (and therefore lack of candidates) in the market by potentially "growing our own" experienced staff</p>		Mindful
Organisational Capacity, Recruitment & Succession Planning	Failure to recruit and retain Cat 3 employees namely manual / front facing roles e.g. Civil Enforcement Office's, Community Wardens, Neighbourhood Services	Head of Governance, People & Performance		<p>HR undertaking benchmarking exercise to ensure that the Council is 1) aware of market salaries and trends and 2) consider measures which might make it more competitive with the view to attracting quality candidates.</p> <p>People Board and HR Team working on developing the Council's "Employer Value Proposition". This will shape future recruitment campaigns and communications with existing staff</p> <p>HR are working closely with managers to ensure that they properly plan and execute a professional recruitment campaign including quality, modern adverts and better communication and feedback with candidates before, during and after the process.</p> <p>Address the skills gap (and therefore lack of candidates) in the market by potentially "growing our own" experienced staff</p>		Mindful

Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
Organisational Capacity, Recruitment & Succession Planning	Impact of ageing workforce and an increase of key staff retiring.	Head of Governance, People & Performance		Managers need to undertake PDRs and have open and honest discussions with reports. They should be aware, in advance, of upcoming events e.g. retirements and be planning for recruitment / stepping up / reassigning duties with an appropriate knowledge handover, exit interview etc		Mindful
Climate Emergency	Failure to reduce carbon emissions by at least 50% and as close to net zero as possible by 2030. Failure to achieve carbon zero by 2040 at the latest.	Head of Economy & Planning		The Council's Climate Change Emergency Action Plan is in place A full funding plan will be drawn up in 22/23 for subsequent financial years to ensure delivery of the Council's carbon emissions reductions targets for its activities and services are fully costed.		Mindful
National Waste Strategy (including Food Waste)	The National Waste & Resources Strategy is delayed which may impact on the Waste Contract.	Head of Major Projects & Commercial Services		To be closely monitored. It seems likely that the Strategy will mandate changes to refuse and recycling collections including the introduction of a mandatory weekly food waste collection. However, the delay in the publication of the National Waste Strategy constrains the ability to amend the specification in advance of the contract re-procurement.		Mindful
Local Plan	Failure to adopt the Local Plan within the timeframe set by the government	Head of Economy & Planning		The Crawley Local Plan process is on hold, pending the drawing up and then agreement of the Water Neutrality Strategy with Natural England and other stakeholders. Once the Strategy is in place, consideration will need to be given as to whether there is an impact on the existing submission Local Plan document 2022-2037 and what revisions to the document are required to take account of the new Water Neutrality Strategy. At that point a revised timetable for the Local Plan process will be drawn up once this matter has been considered in full.		Cautious
Water Neutrality	Failure to agree a Water Neutrality Strategy	Head of Economy & Planning		Intense discussions at Chief Executive Level are taking place between the Local Planning Authorities affected, Natural England, Southern Water, the Environment Agency and government representatives. These discussions are chaired by the Council's Chief Executive and seek long term strategic infrastructure solutions to this situation. The Council's planning officers have agreed a new screening proforma with Natural England so that most householder and minor planning applications can proceed to decision without hindrance Some major planning applications back to Planning Committee for consideration where those applications demonstrated on site water neutrality. Further applications will be referred to Planning Committee where on site and / or off site water neutrality can be demonstrated.		Cautious
Cost of Living	Impact of more residents presenting themselves as homeless and being unable to pay their debts.	Head of Corporate Finance		A webpage has been created https://crawley.gov.uk/council-information/help-money-worries designed to direct people to help.		Mindful

Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
Towns Fund	Risks associated with the delivery of this programme are mainly centered around budget overspend and timescales exceed beyond the Towns Fund end date. A detailed risk register has been produced for each project within the programme.	Head of Economy & Planning		Regular financial monitoring and project monitoring undertaken by the Towns Deal Board and relevant project boards. The Head of Corporate Finance attends the s151 officers meeting. Internal assurance is via CPAG, through quarterly reporting on programme / risk updates.		Mindful

TOWN HALL PROJECT RISK REGISTER

File Ref:	Town Hall Development	Monitored by:	Project Board	Date Printed:	
Name of Doc:	Risk Register 07 July 22	No of Pages	12		
Version No:					

Likelihood	Impact
5 = Almost Certain	5 = Catastrophic
4 = Likely	4 = Major
3 = Possible	3 = Moderate
2 = Unlikely	2 = Minor
1 = Rare	1 = Negligible

Risk Score = Likelihood x Impact

All risks with a score of 10 or more are considered significant

Responsibility – Project Board

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
PB1	Planning conditions requires amending which impacts on financial viability of the scheme.	2 4 8	1 1 1	2 3 6	<ul style="list-style-type: none"> Pre app meetings held between Westrock and planning officers Conditions for the scheme have been identified and so that ownership and dates can be agreed. Planning conditions project tracker created for WR. 	Risk still active due to Planning conditions on the construction of the New Town Hall
PB2	Impact of construction Phase 1 and Phase 2 to residents and commercial tenants	3 3 9	2 3 6	3 3 9	<ul style="list-style-type: none"> Phase 1 nearing completion and disturbance has been kept to a minimum Project agreement includes timescale to build phase 2 Initial rental income projection incorporates phase 2 development impact 	Planning application for Phase 2 being developed and will need consideration to this risk.
PB3	Errors or omissions in legal or contractual documentation	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Internal/External procurement and legal advice taken on all aspects of the contractual arrangements. Legal agreements signed 18 Oct 2019 having sought external advice throughout negotiations. We are now in a fixed price contract with Kier. 	
PB4	Decision gateways and need for CBC authority result in delays making key decisions	2 4 8	1 4 4	1 4 4	<ul style="list-style-type: none"> Clear decision making leads identified at member and officer level agreed by Cabinet Robust project management and Governance structure established Continued working with consultants to ensure work to timeline. Management structure regarding the relationship with the contractor, the Council and the Development manager is in place. Steering group set up between key officers from CBC and Westrock to discuss issues. 	

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
PB5	Westrock unable to obtain development funding for project Phase 2 (market housing)	2 4 8	1 2 2	1 4 4	<ul style="list-style-type: none"> Project agreement will stipulate time period, with CBC having the option to buy back. Main risk sits with Westrock and not CBC Key CBC risk is no delivery of remaining affordable units or public square and being located to a derelict site. 	Planning application for Phase 2 being developed and funding currently being sought
PB6	Impact of changes to values of offices/housing	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Valuations obtained, these will be refreshed during the project. Proposed rents still in line with previous estimates Flats are not as saleable post pandemic but option to consider the buy to rent market. 	Westrock have moved away from market sale to build to rent, and are confident about the market for this offer. CBC have worked to secure the 18 affordable units within this context.
PB7	Project exceeds budget	2 4 8	1 4 4	2 4 8	<ul style="list-style-type: none"> Budget agreed and clearly communicated in Final design brief Regular Project Board and Steering Group meetings to review and keep cost projections up to date Contingencies sums identified covering 10% of project costs. 2.4% remaining Value engineering opportunities being explored at Stage 5 Monthly reports and Client meetings to ensure works are agreed and information provided to design team. Regular budget review meetings between Westrock and CBC Cat A and Cat B are now fixed price. 	Final account discussions commencing which should close down remaining risk on Cat A and Cat B.
PB8	Contractor is declared bankrupt and is unable to complete the construction contract	2 2 4	2 2 4	2 3 6	<ul style="list-style-type: none"> Contract retention of 8% of the contract value has been agreed in lieu of a performance bond as part of Due Diligence process. The mechanism agreed is a 5% retention of construction costs until practical completion of the project. This is in addition to a further 3% retention previously negotiated for quality purposes. The latest results from the contractor see improvements. Kier half year results issued on 21 April 21 show improved results despite the impact of the pandemic with significant progress on operational and financial turnaround strategy. Bonds have been paid in part as the scheme progresses. 	Ongoing

Responsibility – Group 1 – New Town Hall Design and Build

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G1-1	Errors in detailed design specification – New Town Hall	2 4 8	1 4 4	2 4 8	<ul style="list-style-type: none"> • Consultant Architects appointed as our client to oversee design brief. • Board to monitor mitigation actions to reduce costs, use of value engineering and errors • Regular design team meetings held to ensure variations are discussed before change requested. Consultant procured to provide advice and support to ensure Employers Requirements (ER's) are met and where necessary any changes are in line with original ER's. • Expert advice was given when designing the commercial space and canopy. • Cat B Commercial Office fit out design and fixed cost has been agreed. 	
G1-1 DHN	Errors in detailed design specification - DHN	2 4 8	1 4 4	2 4 8	<ul style="list-style-type: none"> • Consultant Architects appointed as our client to oversee design brief. • Board to monitor mitigation actions to reduce costs, use of value engineering and errors • Regular design team meetings held to ensure variations are discussed before change requested. Consultant procured (Ramboll) to provide advice and support to ensure Employers Requirements (ER's) are met and where necessary any changes are in line with original ER's • Design review undertaken with Ramboll and RPS and signed off before partial possession. 	Build completed and handed over. DHN providing heat and power.
G1-2	New Town Hall not delivered on time	2 3 6	1 2 2	3 2 6	<ul style="list-style-type: none"> • Robust monitoring governance agreed with all parties. • Monthly meetings with Contractor and Design Team to ensure programme is monitored and changes communicated. • Covid-19; Kier and the CMT (Construction Management team) are monitoring the situation. • Programme negotiation being undertaken with Kier and Westrock. • Kier reporting ongoing problems with supply chain and any additional design changes. 	Delivery of the Town Hall is late and now due for practical completion on 22 August. This is being dealt with through contractual mechanisms.

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G1-2 DHN	DHN not delivered on time	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Temporary heat being provided to the New Town Hall from DHN boilers. Connection of DHN to New Town Hall will take place before PC of new Town Hall. 	Build complete and partially handed over. Final handover in late spring
G1-3	Members facilities do not meet their requirements	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Regular consultation with Members and Member Working Group, they are aware of decisions that need to be made Member sign-off to this element of the final design brief of these elements Procurement programme has been aligned with Member engagement to ensure sufficient input from members Sample furniture and fabrics made available as part of the selection process. Agreement on furniture for Council Chamber, Executive offices and support for principles for the shared lounge. 	
G1-4	Staff facilities / infrastructure do not meet their requirements.	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Regular consultation with staff via a number of formats, new ways of working stream within Transformation Plan is picking this up this area of work Desk ratio demonstrates meeting needs and will work with staff to co-ordinate remaining elements. Will be delivering office etiquette guidelines and trails for new ways of working Links with the transformation plan Regular updates at Managers Conference on key issues, activities and timeline People Board created to consider policies and processes to support staff working in the new agile way. Workshop to look at requirement for IT build room and post/print rooms Storage request exceed suggested level in the design which will be targeted as part of the transformation board. Part use of third floor increases storage and desk scope to meet requirements. CMT agreed principles of layouts based on working environments. Staff will need to accept some compromise and adjustments in terms of ease of access to storage to allow overall space to work for all teams. 	
G1-5	Customer facilities do not meet their requirements	2 3 6	1 2 2	2 2 4	<ul style="list-style-type: none"> Crawley Homes Tenants Panel have been consulted. Will undertake a consultation with customers Trial for customer appointment booking system is underway in the current building. 	

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
					<ul style="list-style-type: none"> Will offer significant improvements to current arrangements. Sufficient time to trail new arrangements for customers. TAG (Town Access Group) are being consulted as part of the process, they have Inputted into changes in detailed design. Plans will reflect safe working environments and COVID restrictions where feasible Plans around engagement have been more restricted due to the pandemic, however there will be opportunities to engage. Payment Kiosks to be delivered after PC in line with income management tender. 	
G1-7	New Town Hall building as completed not to required quality/specification	2 4 8	1 2 2	3 2 6	<ul style="list-style-type: none"> Establish robust project management structure Maintain regular contact between CBC/developers to monitor construction against design specification Regular design team meetings held with Ramboll to ensure Stage 4 designs meet requirements. Within the contract there is a requirement for Kier to provide warranties. Building control are regularly going to the Town Hall site to assess progress Regular contact with planning to ensure design and planning conditions are signed off. Kier reviewing BREEAM assessment score during construction to ensure excellence is achieved during construction. WR have appointed WSI (West Sussex Inspections) as Clerk of Works from end of November 2021. WR have appointed Potter Raper as architectural Clerk of Works from 14-02-2022. 	Client Team will move to a quality assurance footing in the final weeks of the project.
G1-7 DHN	DHN building as completed not to required quality/specification	2 4 8	1 2 2	1 3 3	<ul style="list-style-type: none"> Establish robust project management structure Maintain regular contact between CBC/developers to monitor construction against design specification Regular design team meetings held with Ramboll to ensure Stage 4 designs meet requirements. Developers appoint Clerk of Works/Site Agent to oversee construction Within the contract there is a requirement 	Build complete and partially handed over. Final handover in late spring

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
					<p>for Kier to provide warranties.</p> <ul style="list-style-type: none"> Building control are regularly going to the site to assess progress Regular contact with planning to ensure design and planning conditions are signed off. 	
G1-9	Health & Safety – ensure compliance during and after the construction period and for the future.	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Robust project management from construction contractor(s) Consultation programme to include all relevant authorities with regard to health & safety matters Covid-19; Kier CMT (Construction Management Team) to monitor the situation. Kier have implemented their "COVID19-STAYING SAFE" procedures Discussions have been taking place with the contractor they have reviewed site safety and they are implementing further health and safety measures. 	
G1-10	<p>Unforeseen circumstances with the development delay the project; Examples: Problems with any of the utilities, adverse weather; industrial disputes</p> <p>Links to group 2</p>	2 2 4	2 1 2	2 2 4	<ul style="list-style-type: none"> Covered by the contract Early warning of any problems so that the impact of the risk could be prepared for; Impact of Covid is being managed well, early warning notifications will be issued by the contractor, no big issues at the moment. 	Ongoing risk
G1-11	<p>The commercial entrance for the building is delayed</p> <p>Links to group 3</p>	2 2 4	2 2 4	2 2 4	<ul style="list-style-type: none"> Possible for commercial tenants to use the Council staff entrance until the commercial entrance is complete. Included in the Kier delivery programme. 	Ongoing risk
G1-12	<p>Delivery of improved car park facilities, allocated spaces and management plan. Consider risk of staff morale by using the Orchard St car park instead of Exchange Road.</p> <p>Links to group 2 and 3</p>	1 1 1	1 1 1	2 2 4	<ul style="list-style-type: none"> Car Park improvements part of development plan Need to review spaces allocations and control systems Car Park management plan to be submitted to planning. Shorter and longer term risks of spaces to meet all the demand there will be sufficient in phase 1 but will be a bigger risk in phase 2. Communications have been sent to staff with regards to parking arrangements. ANPR to be installed spring 2022. 	Kingsgate Car park will provide a closer alternative for CBC staff if required.
G1-13	WSSC Eastern Gateway project impact on infrastructure	1 3 3	2 2 4	3 3 9	<ul style="list-style-type: none"> Early coordination with WSSC on programme dates. Discussions taking place with WSSC on the risk to delivery to the scheme. 	

Responsibility – Group 2 – Cat C Design and procurement, mobilisation and decant

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G2-1	Unable to deliver new ways of working to support reduced council operating space	3 3 9	1 2 2	3 2 6	<ul style="list-style-type: none"> Structured approach through Digital & IT Strategy to deliver key projects Information Gov project will support digitalisation of historic documents and reduce storage requirements although this is not a requirement prior to mobilisation. Changes to customer behaviour has resulted in less cash payments and appointments which is likely to continue going forward. Channel shift group looking at range of operational efficiencies for council processes as well as new ways of providing services. New Ways of Working programme created to manage interdependencies Staff have effectively delivered services during the pandemic remotely with hybrid working. Looking to build upon learning and embed these practices. 	
G2-2	Delays in mobilisation to new building impacting on services to customers	2 3 6	1 2 2	2 3 6	<ul style="list-style-type: none"> Current plans allow for six month mobilisation, there would be financial penalties if we exceed the six months New Ways of Working programme created to manage interdependencies Additional resources and expertise to manage the mobilisation planning and decant of current building if needed Delays in procurement & delivery of key furniture can be mitigated by reuse of existing desks and other items if required. Discussions underway with contractors to support disposal of furniture and mobilisation to new building. Existing furniture being offered initially to the voluntary sector. Potential impact if current self-pay kiosks fail to operate as out of service agreement. Customers would be directed to other methods or locations. Existing Town Hall unlikely to survive another winter due to the amount of repairs required. 	Furniture and AV procurement in place. Mobilisation programme in development.

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G2-3	<p>The Council and its staff are unprepared to move into the New Town Hall</p> <p>There is a lack of succession planning for key staff involved in the New Town Hall Project</p> <p>Managers are unprepared to manage their staff in the changed environment</p> <p>Links to group 4</p>	3 3 9	2 3 6	2 3 6	<ul style="list-style-type: none"> Facilities will ensure that all of the infrastructure including IT is ready for the New Town Hall to be ready for occupation with all statutory permits and insurances in place; Staff and managers will plan and prepare for the new building by visiting the new office accommodation to confirm where they will be located and when they will move; Phased transfer of staff to the new Town Hall so not to disrupt operations; Managers will plan contingency measures if key staff were to leave before the New Town Hall is completed; The transformation programme looks at digital transformation and new ways of working and changing the culture around agreed values and behaviours A staff guide to the New Town Hall has been created. Procurement underway for a mobilisation and disposal contract to assist with the move. 	Ongoing risk
G2-4	Scanning solution isn't ready in time to avoid double handling of scanning for teams.	3 3 9	3 2 6	3 2 6	<ul style="list-style-type: none"> Information Management Board closely monitoring Tender for contract due to close 22 Nov with contract starting in January. Will look to prioritise scanning according to volumes or access requirements. Aligning scanning with the implementation of new folder structure. Programme outlined with discussions underway with key services. Services are preparing and sending boxes for scanning and undertaking quality assessments with a view to completing by end of August. 	Scanning contract in place.
G2-5	Purchase of furniture, fixtures and equipment exceeds budget	2 4 8	2 3 6	3 2 6	<ul style="list-style-type: none"> Furniture tender evaluated with estimated costs within budget. AV tender due to close 22 Nov Both will have options for VE products if required. Additional furniture for the 3rd floor could be achieved within budget. Still further items including glass manifestation etc. to be costed. Regular budget management taking place to review spend against available budgets. 	Furniture and AV procurement in place. Mobilisation programme in development.

Responsibility – Group 3 – Commercial Space

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G3-1	Impact of demolition of phase 2 and the public square may discourage occupiers of commercial space over first few years	3 3 9	2 2 4	3 3 9	<ul style="list-style-type: none"> Financial projections are cautious for letting, work will take place with Westrock to minimise the impact A robust communications plan will be put into place 	Planning application for Phase 2 submitted
G3-2	Commercial office space including car park specification/design not attractive to potential occupiers.	2 4 8	1 2 2	2 4 8	<ul style="list-style-type: none"> Design set at required level to attract commercial occupiers Use of consultant architect to provide advice. Market changed due to the pandemic due to more hybrid working. Design cannot be split further than half floors and support External advisors state that the quality of the car park is not material to commercial customers Consultant letting agents who will provide advice appointed in June 2020. Professional advice received from the Commercial Agents will help to decrease the impact of the risk. Regular meetings with Commercial Agents on and changes to the design. Marketing has commenced, stating first new Grade A office space in Town Centre for 7 years. 	
G3-3	Letting the top floors commercial office space may be difficult in the new business environment due to: <ul style="list-style-type: none"> An oversupply of available office space in the Borough and with neighbouring Councils The impact of home working on the need for organisations to require new office space to accommodate their staff. <p>This risk could be reduced by the potential for London based organisations to move to Crawley where the costs will be cheaper.</p>	2 4 8	1 1 2	2 5 10	<ul style="list-style-type: none"> Consultant letting agent appointed to market and promote the letting of the office space. Consultant letting agents consider that there is not an oversupply of new, Grade A office space. The ability to let half floors will enable a flexible letting strategy thus marketing the building to those occupiers requiring smaller floor sizes. Joint London Agent appointed in March. Dedicated agents' event planned for September 2022 to promote the space as part of Invest Crawley programme. 	19/11/20 Risk G-3 and G-4 amalgamated Despite a nervous market where tenants are delaying decisions for as long as possible, the building has been very well received and is receiving strong interest.

Responsibility – Group 4 – Facilities Management (FM)

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G4-1	Facilities management services provided do not meet expectation of commercial tenants / building not kept at a level satisfactory to the commercial tenant	2 5 10	1 3 3	2 4 8	<ul style="list-style-type: none"> Work with commercial letting agent to clearly define requirements. Ensure FM provisions are flexible and adaptable to meet various tenants needs Visiting other providers to see how they operate both public and private sector FM Will need to operate two buildings during the mobilisation period. 	

Responsibility – Group 5 – Heat Network

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G5-1	District Heat Network not being progressed impacts detrimentally on overall scheme	2 2 4	1 2 2	1 3 3	<ul style="list-style-type: none"> See comments in Group 1. 	
G5-2	Operational efficiencies DHN costs more to maintain as the O&M contractor does not have the direct relationship with the design and build		1 2 2	2 3 6	<ul style="list-style-type: none"> Ongoing meetings with O&M contractor to update on design Robust commissioning schedule to be implemented 	PC has been agreed and Pinnacle Power satisfied with design and build standard. There are some post PC acceptance items within GT which have been noted. RPS monitoring progress with these.
G5-3	Commercial risks -DHN performance does not meet design criteria so costs more to run -Completed scheme does not meet HNIP funding requirements - gas prices are high and will impact on the revenue model		1 2 2	2 3 6	<ul style="list-style-type: none"> Confirm gas and electricity with LASER / 12 month price Obtain confirmation that final designs meet ERs and funding requirements 	Design criteria and HNIP funding requirements have been met. Gas prices have increased significantly. The approach has been agreed to mitigate the risk between our purchase of gas and the heat price charged to customers. This will need to be managed on an on going basis to ensure gas purchase cycle and setting of heat charge are aligned.

Responsibility – Group 6 – Benefits Realisation

Risk ID	Risk Description	Original Risk	Target Risk	Current Risk	Mitigating Actions	Review Date/ Comments 07/07/2022
G6-1	Project benefits not realised	3 2 6	3 2 6	3 2 6	<ul style="list-style-type: none"> Monthly monitoring of anticipated project benefits from other groups, to track progress. Monthly E&S Plan updates from Kier and bi-monthly meetings to track progress. 	

Risk Scoring = impact x likelihood (I x L)

Impact/ Consequence	Likelihood				
	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

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Crawley Borough Council

Report to Audit Committee

25 July 2022

Approval of the 2020/21 Statement of Accounts

Report of the Head of Corporate Finance – FIN/581

1. Purpose

- 1.1 To seek the Audit Committee's approval of the 2020/21 Statement of Accounts.

2. Recommendations

- 2.1 It is recommended that:

- a) delegated authority be given to the Chair of the Audit Committee to approve the 2020/21 Statement of Accounts once the audit is concluded
- b) the Chair of the Committee be authorised to sign the 2020/21 Letter of Representation
- c) the Chair of the Committee be authorised to sign the 2020/21 Statement of Accounts on behalf of the Council.

3. Reasons for the Recommendations

- 3.1 The Council has a statutory responsibility to approve the Statement of Accounts by 30 September, or as soon as reasonably practicable after the audit if the audit has not concluded by this date.

4. Background

- 4.1 The audit of the 2020/21 Statement of Accounts has not concluded. EY is reporting separately to the Committee on the current progress of the audit.
- 4.2 At the Audit Committee meeting on 15 March 2022, delegated authority was given to the Chair of the Committee to sign the accounts if there were minor or non-material amendments to the accounts following the conclusion of the audit.
- 4.3 One material amendment has been made in relation to depreciation on infrastructure assets at a value of £759,000.

5. Background Papers

- [Approval of the 2020/21 Statement of Accounts – Report to Audit Committee \(FIN/568\)](#)
- [Financial Outturn 2020/21 – Report to Cabinet 30/06/2021 \(FIN/526\)](#)
- The Accounts and Audit Regulations 2015
- The Accounts and Audit (Amendment) Regulations 2021

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- Code of Practice on Local Authority Accounting in the UK 2020/2021 (Chartered Institute of Public Finance and Accountancy)
- Guidance Notes for Practitioners (Chartered Institute of Public Finance and Accountancy)

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Crawley Borough Council

Report to Audit Committee

25 July 2022

Approval of the Annual Governance Statement 2021/2022

Report of the Head of Governance, People & Performance – LDS/186

1. Purpose

- 1.1. The purpose of this report is to seek member approval of the Annual Governance Statement 2021/2022.

2. Recommendations

- 2.1. That the Audit Committee endorses the Annual Governance Statement 2021/2022 as signed by the Leader and Chief Executive.

3. Reasons for the Recommendations

- 3.1 It is a requirement of the Accounts and Audit (England) Regulations 2015 that all local authorities produce an Annual Governance Statement.

4. Background

- 4.1 We are responsible for making sure that our business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically and efficiently. We also have a duty under the [Local Government Act 1999](#) to put in place proper arrangements for:
- the continuous improvement of our functions
 - the governance of our affairs which includes arrangements for the management of risk.
- 4.2 The objective of the Annual Governance Statement (AGS) is for the Council to summarise the extent to which we have complied with our own code of governance and met Regulation 6 of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021.
- 4.3 The Chartered Institute of Public Finance and Accountancy (CIPFA), in conjunction with the Society of Local Authority Chief Executives (SOLACE), has produced a framework for delivering good governance in local government. The framework guidance “Delivering Good Governance in Local Government Framework 2016” is used as a guide in compiling the AGS.

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- 4.4 It is usual that the AGS is put before this Committee for its endorsement as part of a report on the approval of the Statement of Accounts. However, given the anticipated delay in completing the Statement of Accounts report for 2021/22, it was considered prudent to bring the AGS to the Committee separately for its endorsement.
- 4.5 The AGS and Governance Action Plan was considered by the Governance Committee at its meeting on the 21 June 2022. The Committee expressed its support for both the AGS and the Plan and, in particular, it was pleased that the format and wording of the AGS had been improved from that of previous years. With regard to the Crawley Homes rent issue (an example used to demonstrate Principle 7 Accountability), the Committee expressed the view that the Council had dealt with the issue in an open, transparent and effective manner. A full copy of the Governance Committee discussion can be found in the meeting's minutes which can be accessed [here](#).
- 4.6 The Southern Internal Audit Partnership (SIAP) undertook an audit of the AGS in June. This is the first time the AGS has been audited and although there have not been any significant changes to the process in which the AGS is collated, there has been a change to the designated officers. The key purpose of the review was to ensure that the AGS is produced in line with the CIPFA/SOLACE framework and that it is effectively reviewed prior to publication and sign off. The outcome of this review received a "satisfactory" assurance opinion. There is a sound framework of internal control and no significant risks to the achievement of system objectives were identified.
- 4.7 The Annual Governance Statement has been approved and signed by the Leader of the Council and the Chief Executive.
- 4.8 The Annual Governance Statement 2021-2022 is attached at Appendix A.
- 4.9 The Governance Action Plan for 2021-2022 is attached at Appendix B.

5. Background Papers

The Accounts and Audit Regulations 2015

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Annual Governance Statement 2021/22

Foreword

This Annual Governance Statement reflects the governance arrangements within the Council for the period 1 April 2021 to 31 March 2022 and takes into account the effects of COVID-19 on the operations at the Council during that period.

As was the case last year, the Council has considered and reflected on its responses to COVID-19 since 31 March 2021 and confirm that governance arrangements were, and remained, robust.

Crawley Borough Council's Response to COVID-19 during 2021/2022

The Council overall has responded swiftly and decisively to the COVID-19 crisis as follows:

- COVID-19 agenda item on the fortnightly Corporate Management Team Agenda.
- The Leader of the Council initially hosted fortnightly Facebook Live question and answer sessions, which moved to monthly as the year progressed.
- The Chief Executive hosted fortnightly (which turned to monthly later in 2021) Q&A sessions with all Council staff.
- Governance arrangements were confirmed under which the Chief Executive could make Urgent Decisions in liaison with Leader of the Council and the Mayor.
- Regular updates of local Covid activity were also sent to Councillors during periods of national lockdown.
- Key Decisions were taken through the Chief Executive, in consultation with both party leaders and the relevant Cabinet Member.
- A New Norms Group was established to lead on managing the workspace environments and ensuring they were COVID-19 secure, to advise on remote working best practice and to put in place support for staff who were struggling.
- All Service areas engaged in the response; examples include:
 - Business Ratepayers written to with information on grant / business rates reduction claim process and their administration continued during the year
 - Benefits Team providing additional support to deal with increase in claims
 - Benefits Team administering Test and Trace isolation payments, these increased significantly during the Omicron variant
 - Significant Council enforcement and Covid compliance checks of local businesses and open space areas

Examples of how good governance was maintained during the Council's response to COVID-19 April 2021 - March 2022 include:

- Legislative changes were considered in respect of holding public meetings and making decisions, and virtual Council meetings were held. This continued throughout the financial year 2020/2021 and into the start of the

2021/2022 year. Following the legal requirement to return to face-to-face committees from the 7 May 2021, the Council adapted its governance arrangements to enable this to happen safely, including reducing committee sizes, enforcing social distancing and mask wearing. This ensured that decision making processes could take place effectively during this time.

- CMT held fortnightly meetings and Covid recovery was a standing item on the Agenda.
- The financial impact of Covid has been reported within the Budget Strategy, the Budget report and the Quarterly Monitoring reports to Cabinet. Allowances for losses were created within budgets and a separate Covid reserve was set up to meet any unplanned losses. The Budget Strategy looks at a gradual reduction in those losses but the reserve will remain to mitigate this. All Councillor seminars took place to jointly agree how savings would be sought to help mitigate the impact of losses on the Budget.

Scope of Responsibility

The Leader of the Council (Cllr Peter Lamb) and the Chief Executive (Natalie Brahma-Pearl) both recognise the importance of having robust rules, systems and information available to guide the Council when managing and delivering services to the communities of Crawley.

Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements have been working over the year.

It is intended that this AGS in respect of 2021/2022 will be considered by the Governance Committee on the 21 June 2022 and then on to the Audit Committee on the 25 July 2022. This is subject to the Statement of Accounts potentially being presented to the Audit Committee at a date later in the year.

Crawley Borough Council (“the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a [Code of Corporate Governance](#) which is consistent with the principles of, and reflects the requirements outlined in, the 2016 CIPFA/SOLACE Framework, ‘Delivering Good Governance in Local Government’. This statement explains how the Council has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2015, which require all relevant bodies to prepare an Annual Governance Statement.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled, and its activities through which

it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Crawley Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Crawley Borough Council for the year ended 31 March 2022 and will continue to be developed in coming years.

The Principles of Good Governance

The CIPFA/SOLACE framework was reviewed in 2015 to ensure that it remained “fit for purpose” and a revised edition was published in 2016, which defines the various principles of good governance in the public sector. The new Delivering Good Governance in Local Government Framework applies to the Annual Governance Statement prepared for the year ended 31 March 2022 and up to the date of the approval of the Annual Report and Statement of Accounts for the financial year 2021/2022. The key elements of the systems and processes that comprise the Council's governance arrangements are as follows:

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

The Constitution

Crawley Borough Council last updated its [Constitution on 19 January 2022](#) (with a further update planned to take place at the end of May 2022). The Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

The Constitution is divided into 3 sections: Decision Making, Procedure Rules and Codes & Protocols. The Decision-Making section includes details of the Council's decision-making mechanisms and a scheme of delegation setting out who is responsible for taking which decision. The Procedure Rules detail how meetings are conducted and how decisions are taken and scrutinised. The Code & Protocols set out the expected standards of behaviour for Councillors and officers along with any other required Councillor related protocols. The Constitution details how the Council ensures that all of those elements are efficient, transparent and accountable to local people.”

The Governance Committee is responsible for regularly reviewing the Constitution and ensuring that it is both up to date and fit for purpose. Significant changes to the Constitution are considered by the Governance Committee before being put before the Full Council for adoption.

Head of Paid Service

The Head of Paid Service is responsible for the strategic management of the Authority as a whole and the staff employed. They are required to report to and provide information for the Cabinet, the Full Council, the Overview and Scrutiny Commission and other Committees. They are responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.

Monitoring Officer

The Monitoring Officer is a statutory function and ensures that the Council, its officers, and its elected Councillors, maintain the highest standards of conduct in all they do. The Monitoring Officer ensures that the Council is compliant with laws and regulations, as well as internal policies and procedures. They are also responsible for matters relating to the conduct of Councillors and officers, as well as monitoring and reviewing the operation and maintenance of the Council's Constitution.

The Monitoring Officer ensures the lawfulness and fairness of decision making within the Council and, after consulting with the Head of Paid Service and the Chief Finance Officer, will report to the Full Council (or to the Cabinet in relation to a Cabinet function) if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

The Monitoring Officer for this Council is the Head of Governance, People & Performance.

Deputy Monitoring Officer

A Deputy Monitoring Officer has been appointed to act in the absence of the Monitoring Officer. For this Council this is the Democracy & Data Manager.

Section 151 Officer

Whilst all Councillors and Council officers have a general financial responsibility, Section 151 of the Local Government Act 1972 specifies that one officer in particular must be responsible for the financial administration of the organisation, and that this officer must be CCAB qualified. This is typically the highest-ranking qualified Finance Officer and for this Council this is the Head of Corporate Finance.

Deputy Section 151 Officer

A Deputy Section 151 Officer has been appointed to act in the absence of the Section 151 Officer. For this Council this is the Chief Accountant.

Codes of Conduct

Codes of Conduct exist for both staff and Councillors.

All Councillors must adhere to a [Code of Conduct](#) to ensure that they maintain the high ethical standards the public expect from them. If a complainant reveals that a potential breach of this Code has taken place the Council may refer the allegations for investigation or decide to take other action.

On joining the Council, officers are provided with a contract outlining the terms and conditions of their appointment. All staff must declare any financial interests, gifts or hospitality on a public register, as set out in the Constitution. Additionally, Councillors are expected to declare any interests at the start of every formal Council meeting they attend in accordance with Standing Orders. Councillors and officers are required to comply with approved policies.

Whistleblowing

The Council is committed to achieving the highest possible standards of openness and accountability in all areas of its practice. The Council's Whistleblowing Policy was revised in March 2022 and agreed by the Corporate Management Team, it will also be signed off by the [Cabinet](#) on 6 July 2022. The Policy sets out the options and associated procedures for Council staff to raise concerns about potentially illegal, unethical or immoral practice and summarises expectations around handling such matters.

Anti-Fraud, Bribery and Corruption

The Council is committed to protecting any funds and property to which it has been entrusted and expects the highest standards of conduct from Councillors and officers regarding the administration of financial affairs. The [Anti-Fraud and Corruption Policy](#) was updated in March 2022 (a draft is on the intranet/website for staff, Councillors and the public) and will be signed off by [Cabinet](#) in July 2022.

The Council has a Fraud and Investigations Team which acts to minimise the risk of fraud, bribery, corruption and dishonesty and recommends procedures for dealing with actual or expected fraud. The Team also prosecutes, where appropriate, and is involved in fraud training and awareness.

Principle 2: Ensuring openness and comprehensive stakeholder engagement

Transparency

The Council and its decisions are open and accessible to the community, service users, partners and its staff. All reports requiring a decision are considered by appropriately qualified Legal, and Finance staff with expertise in the particular function area before they are progressed to the relevant Committee or group. This Council wants to ensure that equality considerations are embedded in decision-making and applied to everything the Council does. To meet this responsibility, equality impact assessments are carried out when there is significant change to major Council services, functions, projects and policies in order to better understand whether the change will impact people who are protected under the Equality Act 2010.

All reports and details of decisions made can be found on the Council's [website](#).

Freedom of Information/Environmental Information Requests

The Freedom of Information (FOI) Act 2000 and Environmental Information Regulations (EIR) 2004 give anyone the right to ask for any information held by a public

authority, which includes this Council. This is subject only to the need to preserve confidentiality and in the application of certain exemptions and exceptions which may be engaged where it is proper and appropriate to do so. The Council responds to such requests in a timely and impartial manner and in line with the legislation. The Council also proactively publish information on our website as part of the [Publication Scheme](#).

Subject Access Requests

Section 7 of the Data Protection Act provides for individuals to obtain a copy of information that an organisation holds about them upon making a written request.

Engagement and Communication

Crawley Borough Council recognises that stakeholders require information about decisions that are being taken locally, and how public money is being spent in order to hold the Council to account for the services it provides.

Please see the “Public Consultation” section below for details of public communications and engagement.

The Council held its annual [Question Time on 9th March 2022](#), which gave residents the opportunity to ask questions about topics important to them. The panel included representatives from Crawley Borough Council, West Sussex County Council, Sussex Police, Crawley Clinical Commissioning Group and Crawley Young Person’s Council. This meeting was held at Crawley College.

Consultations

The Council publishes Forthcoming Decision Notices for planned consultations and future decisions. Internally, a consultation toolkit has been developed to guide Council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness, consultations are proactively promoted.

Complaints

Crawley Borough Council is committed to delivering a high-quality service and aims to achieve the highest possible standards but recognises that, despite its best intentions and hard work, things can go wrong.

When there is service failure or users are unhappy about the way a matter has been handled, the Council openly wants to hear about such experiences and operates a two stage complaints system as part of its Complaints Policy. Stage 1 is where the complaint is dealt with locally by the relevant service area. If the complainant continues to remain dissatisfied with the Stage 1 response, a request can be made for a further review, conducted by a senior officer, normally the Head of Service as a Stage 2 complaint.

If the matter is still not resolved to their satisfaction, the complainant is entitled to take the matter up with the Local Government and Social Care Ombudsman or the Housing Ombudsman who deals with any complaints that relate to the housing managed service.

Complaint’s data is reported to the Corporate Management Team (CMT) on a quarterly basis and includes data on volumes received and reasons for those that are late.

Lessons learned for upheld and part upheld complaints is also reported to CMT to ensure continuous improvement in service delivery. In addition data is reported at a service level on a monthly basis to ensure action is taken to address any areas of concern.

An audit of the Corporate Complaints Policy was undertaken in May 2021 and limited assurance was determined. In response to the key actions for improvement, changes have been made to the management and reporting of complaints. This includes the creation of the Corporate Performance Team, which includes complaints handling, and the Team are looking to rationalise and link complaints to performance. Changes to the Complaints Policy are still in progress with timescales being brought more in line with Ombudsman requirements for consistency. The Council are also improving the triaging of complaints and will provide clarity on the difference between a complaint and a service request. These changes are expected during the first quarter of 22/23.

The Council has also organised Ombudsman training for those key managers who are responsible for handling complaints to further enhance their understanding of the Complaints Process, communicating decisions effectively and resolving and learning from complaints. This training will be held in May and June 2022.

The Council's current [Complaints Policy](#) is available on its website. The revised Policy will be published as soon as it is available.

Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

Corporate Priorities

The [Corporate Priorities](#) of the Council for the period 2018-2022 are as follows:

- Delivering value for Money and modernising the way we work
- Delivering affordable homes for Crawley and reducing homelessness
- Improving job opportunities and developing the local Economy
- Creating stronger communities
- Providing high quality leisure and culture facilities and supporting health and wellbeing services
- Protecting the environment

The Corporate Priorities will be reviewed and updated after the elections in May. The Council continues to improve performance management within the organisation and service quality and best use of resources is ensured via:

- Transformation and Projects
- Portfolio Briefings
- Quarterly reporting to CMT
- Corporate Project Assurance Group
- Quarterly monitoring of complaints by CMT
- ICT Board

The Council has a 'dashboard of measures' to track performance across a range of key services and ensures that a more timely response can be applied to service improvement and also against service plans and strategies. This is encapsulated within the Performance Management Framework. The Corporate Performance Dashboard is reported to CMT on a quarterly basis. Heads of Service are encouraged

to discuss the performance report as part of DMT discussions, to consider areas of success and improvement.

The Council recognises that to drive improvement it needs to closely monitor and review its performance. The Council routinely monitors its spend against budgets, and each department has an agreed purpose and collect data to measure their performance.

Corporate Projects Assurance Group (CPAG)

CPAG was formed in 2018 and is chaired by the Chief Executive and includes the Deputy Chief Executive, Head of Corporate Finance, Head of Governance, People & Performance, Procurement Manager and Corporate Performance Manager. Its purpose is to ensure the project governance arrangements in the organisation are robust, risks are assessed and mitigated, enabling the successful delivery of corporate projects. The Group continues to meet every 6 weeks and has a forward programme of projects for discussion.

Information Management

Regular meetings are held in respect of the governance arrangements operating around information management. The Information Governance Board has oversight of information management within the Council and is trialling joint arrangements with Horsham DC to share knowledge, best practice and reduce duplication. The Council also created an Information Management Project Board in 2019 with a remit to ensure GDPR compliancy and to manage the corporate move to SharePoint, as the Council's Electronic Document and Records Management System.

Financial Controls

Financial reports comparing budget to actual and projections to end of year are available in real time to all key officers, with access/drilldown facilities appropriate to role and responsibilities. The Leader of the Council and the Cabinet also receive quarterly Budget Monitoring Reports. All Councillor financial seminars have taken place twice during the year to keep Councillors updated on the financial situation due to COVID-19 and the impact on future budgets.

Local Plan

The [Local Plan – Crawley 2030](#), was adopted in December 2015 and now forms the Council's development plan under which development control decisions will be taken. The Local Plan is supported by a number of companion planning documents and considerations including Supplementary Planning Documents, Development Briefs, Article 4 Directions and the Community Infrastructure Levy Charging Schedule and associated Infrastructure Plan. The Council's planning policies seek to balance the economic, social and environmental needs of residents, businesses and visitors, ensuring that Crawley continues to be a great place to live, to work and to visit. Review of the Crawley Local Plan commenced in 2019 and three rounds of formal public consultation have taken place to date with work ongoing on the evidence base.

Implementation of the Local Plan and the success of the Council's planning policies is measured and reported through the Authority's Monitoring Report which is published annually.

Transformation

In 2020 the Council updated the [Transformation Plan](#) to reflect the significant progress made against the previous Plan (2017/18). The purpose of the Transformation Plan for 2020-22 is to 'prepare the organisation to embrace new ways of working, providing easily accessible and more efficient services for our users, deliver value for money and creating a more commercial culture in order to sustain financial stability'.

The Transformation Board meets monthly, the Board is made up of all members of the Corporate Management Team, the Service and Improvement Development Manager and the HR and OD Manager. They monitor actions against the Transformation Plan.

The Council's Transformation Plan consists of six pillars:

1. Channel Shift; It aims to deliver modern, digital customer services that provide easy access and value for money whilst placing our customers at the heart of everything it does.
2. New Ways of Working; To develop and embed more agile ways of working so that all staff are contactable and connected wherever they are working. Combined with channel shift this will also drive improvements to how the Council deliver services to customers.
3. People Strategy; As the Council adapts to a changing environment and ways of working it must support its workforce to develop new skills to build flexibility and resilience. Alongside continuing to embed its values and behaviours into day to day practices so it is able to recruit, retain and develop the right workforce.
4. Service Redesign; Key thematic reviews have been identified to determine options to improve services and create efficiencies.
5. Commercialisation and Income Generation: To create a culture of commercialisation and embedding the principles of its PIPES strategy.
6. Assets; To ensure that the Council's land and property assets are utilised in the most efficient and effective way.

There is a separate Assets Review Group that monitors the Council's key commercial and investment properties, this Group is chaired by the Chief Executive and meets monthly.

Housing Strategy

Housing need and the Council's policies to address this are contained within the Local Plan Housing policies.

Following the introduction of the Homelessness Reduction Act, the Council's [Homelessness Review and Homelessness Strategy \(2019 – 2024\)](#) was approved by the Full Council on 16th December 2019.

The Council has identified five priorities for addressing homelessness within Crawley:

- Preventing and relieving homelessness
- Tackling rough sleeping
- Meeting the needs of vulnerable people

- Accessing suitable and affordable accommodation
- Preventing repeat homelessness.

Procurement Strategy

The Council operates a shared Procurement Service with Horsham, Mid Sussex and Mole Valley Councils, with Crawley acting as the lead Authority. Procurement processes are undertaken according to each Council's Procurement Code and the relevant public procurement regulations. These govern the way officers acquire goods, works and services, and ensure that Council processes are consistent, transparent, legally compliant, and that suppliers are treated fairly.

Depending on the type of contract being procured, suppliers may be asked as part of their bid to commit to the principles of a relevant charter or policy. Crawley has a Sustainable Procurement Charter, Unite Construction Charter and Social Value Charter. Further information on the Council's procurement processes, and key policies and charters are published on the website. [Procurement | Crawley GOV](#)

The Council has also recently produced a [Modern Day Slavery and Human Trafficking Transparency Statement](#), which was agreed at Cabinet on the 12 January 2022. We also provide quarterly updates to Cabinet on key procurements over £500,000 and a forward programme of key procurements. The last update also went to [Cabinet](#) on the 12 January 2022.

Climate Emergency

The Council declared a Climate Emergency in July 2019. In November 2021, the Cabinet agreed the Council's [Climate Emergency Action Plan](#) which pledged to reduce emissions by 45% by 2030 and to reach net zero by 2050. However, nearly two thirds of English local authorities have pledged to reach net zero by 2030, including our own local upper tier authority, West Sussex County Council, as well as other District and Borough Councils within West Sussex. As such, in December 2021 the Council agreed to amend the targets within its pledge to reduce emissions by at least 50%, as close to net zero as possible by 2030, and to reach net zero by 2040 at the very latest.

Details of current activities are available on the Council website. [Climate emergency | Crawley GOV.](#)

Equality, Diversity & Inclusion

The Council last updated its [Equality, Diversity & Inclusion Statement in 2017/18](#). A review of the Statement and Action Plan commenced in January 2022 and has considered the latest information under the Equality Act 2010. A revised Statement and Action Plan has been drafted which supports delivery of the three priorities the Council has identified as being important to meet its duty under the Equality Act. These are:

Priority 1: Our Organisation

Developing and building a diverse and engaged workforce

This priority is about ensuring our staff, Councillors and contractors are aware of the Equality Duty and everyone is treated fairly and equally. That the Council's workforce reflects the diversity of the local community.

Priority 2: Our Services

Ensuring our services are accessible to all in the way we plan and deliver them, including contracted services.

This priority is about ensuring that Council services and information are accessible to all, particularly those with protected characteristics. The Council will assess and take into consideration the needs of its customers and residents as part of the design and delivery of its services.

Priority 3: Our Community

Understanding and working with our community

This priority is about developing a greater focus on promoting social inclusivity across Council's services and fostering good community relations. Increasing effective community engagement and participation in public life, particularly from under-represented groups.

The Council's People Board has commented on the latest draft, with the final version being presented to CMT in May 2022 and Cabinet in September 2022.

Corporate Debt Policy

The Council has recently rolled out "Lateral" software to enable it to have a shared view of debt across the Council. This system will identify people that are vulnerable and be able to point them to get debt advice to help avoid them getting into further debt. The Council will be updating its Corporate Debt Policy next year.

Local Partnerships

The Council has a key role in a number of local partnerships, working for the benefit of residents and the community to improve the quality of life, including:

- Safer Crawley Partnership - formed in 1998 in response to the Crime and Disorder Act 1998.
- Crawley Wellbeing - a free, friendly and impartial service from the Local Authority, run in partnership with West Sussex County Council and the local NHS.
- Economic Partnerships, LEAG, Crawley Growth Programme, Crawley Economic Recovery Taskforce/Towns Fund Board.
- The Local Community Network (LCN) is a place-based approach to health and wellbeing delivery and aims to share plans, resources and priorities in tackling local, evidenced based, health inequalities. Membership includes colleagues from primary care, NHS, public health, the Local Authority and voluntary sector, using the Borough Council as the health anchor organisation to deliver the Crawley Health Programme.
- The Council is also a statutory member of the Local Safeguarding Children Board, Safer West Sussex Partnership, West Sussex Prevent Board, West

Sussex Corporate Parenting Panel, the Adult Safeguarding Board and the West Sussex Health & Wellbeing Board.

- Strategic Housing - the Council both leads and participates in a range of groups providing a multi-agency response to tackling street homelessness and providing improved outcomes for care leavers, ex-offenders older people and people with supported housing needs. A key focus remains planning for, and responding to, the housing needs arising from Covid-19 and the associated economic impacts. The Chief Executive continues to Chair the West Sussex Strategic Housing Partnership.

The Council also participates in national, sub-regional and County-wide partnership initiatives, including:

- Coast to Capital LEP
- Greater Brighton Economic Board
- Gatwick Diamond Initiative

Principle 4: Determining the intervention necessary to optimise the achievement of the intended outcomes

Effectiveness of Governance Framework

The Council has responsibility for reviewing the effectiveness of its governance framework and this is undertaken by the work of CMT in its development and maintenance of the governance environment. The Head of Governance, People & Performance produces an annual report and specifically comments on the governance framework, as does the External Auditor. Areas identified for improvement are acted upon by CMT.

Financial Measures

Crawley Borough Council publishes its Annual Statement of Accounts in accordance with CIPFA guidelines and the annual Budget is approved by the Full Council and monitored and reported upon regularly. The Narrative Report which forms part of the Statement has a series of financial measures. Quarterly monitoring of finance is reported to Cabinet, other financial measures are reported to CMT on a quarterly basis together with other non-financial performance measures.

Consultations

To be effective this policy aims to inspire and support a genuine two-way dialogue with all sections of the community and other stakeholders. There are a number of ways people can get involved and connect with the Council. Local people have the option to engage in a dialogue through social media sites (including Facebook and twitter), petition schemes, neighbourhood forums, Council meetings (open to the public), their local Councillor and annual Crawley Question Time.

Internally, a Statement of Community Involvement has been developed to guide Council staff through the consultation process. The agreed process ensures that engagement activity is relevant, accessible, transparent and responsive. To increase awareness and participation, consultations are proactively promoted via publications (printed and digital), press releases, social media, email, town notice boards and the Council's website. [Crawley Live](#), a Council publication, is published quarterly and sent to every household in Crawley to keep residents informed. It is also available online

on the Council's website. Various methods are used (depending on the scope of the consultation) to seek people's views, including questionnaires, public events and exhibitions, focus groups, satisfaction surveys and feedback forms. A list of current consultations and consultation events is available on the Council's website at www.crawley.gov.uk/consultation

Public Consultation

Where appropriate, the Council has carried out consultations with the general public, community groups and relevant stakeholders. There were a number of consultations carried out during 2021/2022, including: Public Space Protection Order for Anti-social use of vehicles survey, City status survey, Crawley economic recovery plan, Furnace Green and Maidenbower allotments survey, Hackney Carriage and Private Hire Licensing Policy Changes, Digital Services survey, Dobbins Place Youth Shelter consultation, Western Boulevard transport improvement scheme, Impact of COVID-19 pandemic on private sector landlords, Local Plan Review, Council-owned neighbourhood parades survey, Conservation areas and locally listed buildings survey.

All information gathered from public consultations is analysed and considered as part of the Council's decision-making process. Links to all surveys and consultations are hosted on www.crawley.gov.uk/consultation with results available upon request.

Principle 5: Developing the Council's capability, including the capability of its leadership and the individuals within it

Recruitment, Training and Development

Human Resource policies and procedures are in place to facilitate the recruitment and retention of capable staff. The Council operates a robust interview and selection process to ensure that staff are only appointed if they have the right levels of skills and experience to effectively fulfil their role.

The Council has shared [values and behaviours](#) that reflect the special nature of the Council. They describe what is important to the Council and what to expect from each other in the way work is done.

Annual Plan, Develop and Review discussions were introduced in January 2022. These discussions are an opportunity for line managers and staff to reflect on achievements in the past 12 months and plan for the year ahead. They are also linked to the Council's values and behaviours.

All new staff attend corporate induction sessions and undertake an e-learning induction package. Suitable training is available to support all staff to carry out their roles to the best of their ability. Newly elected Councillors are required to attend an induction which includes information on roles and responsibilities; political management and decision-making; the Code of Conduct, declaration and registration of interests, financial management and processes; information governance; and Data Protection.

Councillors' attendance at meetings is recorded via the Modern.Gov system. In the event of continual non-attendance for 4 months the matter will be passed to the Leader of the political group concerned for action to be taken. Should a Councillor fail to attend any formal meetings of the Council, for a period of 6 months, they relinquish being a Councillor. Each Group may seek approval from the Full Council to extend the 6 month non-attendance period, in exceptional circumstances.

Performance issues relating to staff are dealt with by the relevant Manager / Head of Service.

The Council has identified Organisational Capacity, Recruitment, Retention and Succession Planning as a Strategic Risk for the Council and as such have created a People Board, chaired by the Deputy Chief Executive, to bring corporate drive to address some of the challenges the Council faces. Corporate Management Team are also monitoring this as part of regular risk reporting.

Legal Compliance

The Council's Constitution clearly defines the roles and responsibilities of the Chief Executive, Chief and Senior Officers, Councillors and Committees and outlines procedural standards, the Scheme of Delegation and protocol on Council/Officer relations.

The Monitoring Officer is responsible for legal compliance, Conduct and Compliance and working with departments to advise on legal issues across the Council.

Financial Compliance

The Head of Corporate Finance has overall financial responsibility within the Council, as outlined in the Constitution. Within the Constitution are the [Financial and Budget Procedure Rules](#) which ensure that compliance takes place. The Accounts comply with financial regulations and the CIPFA Financial Management (FM) Code.

The Financial Management Code of Practice Compliance Assessment 2021 was undertaken by the Head of Corporate Finance (s151 officer) and the Chief Accountant (deputy s151 officer). The outcome of this assessment was reviewed by the Corporate Management team in one of their regular meetings in May 2022.

Principle 6: Managing risks and performance through robust internal control and strong public financial management

Effective Scrutiny (Overview & Scrutiny Commission)

The Council operates an Overview and Scrutiny Commission ("Commission") which has its own terms of reference, as outlined in the Council's Constitution. This Commission supports the work of the Cabinet and the Council as a whole. It allows citizens to have a greater say in Council matters by holding public inquiries into matters of local concern. These lead to reports and recommendations which advise the Cabinet and the Council on its policies, budget and service delivery. The Commission also monitors the decisions of the Cabinet, enabling it to consider whether a decision is appropriate. The Commission may recommend that the Cabinet reconsider or amend the decision. It may also be consulted by the Cabinet or the Full Council on forthcoming decisions and the development of policy.

Financial Management

The Head of Corporate Finance (S151 Officer) is responsible for leading the promotion and delivery of good financial management so that public money is safeguarded at all times, ensuring that budgets are agreed in advance and are robust, that value for money is provided by our services, and that the finance function is fit for purpose. They provide advice on financial matters to both the Cabinet and the Full Council and is

actively involved in ensuring that the Authority's strategic objectives are delivered sustainably in line with long term financial goals. The Head of Corporate Finance, together with the Finance team, ensure that new policies or service proposals are costed, financially appraised, fully financed and identifies the key assumptions and financial risks that face the Council.

Risk Management

All significant (strategic) risks are discussed regularly by CMT and are reported to the Audit Committee on a quarterly basis. These include the New Town Hall, District Heat Network, LEP Infrastructure – Crawley Growth Programme, Delivering Affordable Housing, the Transformation Programme disaster recovery and Business Continuity, a Balanced Budget, Organisational Capacity, Recruitment, Retention and Succession Planning, Public Health, [Climate Emergency](#), National Waste Strategy (including food waste), Covid-19, water neutrality, Local Plan Failure to Adopt and Council No Overall Control.

Operational risks are managed at departmental level.

Principle 7: Implementing good practices in transparency reporting and audit to deliver effective accountability

Internal Audit

The Audit and Risk Manager (Head of Internal Audit) was a qualified member of the Chartered Institute of Internal Auditors and they had full access to CMT and the Audit Committee. The Audit and Risk Manager left the organisation on 10 October 2021 and the Senior Auditor on 7 November, the third team member retired on 31 March 2021. The Head of Corporate Finance engaged [Southern Internal Audit Partnership](#) (SIAP), to undertake the Head of Internal Audit role. Temporary qualified audit staff have been used since October to undertake audits and the audit work has been supplemented by support from SIAP. SIAP have been approved to undertake the Councils audit from April 2022.

In light of this the Audit Team is deemed to be properly resourced and the Council is in compliance with the CIPFA statement on the Role of the Head of Internal Audit (2010) and Public Sector Internal Audit Standards. Some audits have been deferred in the year, these were based on a discussion with SIAP and looked at the risks involved. The reason for the deferral was due to Covid-19 pressures and the need to divert internal audit resources to the rents issue as identified below.

The Audit and Risk Manager/SIAP provides an independent and objective annual opinion on the effectiveness of internal control, risk management, and governance each year. This is carried out by the Internal Audit team/SIAP in accordance with the Public Sector Internal Audit Standards. Progress on the Audit Plan is reported to the Audit Committee on a quarterly basis.

Audit Committee

The role of the Audit Committee is to review and assess the adequacy of the Council's internal audit and risk management arrangements. This Committee meets quarterly and receives the reports from the Audit and Risk Manager/SIAP, including their progress reports and Annual Report. This Committee considers and comments upon the Internal Audit Plan, ensures the Audit and Risk functions are fulfilled and reviews the effectiveness of the Council's risk management arrangements.

Governance Committee

The Governance Committee deals with Constitutional matters, the Conduct of Councillors, Political Management Arrangements, and Corporate Governance, Councillors' Allowances, Elections and all non-Executive functions not specifically delegated to another Committee or Sub-Committee of the Council. This Committee specifically monitors and reviews the Corporate Governance of the Council including giving consideration of the Authority's Annual Governance Statement.

Annual Accounts

The Council publishes full audited accounts each year, which are also published on the Council's website

at <http://www.crawley.gov.uk/pw/sitesearch/index.htm?q=accounts%23>

Review of Effectiveness

Crawley Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of CMT, who has responsibility for the development and maintenance of the governance environment, the Head of Governance, People & Performance Annual Report, and also by comments made by relevant stakeholders, the external auditors and other review agencies and inspectorates.

Crawley Homes Rent Issue

In April 2021 the Council was contacted by the Regulator for Social Housing following a first mandatory data return about the setting of target rents. The Council was identified as an outlier, in that its target rents were higher than the Government's formula rent and valuations suggested they should be.

Forensic investigation identified that the issue dated back to changes to the Tenancy Agreement agreed in October 2013 and implemented in April 2014. One of the changes implemented was to move from charging rent based on a 48-week year to a 52-week year. Actual rents were changed but the target rents on the system were not. This has affected 2,259 tenancies, of which 1,757 are current tenancies.

Existing tenancies were not affected by this change, and neither were new tenancies within properties built since April 2014. New tenancies since April 2014 within properties that pre-date April 2014 have consequently been overcharged in the region of 8%.

Tenants have paid the rent they would have signed up to pay as part of their Tenancy Agreement, but that rent level was set higher than it ought to have been. Given that rents have been set as part of a valid Tenancy Agreement and that all subsequent actions have been taken in line with that Tenancy Agreement, the Council has acted legally throughout.

A [report](#) to the Overview and Scrutiny Commission on 22 November 2021 and Cabinet on 24 November 2021 gave the background and actions to the historic overcharge to HRA rents.

A briefing note was prepared, this provided information around the issue itself, the communications with Councillors and key staff, how this was communicated with the regulator and the Department of Works and Pensions.

The regulator responded to the actions of the Council saying that, due to the prompt action and the steps taken by the Council, it would not be publishing a regulatory notice. The regulator did point out that the impact was large and impacted a number of tenants, but the error did pre-date the regulators oversight.

The DWP were satisfied that the housing benefits element of the adjustment could be repaid to them in the financial year 2021/22, this was adjusted in the payment from the DWP in January 2022.

Clear audit trails were kept on the correspondence with tenants, and Councillors were kept up to date with the actions taken by the team dealing with the issue. The total impact was £3.3m to be repaid to the DWP (£1.7m) and current and former tenants.

A link to the [website](#) was given to affected tenants.

The impact of the adjustment was reported as part of Quarter 3 Budget Monitoring to [Cabinet](#) in February 2022. On the same agenda was the Budget and Council Tax report which included the reduced rental income for future years. The impact of the adjustment resulted in a lower balance in the HRA reserve which is used for the provision for new housing properties, however there is still sufficient provision within this reserve to meet the current capital programme for the HRA.

An internal audit of the whole process was undertaken during the year and is ongoing, however the feedback is that there are good robust procedures in place and a clear audit trail.

Head of Governance, People & Performance Opinion

The Head of Governance, People & Performance is required to provide an independent opinion on the overall adequacy of the effectiveness of the Council's governance, risk and control framework. Their Annual Report and Opinion has been considered and any significant issues incorporated as a result.

From the work undertaken during 2021/22, reasonable assurance can be provided that there is generally a sound system of internal control, designed to meet the Council's objectives and that controls are applied consistently. Report [FIN/528](#) Audit and Risk Manager's annual report to the Audit Committee on 19 July 2021 gave a substantial assurance opinion. Where weaknesses are identified, i.e. Limited Assurance reports and Priority One recommendations are made; these are tracked by the Audit Committee until implemented or discharged.

A Governance Action Plan has been produced for 2021/22 and sets out the progress made against the governance challenges identified during 2021/22. This is attached as an appendix alongside the AGS.

Significant Governance Issues

There are no significant governance issues to report.

Conclusion

To the best of our knowledge, the governance arrangements as defined above, have been operating effectively during the year and remain fit for purpose.

Signatures:


Leader of the Council

Date: 22/6/22


Chief Executive

Date: 22/6/22

Governance Action Plan 2021/22

This Action Plan sets out the actions taken to address the Council’s governance challenges for the 21/22 financial year. Where “limited assurance” has been identified, these are tracked by the Audit Committee until implemented or discharged.

No.	Issue	Action	Who	When	How is this monitored?
1.	Implement the actions identified in the Parking Administrative Processes Audit, which received “limited assurance”.	<p>Formal regular stock checks are undertaken every month and instructions on how to do this have been included in the Parking Services Administration Officer’s instruction sheet.</p> <p>A new process has been introduced to record details of parking books issued and there is improved labelling of boxes that are open and in use.</p> <p>Improved reconciliation of the parking permit system and the payment system has been implemented, which highlights any discrepancies in payments not made.</p> <p>All changes have been reflected in the Permit Processing Handbook.</p> <p>A lockable cabinet for permits is planned for the new Town Hall.</p>	Kate Wilson Dan Carberry	July 21 Autumn 22	Audit Committee
2.	Implement the actions identified in the Fleet Management Audit which received “limited assurance”	<p>Improvements to the Fleet Management Manual have been undertaken which includes reference to the Council’s Incident and Accident Policy.</p> <p>The Council’s Vehicle Policy now makes links to the Council’s Procurement Policy, ensuring greater access to several Framework Agreements.</p>	Nigel Sheehan Paul Baker	August 21	Audit Committee

		<p>Most of the vehicle fleet are now fitted with vehicle trackers. The remainder (23) are awaiting fitment dates from Masternaut. These works are planned to take place between May and July 2022. Delays have been experienced from Masternaut.</p> <p>Project team will be established during 2023 to consider future tracker contract which may include CCTV provision.</p> <p>The Vehicle Policy is being updated to include the actions from the Council's Climate Change Action Plan. This will include reviewing operational fleet mileage and looking for operational efficiencies in distances travelled and through eco-driver training.</p>		<p>July 22</p> <p>March 23</p> <p>Ongoing</p>	
3.	Implement the actions identified in the Complaints Procedure Audit which received "limited assurance"	<p>The Corporate Performance Team was created in September 21, which includes complaints handling. The team are looking to rationalise and link complaints to performance.</p> <p>Changes to the Complaints Policy are in progress with timescales being brought more in line with Ombudsman requirements for consistency.</p> <p>We are also improving the triaging of complaints and will provide clarity on the difference between a complaint and a service request.</p> <p>Ombudsman training has been arranged for key managers responsible for complaints to further enhance their understanding of the Complaints Process, communicating decisions effectively and resolving and learning from complaints. This training will be held in May and June 2022.</p>	Siraj Choudhury Anna Pedlow	<p>September 21</p> <p>Autumn 22</p>	Audit Committee

		<p>CMT receive quarterly complaints data as part of the Corporate Performance Dashboard. Monthly reporting has commenced in Crawley Homes, as they receive the highest proportion of complaints.</p> <p>The next 12 months will look to see the changes being embedded, including a complaints IT system to help manage and administer complaints.</p>		Ongoing	
4.	Implement the actions identified in the Cyber Security – Staff Awareness Audit	<p>The Audit commenced in February 2022 and completed in April 2022.</p> <p>Actions will be carried out during 22/23 and progress will be included in the 22/23 Governance Action Plan.</p>	Simon Jones Siraj Choudhury	July 22	Audit Committee
5.	Strategic risks are currently recorded in narrative format with no scoring or assessment on management controls to manage the risk to an acceptable level. However, the Town Hall Board has its own risk register for delivery of the New Town Hall, which does have scoring applied.	Strategic Risks has been prioritised for Q1 in 22/23 and progress will be reflected in the 22/23 Governance Action Plan.	CMT	July 22	Audit Committee
6.	The Council's Equality, Diversity & Inclusion Statement and Action Plan was last reviewed in 2017/18. A review is required to ensure we are compliant under our duties of the Equalities Act 2010.	<p>The review commenced in January 2022. A draft statement and Action Plan has been produced and has identified 3 priority areas for action for the Council over the next 4 years. The Action Plan will be reviewed on an annual basis. The priorities are:</p> <ul style="list-style-type: none"> • Priority 1: Our Organisation <i>Developing and building a diverse and engaged workforce</i> 	Siraj Choudhury	September 22	CMT OSC Cabinet

		<ul style="list-style-type: none">• Priority 2: Our Services <i>Ensuring our services are accessible to all in the way we plan and deliver them, including contracted services.</i>• Priority 3: Our Community <i>Understanding and working with our community</i> <p>The Council's People Board has reviewed the draft and the final document will be submitted to CMT in May 22. It will then go on to OSC and Cabinet in September 22.</p> <p>Progress will be reflected in the 22/23 Governance Action Plan.</p>			
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