



Oversight and Governance

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AUDIT AND GOVERNANCE COMMITTEE

Tuesday 14 January 2025
2.00 pm
Warspite Room, Council House

Members:

Councillor Allen, Chair
Councillor Finn, Vice Chair
Councillors Cuddihee, P.Nicholson, Raynsford and Stevens.
Independent Member Annette Benny.

Members are invited to attend the above meeting to consider the items of business overleaf.

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Tracey Lee
Chief Executive

Audit and Governance Committee

Agenda

1. Apologies

To receive apologies for non-attendance submitted by Committee Members.

2. Declarations of Interest

Members will be asked to make any declarations of interest in respect of items on this Agenda.

3. Minutes (Pages 1 - 16)

To confirm the minutes of the meetings held on 12 November 2024 and 11 December 2024.

4. Chair's Urgent Business

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

5. Capitalisation Direction Update: (Verbal Report)

6. External Auditor - Audit Progress Report and Sector Updates: (Pages 17 - 32)

7. Update on External Audit Recommendations : (Verbal Report)

8. Treasury Management Board Update: (Verbal Report)

9. Adult Social Care Debt Management 2024/25: (Pages 33 - 56)

10. Procurement Act Readiness Action Plan: (Pages 57 - 64)

11. Committee Self-Assessment: (Verbal Report)

12. Tracking Decisions: (Pages 65 - 68)

13. Work Programme: (Pages 69 - 72)

Audit and Governance Committee

Tuesday 12 November 2024

PRESENT:

Councillor Allen, in the Chair.

Councillor Finn, Vice Chair.

Councillors Annette Benny, Noble (substitute for Councillor Cuddihee), P.Nicholson and Raynsford.

Apologies for absence: Councillors Cuddihee and Stevens.

Also in attendance: Liz Bryant (Head of Legal), Hannah Chandler-Whiting (Democratic Advisor), Wendy Eldridge (Lead Accountancy Manager), Carolyn Haynes (Interim Head of Finance), Ross Jago (Head of Governance, Performance and Risk), David Northey (Service Director for Finance), Oliver Woodhams (Head of Finance) and Louise Clapton (Devon Audit Partnership), Ken Johnson (Devon Audit Partnership) and Jackson Murray (Grant Thornton).

The meeting started at 2.02 pm and finished at 4.32 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

37. **Declarations of Interest**

A general dispensation was in place for Committee Members in relation to the following item: Council's Electoral Cycle Consultation.

38. **Minutes**

The minutes of the meeting held on 10 September 2024 were agreed as an accurate record.

39. **Chair's Urgent Business**

There were no items of Chair's urgent business.

40. **Plymouth City Council Audit Plan 2023/24**

Jackson Murray (Grant Thornton) introduced the report and highlighted:

- a) Ethical standards meant that lead auditors rotated every five years and Jackson Murray would be taking over from Paul Dossett from 2023/24 accounts onwards;
- b) The backstop date was 13 December 2024 for all accounts up to and including 2022/23;
- c) The 2023/24 audit had been underway since September 2024 and was making good progress;

- d) The backstop for 2023/24 would be February 2025.

Supported by Carolyn Haynes (Acting Head of Finance), in response to questions, the following was reported:

- e) Valuation of council land and buildings was a common risk due to the high value;
- f) The Council was required to estimate what amount would be needed to pay out to all future pensioners should the pension liabilities crystallise and the auditors needed to ensure the assumptions were reasonable;
- g) Committee Members would be provided with current asset valuation information;
- h) The Council did not have any assets with negative value;
- i) There was no update on the capitalisation directive, and if there was an update, it would be shared with Committee Members.

41. **Auditor's Annual Report (Interim Version) for the year ended 31 March 2024**

Jackson Murray (Grant Thornton) introduced the report and highlighted:

- a) The final version was expected to be issued in three months' time;
- b) Value for money findings must be reported by November each year;
- c) Two significant weaknesses had been identified in the same report for the 2022/23 financial year;
 - i. Financial sustainability and Grant Thornton had recommended that the Council should update its Medium-Term Financial Strategy (MTFS) which remained open but an updated MTFS had been presented to Cabinet on 11 November 2024;
 - ii. Need to improve economy efficiency and effectiveness in Children's Services following an Ofsted improvement notice;
- d) There was evidence that the Council was discussing savings transformation regularly but it needed to be more clear on how different programs were being pulled together and ensure that the transformation that was required to maintain financial sustainability could be evidenced;
- e) Improvement recommendations related to sensitivity analysis required within the MTFS and a need to report the split between recurrent and non-recurrent savings as well as the need for a review of the Corporate Risk Register and reporting high level improvements made following fraud investigations each year;
- f) Procurement readiness action plan needed to be reported to the Committee ensuring the Council was ready for the implementation of new procurement policy in 2025.

In response to questions, the following was reported:

- g) A link to the MTFS report that had gone to Cabinet would be shared with Committee Members;
- h) The MTFS would be reviewed by Grant Thornton;
- i) The publication of the MTFS had been delayed by the General Election in July 2024;
- j) Grant Thornton would not provide a detailed expectation for budget setting, it would not be appropriate in relation to national budget, though this is provided more generally by LGA and other forums and organisations which could be shared;
- k) Procurement Readiness Action Plan would be added to the work programme.

42. **Counter Fraud Half Year Report**

Ken Johnson (Counter Fraud Services Manager, Devon Audit Partnership) introduced the report and highlighted:

- a) Following a recommendation from Grant Thornton, more detail would be provided in counter fraud reports moving forward;
- b) A new offense of 'failure to prevent fraud' had been created, but the team were still waiting for guidance on this from Government and the risk would need to be considered and an updated Anti-Bribery and Corruption Policy would be brought to Committee for approval;
- c) Savings were as expected for the time of year.

The Committee expressed their thanks to Ken for his continued good work.

43. **Internal Audit Half Year Report 2024/25**

Louise Clapton (Audit Manager, Devon Audit Partnership) introduced the report and highlighted:

- a) The Head of Internal Audit mid-year assurance opinion was reasonable assurance on 30 September 2024:
 - i. 100% of audit assurance opinions were of reasonable assurance and 100% of grants were certified without amendment;
 - ii. There were two limited assurance audit opinions at draft when the report was published and whilst this would affect percentages, it would not affect the overall opinion;
- b) Progress against delivery the internal audit plan was at 67%;
- c) There were two additions to the plan agreed previously: Adult social care client contribution income and the LGA Improvement and Assurance Framework at the request

of senior management;

- d) The scope of the budget management audit would be extended to include valuation against CIPFA's financial management code;
- e) Homelessness had been deferred in order to complete work on the adult social care client contribution income;
- f) Performance management was replaced with work around the Council's family of companies governance.

The Committee agreed to:

- 1. Note the mid-year assurance opinion statement;
- 2. Note the findings.

44. **Internal Audit Management Action Tracker Q2 2024/25**

Louise Clapton (Audit Manager, Devon Audit Partnership) introduced the report and highlighted:

- a) This tool was used to track actions of limited assurance to monitor and ensure management actions were taken appropriately and promptly;
- b) This report was unchanged from Q1;
- c) Of the 123 management actions agreed 41% have been implemented and of the outstanding actions 48% were overdue, but 88% of those actions were partially implemented;
- d) Good engagement from across the Council in recommendations but some actions took longer than expected.

In response to questions, the following was explained:

- e) Work looking into adult social care debt management was ongoing and would be reported on in more detail at a future meeting;
- f) Using external legal support for adult social care debt management was not being considered as an option.

The Committee agreed to:

- 1. Note the implementation of internal audit recommendations.

45. **Treasury Management Mid-Year Report 2024/25**

Wendy Eldridge (Lead Accountancy Manager) introduced the report and highlighted:

- a) There had been very little movement since the last report provided to the Committee;

- b) There had been higher investments made in money market funds;
- c) The first £5 million LOBO (Lender option borrower option) call in had been made in August 2024 and there was one remaining LOBO call-in for 2024/25;
- d) LOBO's had been very popular but now the strategy was to pull out when advisable because of high interest rates;
- e) The borrowing strategy was a challenge but lower interest rates had begun to be secured;
- f) New borrowing continued to be a challenge during a period of interest volatility;
- g) Some borrows would only lend to authorities who had their latest accounts signed off, a position Plymouth City Council was not in;
- h) Savings in this area resulted in a forecast underspend for this area;
- i) There had been compliance against prudential indicators except for non-compliance to prudential indicator for interest rate exposure through upper limit on fixed interest rate exposure being exceeded.

In response to questions it was reported:

- j) The average interest rates were between 1.37-2.54%;
- k) A short-term approach was being taken towards interest rates at the time because a reduction was predicted for the future and this was under constant review;
- l) There would always be cash-rich authorities who were keen to lend, but some had moved from lending to borrowing authorities because of varying circumstances, so the market of lending authorities was smaller.

The Committee agreed to:

1. Note the Mid-year Treasury Management Report;
2. Note non-compliance to prudential indicator for interest rate exposure through upper limit on fixed interest rate exposure being exceeded.

46. **Treasury Management Strategy 2025/26**

Wendy Eldridge (Lead Accountancy Manager) introduced this report and highlighted:

- a) The Strategy included documents for the 2025/26 were only just made available and so the interest rate and economic forecast was subject to change;
- b) The approach for the Investment Strategy was: security, liquidity and yield;

- c) The Buying Strategy was a balance between securing the lowest cost of interest and ensuring the cost will cover the period of funds required;
- d) Prudential indicators were required under the Treasury Management Code of Practice, and set out the operational boundaries of borrowing;
- e) The report focussed on the Property Regeneration Fund and the return from investments into economic development property;
- f) The report would be updated to include the economic interest rate forecast released by Arlingclose in November 2024.

In response to questions, the following was explained:

- g) The International Financial Reporting Standards (IFRS) 16 accounting rules had changed which was reflected in the report in changes in Private Finance Initiative (PFI) liabilities and leases;
- h) All borrowing costs were included in the Medium Term Financial Strategy (MTFS);
- i) The Capital Investments had been analysed to ensure there would be growth within the Council in future years;
- j) Grant funding would be used to alleviate some borrowing;
- k) The report included a Liability Benchmark Chart.

The Committee agreed to:

- 1. Recommend the Treasury Management Strategy 2025/26, that incorporated the authorised limits, operational boundaries and prudential indicators, to City Council for approval.

47. **Capital Financing Strategy 2025/26**

Wendy Eldridge (Lead Accountancy Manager) introduced this report and highlighted:

- a) In 2024/25 additional governance would be added for projects going through the Capital Programme Officer Group (CPOG);
- b) The Five Year Programme totalled nearly £373 million and highlighted that just under £92 million would be financed through Corporate Borrowing;
- c) The borrowing requirement would be accommodated within the MTFS;
- d) £124 million of the Programme would be financed through service borrowing.

In response to questions, it was explained:

- e) The five year programme was subject to change and this was reflected in the report.

The Committee agreed:

- I. To recommend the Capital Financing Strategy to Council for approval.

48. **Risk Management Monitoring Report**

Ross Jago (Head of Governance, Performance and Risk) introduced the report and highlighted the following points:

- a) There were 18 risks in total on the Strategic Risk Register;
- b) Three risks had been removed from the Strategic Risk Register in the last quarter, including lack of adult social care workforce, IT supply chain complaints, and Senior Leadership capacity;
- c) The top three risks on the Strategic Risk Register included: cyber-attacks, finance and Integrated Commissioning.

The Committee agreed to note the report.

49. **Performance and Accountability Framework**

Ross Jago (Head of Governance, Performance and Risk) introduced the report and highlighted the following points:

- a) The Data Quality Strategy had been agreed by the Corporate Management Team and gone through the internal governance processes and would be brought before the Committee in the future;
- b) Work was being done with the new Chief Operating Officer to implement AI across data pipelines to ensure they were robust and consistent. This would inform the Data to Intelligence Strategy.

50. **Committee Self-Assessment**

Ross Jago (Head of Governance, Performance and Risk) introduced the item and highlighted the following:

- a) Members, substitutes, and former Members of the Committee had received a questionnaire to complete, and answers would be provided to Council in 2025.

51. **Council's Electoral Cycle Consultation**

Liz Bryant (Head of Legal) introduced the report and highlighted the following points:

- a) The report had been before the Committee previously, but was brought back as the consultation period had ended;

- b) The consultation was carried out over an eight week period between 24 July 2024 and 22 September 2024, asking the public to choose between whole council elections or to keep the current system;
- c) 7,055 responses were received for the consultation, and there were four stakeholder responses from the University of Plymouth, The Police and Crime Commissioner, Plymouth Community Homes and Plymouth Marjon University;
- d) The responses were as follows: 4,063 wanted to change to whole council elections, 2,443 wanted no change, and 545 had no preference.

Caroline Marr (Senior Policy Advisor) added:

- e) Face to face groups had been run with the Youth Parliament;
- f) Councillor sessions had been run for the public to ask questions and find out more about the electoral cycle;
- g) The consultation was promoted through the Council's Communications Team and Elections Team;
- h) Democracy and stability were the key themes that emerged from the consultation analysis.

In response to questions, it was explained:

- i) Validation was done to ensure against duplicates in the consultation, however as this was an open survey there was no way to ward against the public providing their opinion more than once and providing different answers.

The Committee agreed to the following recommendations:

1. To receive the electoral cycle consultation summary report at Appendix A and recommend that the City Council determined at its meeting on 25 November 2024 whether to make a change to its electoral cycle arrangements;
2. To note the amendments to the Council Size Submission at Appendix B arising from a change in forecasting date to 2031;
3. To authorise the Monitoring Officer and Chief Executive to make any further minor forecasting amendments necessary and to finalise the addendum required setting out the electoral cycle decision prior to submitting the response to the LGBCE.

52. **Tracking Decisions**

The Committee agreed to note its Tracking Decisions document.

53. **Work Programme**

The Committee agreed to add adult social care debt management to the work programme.

The Committee agreed to note its work programme.

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Audit and Governance Committee

Wednesday 11 December 2024

PRESENT:

Councillor Finn, Vice Chair in the Chair.

Councillors Cuddihee, Freeman (substitute for Councillor Allen), Krizanac (substitute for Councillor Stevens) and Raynsford.

Apologies for absence: Councillors Allen, P.Nicholson, Stevens and Independent Member Annette Benny.

Also in attendance: Councillor Lowry, Liz Bryant (Head of Legal), Carolyn Haynes (Acting Head of Finance), Ross Jago (Head of Governance, Performance and Risk), Oliver Woodhams (Head of Finance) and Paul Dossett (Grant Thornton (via Microsoft Teams)) and David Johnson (Grant Thornton (via Microsoft Teams)).

The meeting started at 10.05 am and finished at 11.08 am.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

54. **Declarations of Interest**

No declarations of interest were made.

55. **Chair's Urgent Business**

There were no items of Chair's urgent business.

56. **Auditors Annual Report**

Carolyn Haynes (Acting Head of Finance) gave context on the meeting and highlighted:

- a) Apologised for the lateness of the reports;
- b) The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance circulated to Committee Members had not been issued until 9 December 2024;
- c) The audit opinion had not been received until late on 3 December 2024 and the consequential reports then had to be written and assimilated;
- d) As of 30 April 2024, 369 sets of local authority accounts out of a total of 625 for the financial years 2020/21 and 2022/23 were still waiting to be audited;

- e) Local authorities across England and Wales had experienced a significant backlog in completion of audits for several years which had been reported as a crisis;
- f) In February 2024 the Ministry for Homes, Communities and Local Government (MHCLG) issued a joint statement with CIPFA and the Finance Reporting Council (FRC) on proposals to address the backlog as a three stage process;
- g) New statutory backstop dates for all finance years up to and including 2027/28 needed to be established;
- h) Long-term work was required to address the systemic challenges that had led to this audit backlog;
- i) 13 December 2024 had been set as the backstop date for all outstanding audits up to and including 2022/23;
- j) Plymouth City Council had two financial year statements affected by the backstop for 2021/22 and 2022/23;
- k) The accounts for 2019/20 and 2020/21 would be signed off by 13 December 2024 with an unmodified opinion and were not affected by the backstop position;
- l) Draft accounts were published on the Council's website and had been presented to the Audit and Governance Committee previously;
- m) Auditors were contracted audit to professional standards and in accordance with the code of practice;
- n) A Disclaimed Opinion from Grant Thornton was included within the report and was worded as follows: 'Grant Thornton had not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements due to an outstanding legal issue which had now been resolved and capacity issues within Grant Thornton over the last four years, it had not been possible for Grant Thornton to complete their work on the audit for 2021, 2022 and 2023 and therefore they had issued a disclaimed opinion';
- o) The Disclaimed Opinion implications included:
 - i) The Council had, in recent years, received an unmodified or unqualified opinion and the most recent accounts for 1920 and 2021 received an unmodified opinion. As this was a national issue affecting many local authorities, the Government may have to intervene to provide more assurance for those authorities receiving a disclaimed opinion under the statutory back stop arrangement;
 - ii) The Council would be working hard to ensure that they provided the necessary evidence in future audits to restore public confidence in accounts and to work towards receiving an unmodified opinion as soon as possible;
- p) The Public Sector Audit Appointments Panel set Audit Fees at a scale fee for 2021/22 of £111,393 and for 2022/23 of £122,255. The Audit Fees for 2023/24 were £375,258 and for

2024/25 were £409,064.

Councillor Lowry (Cabinet Member for Finance) added:

- q) Audits were now undertaken by private firms such as Grant Thornton, however this service used to be provided by the Audit Commission;
- r) The report was up to three years out of date and addressed issues which were no longer relevant;
- s) Due to there no longer being an Audit Commission, and every Council had to use private firms, there was a lack of capability and capacity;
- t) A detailed action plan was needed from the auditors outlining what they were going to audit, and when they were going to do it, to prevent the delay happening again.

Paul Dossett (Grant Thornton) added:

- u) Grant Thornton had signed over 80% of audits from 2022/23 and earlier;
- v) Plymouth City Council had complied with the regulations in terms of producing accounts, however there had been an ongoing legal issue which had led to the backstopping of two audits;
- w) This report had been brought before the Committee previously as an 'interim' report, but now was able to be finalised.

In response to questions, it was explained:

- x) The legal issue was resolved when Plymouth City Council was able to redraw the accounts from 1920;
- y) Outside of work around value for money, no audit procedures had been carried out on the reports from two years ago;
- z) Due to the Government implementing the backstop, Grant Thornton had been unable to provide audit assurance on the 2021/22 and 2022/23 accounts;
- aa) Imposing a backstop did not solve the fundamental problem of the lack of auditors;
- bb) It was suggested that the Chair of the Audit and Governance Committee would meet with council officers and Grant Thornton auditors on a regular basis to ensure documents were not brought before Committee so late again;
- cc) There needed to be a period of recovery in which audits would be carried out as normal, including the in-year transactions and closing balances, but there would also be work on opening balances which would comments in 2024/25 and 2025/26;
- dd) An Audit Opinion for 2022/23 would be received by the Council on 30 December 2024, and an Audit Opinion for 2023/24 would be received by the Council by March 2024 for

2023/24;

- ee) A 'normal' Disclaimed Opinion was when auditors could not place reliance on the numbers, however this Disclaimed Opinion was by Statute, meaning the Government imposed the Disclaimer, preventing auditors from finishing audits and reaching conclusions;
- ff) There was no clarification from the Government as to what would be required of auditors going forward;
- gg) Closing balances and in-year transaction audits will still be carried out in 2024/25, it was the auditing of opening balances that there was not clarity on from the Government;
- hh) Grant Thornton would adhere to report deadlines to ensure the Councillors had enough time to read the report before the next meeting in February 2025.

The Committee agreed to:

1. Note the report;
2. Recommend the Chair of the Audit and Governance Committee should meet with Council officers and Grant Thornton auditors on a regular basis to ensure documents were not brought before Committee late again.

57. **Audit Findings Reports 2021/22 and 2022/23**

David Johnson (Grant Thornton) introduced the report and highlighted the following points:

- a) Previous reports had given a detailed outline of the work that had been done to reach the conclusion for the factors set out in the previous item;
- b) This report provided short form audit findings.

The Committee agreed to note the report.

58. **Approval of Statement of Accounts 2021/22 and 2022/23**

Carolyn Haynes (Head of Finance) introduced the report and highlighted the following points:

- a) The changes to the accounts reflected changes which had been put through in relation to previous audit findings for 2019/20 and 2021 accounts;
- b) Changes had also been made to reflect the change in accounting treatment of the pension transaction in 2019/20, to move it from being a Capital Transaction to a Revenue Transaction;
- c) There was a negative working fund balance, however this would be resolved when the Capitalisation Directive was received;

- d) Associated Minimum Revenue Provision and Associate Reserve Movements had been removed in relation to the pension transaction;
- e) Changes had been made for the accounting treatment of the interest rate swap which was previously treated as a hedge transaction;
- f) Amendments had been made to the notes on Heritage Assets to include items below £100,000 and the special books collections;
- g) Corrections had been made to Property Plant and Equipment, arising from making annual depreciations charges on material assets values as at the 31 March.

The Committee agreed:

- 1. To approve the Statement of Accounts for 2021/22 attached as Appendix A and the Statement of Accounts for 2022/23 attached as Appendix B. This was a Statutory Requirement, the Account and Audit Regulation 2015 required the accounts to be:
 - i) Considered by Committee;
 - ii) Approved by Committee resolution;
 - iii) Signed and dated by the person presiding at the Committee;
- 2. To delegate authority to the Section 151 Officer in consultation with the Chair of Audit and Governance Committee to sign the letters of representation to Grant Thornton LLP for the Council and to sign the accounts;
- 3. To note the amendments to the 2021/22 and 2022/23 accounts and that they would not be subject to an external audit but would instead be subject to the provision of the backstop legislation and were anticipated to be finalised before 13 December 2024;
- 4. To consider the contents of the Audit Opinions for the Council (Appendices C and D);
and
- 5. The Letters of Representation attached as Appendix E & F were authorised and submitted to the Auditor.

59. **Tracking Decisions**

The Committee agreed to note its tracking decisions document.

60. **Work Programme**

The Committee agreed to note its work programme.

Plymouth City Council

Audit progress report and sector updates

January 2025



Contents

Section	Page
Audit progress report	03
Introduction	04
Progress at January 2025	05
Audit deliverables	06
Sector updates	07
Audit Committee resources	15

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and, in particular, we cannot be held responsible to you for reporting all the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Audit progress report

Introduction

Your key Grant Thornton team members are:

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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at January 2025

Financial Statements Audit

The audit opinions for the years 2020/21 to 2022/23 were issued 13 December 2024 in accordance with the national backstop deadlines, after the 2019/20 audit opinion was issued 26 November 2024. 2019/20 and 2020/21 were unqualified, whilst 2021/22 and 2022/23 were subject to backstop disclaimed opinions.

As a result of the backstop opinions, the 2023/24 audit opinion will also be disclaimed due to a lack of assurance over opening balances. In accordance with guidance issued by the National Audit Office (NAO) and Financial Reporting Council (FRC), we would expect the 2024/25 audit opinion to be subject to a form of qualification as well, with an aim to move to unqualified opinions in future years following a rebuilding of assurance.

Our 2023/24 audit began in October 2024 and continue to progress. Recognising the challenge of multiple years of open audits, the Council team has needed to focus on closing older year audits at times. Members of our audit team currently plan to be in Plymouth w/c 13 January 2025 to meet with finance team colleagues to close down as many of the outstanding queries and audit areas as possible. At the time of writing at the beginning of January there is a significant amount of work still in progress. The backstop date for 2023/24 audit years is 28 February 2025 and we propose to report findings from our work to the Audit and Governance Committee meeting scheduled for 18 February 2025.

Value for Money

We reported our Auditor's Annual Report (interim version) covering 2023/24 to the Audit and Governance Committee in November 2024. The final version of this report can only be issued once the opinion on the financial statements is signed, expected to be on or after the Audit and Governance Committee scheduled for 18 February 2025.

Audit Deliverables

Below are some of the audit deliverables planned for 2023/24.

2023/24 Deliverables	Planned Date	Status
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2023/24 financial statements.</p>	November 2024	Issued and discussed at 12 November 2024 Audit and Governance Committee.
<p>Audit Findings Report</p> <p>The Audit Findings Report will be reported to the Audit and Governance Committee.</p>	February 2025	Planned for 18 February 2025 Audit and Governance Committee.
<p>Auditors Report</p> <p>This includes the opinion on your financial statements.</p>	February 2025	To be issued in accordance with the 2023/24 backstop date of 28 February 2025.
<p>Auditor's Annual Report</p> <p>This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.</p>	December 2024	Interim version issued and discussed at 11 December 2024 Audit and Governance Committee. Final cannot be issued until audit opinion signed.

Sector updates

IFRS 16 - leases

Lessee accounting up to 31 March 2024

Until April 2024, when a local authority gained the use of an asset under a lease agreement, it had to determine whether it was a finance lease or an operating lease. The distinction was based on which entity had substantially all the risks and rewards of ownership. It was important because finance leased assets were deemed capital and accounted for on the authority's balance sheet, whereas operating lease costs were charged to expenditure over the life of the lease.

Lessee accounting from 1 April 2024

From the adoption by local government of IFRS 16 leases on 1 April 2024, the distinction between operating and finance leases for lessees has been removed. Now all leases, apart from those that are deemed low value or short term, are accounted for on balance sheet by lessees.

Asset and liability recognised

Under IFRS 16, lessees recognise their right to use an asset, and they recognise a liability for the present value of the total amount they expect to pay over the period of the agreement for that asset. Initially, the right of use asset and the liability are usually recognised at the same value, unless there have been any relevant payments before the start of the lease.

After initial recognition, the right of use asset is valued the same way as owned assets of a similar type and the liability is increased for interest due or changes in expected payments due to the application of a rate or index such as retail price index; and decreased for amounts paid.

Public sector adaptation

In the public sector, the definition of a lease has been extended to include the use of assets for which little or no consideration is paid, often called "peppercorn" rentals. This is one instance where the right of use asset and its' associated liability are not initially recognised at the same value. For peppercorn rentals, the right of use assets are initially recognised at market value. Any difference between market value and the present value of expected payments is accounted for as income. This has similarities with the treatment of donated assets.

Judgements required

Most of the information needed to determine the appropriate figures for the accounts will come from the lease agreement. However, sometimes judgements may need to be made by management. Such judgements may include:

- ❖ determining what is deemed to be a low value lease. This is based on the value of the underlying asset when new and is likely to be the same as the authority's threshold for capitalising owned assets;
- ❖ determining whether an option to terminate or extend the lease will be exercised. This is important as it affects the lease term and subsequently the calculation of the lease liability based on the expected payments over the lease term; and
- ❖ the valuation of the right of use asset after recognition. An expert valuer may be required to support management in this.

IFRS 16 – leases continued

Lessor accounting

IFRS 16 has preserved the distinction between finance and operating lease accounting for lessors. The key things that lessors need to be aware of are:

- ❖ assets leased out for a peppercorn rental should be treated as finance leases if they have, in substance, been donated to the operator; and
- ❖ if the asset is sub-let, the consideration of whether the sub-lease is a finance lease or an operating lease takes account of the value and duration of the head lease rather than the value and life of the underlying asset.



Questions to consider

Questions for Audit Committees to ask themselves include:

- ❖ How have we gained assurance on completeness? Have we identified all our leases, including those for a peppercorn rent?
- ❖ Have we set our threshold for low value leases?
- ❖ Have we identified all options to terminate or extend existing leases and assessed the lease term based on the likelihood we will exercise them?
- ❖ Have we reconciled our operating lease commitments as disclosed in our 31 March 2023 accounts under IAS 17 to our lease liability under IFRS 16 on 1 April 2024?
- ❖ How have we gained assurance that right of use assets are carried at the appropriate value at the balance sheet date?
- ❖ For an intermediate lessor, have we reassessed whether the leases out are finance or operating leases with reference to the terms of the head lease?
- ❖ Have we updated our systems to ensure that the budgetary and accounting impact of all leases is identified in a timely and effective manner?

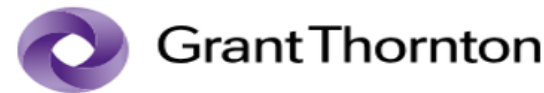
For more information, see [IFRS 16: how can local authorities prepare? | Grant Thornton](#)

Update on the local audit backlog

On 19th November 2024, the [Financial Reporting Council \(FRC\)](#) shared the latest Public Sector Audit Appointments Ltd (PSAA) data on the number of local government audits outstanding nationally by their due dates for 2020/21, 2021/22, 2022/23, and for 2023/24 (where 30 September 2024 was treated as the cut-off date).

The FRC showed that on 30th September, on average every local authority buying their external audit services through PSAA had two years audits outstanding.

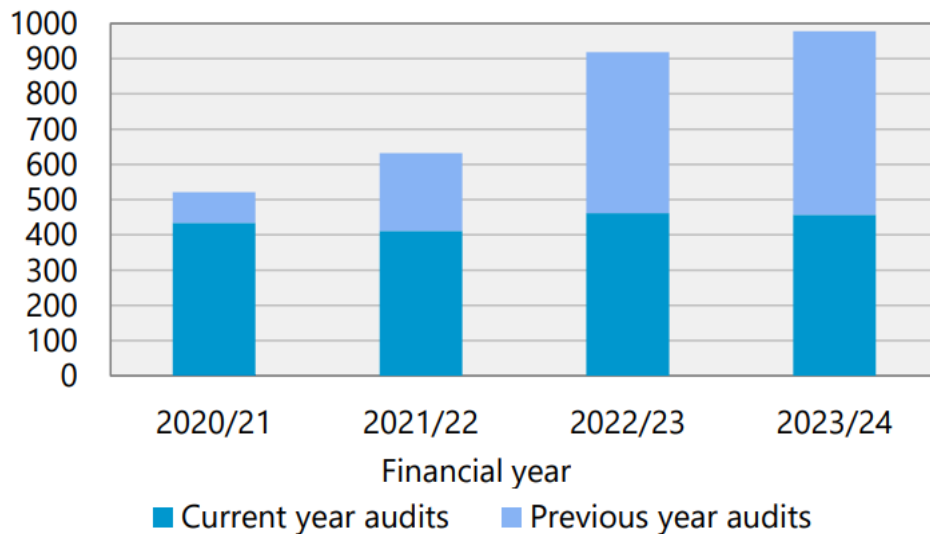
We are pleased to be able to show that Grant Thornton rates of delivery are well ahead of the national average. PSAA data shows that by mid November 2024, Grant Thornton had signed off 74% of all opinions due up to and in respect of 2022/23. For prior year value for money audits, 99% have been completed, putting us significantly ahead of the national average.



74% opinions signed

99% completed VFM audits

Outstanding local government audits



With new [backstop arrangements having been announced](#) and a new [Code of Audit Practice](#) the focus now will be on recovery, enabling those authorities which have been backstopped to rebuild assurance over the coming years.

On 13th December 2024, disclaimed or modified opinions will be required for all financial years up to and including 2022/23, if financial audits are not complete. On 28th February, the same will apply for the financial year 2023/24. The government is clear that where there are modified opinions, auditors are still expected to discharge their other statutory duties, for example to report on Value for Money arrangements. To support the recovery, all authorities should prioritise the timely publication of draft financial statements along with supporting working papers.

Audit Committee members may find this ICAEW podcast (which features Grant Thornton) on unclogging the local audit backstop useful <https://www.icaew.com/insights/podcast/behind-the-numbers/can-we-unclog-the-local-audit-backlog>

Reflections on the Autumn Budget

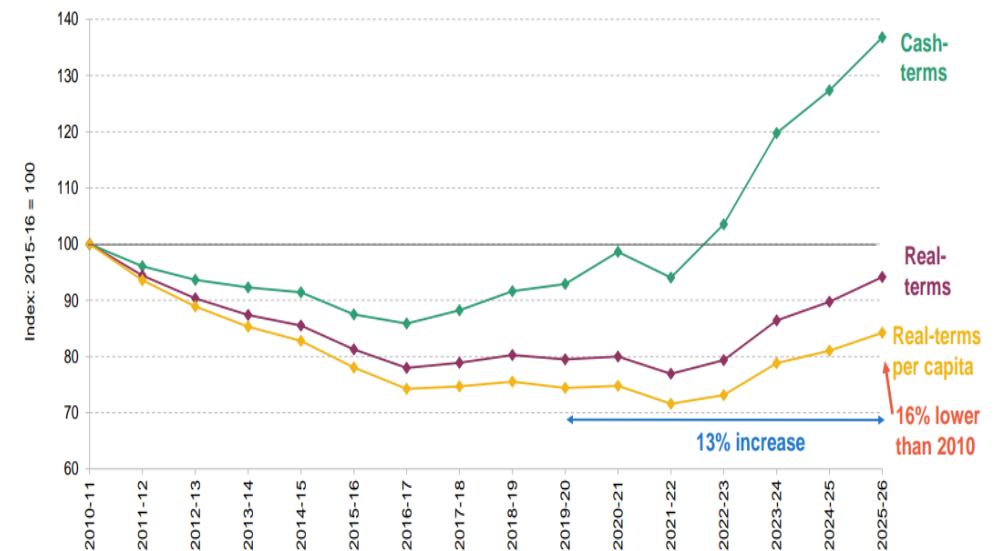
[The Autumn Budget 2024](#) had mixed reactions in the local government sector. The budget included measures that are expected to provide a 3.2% real-terms increase in total local government core spending power next year (2025/26). This includes £1.3 billion of extra funding through the finance settlement; council tax flexibilities; and locally-retained business rates. There were a raft of other positive measures equating to an additional £4.5 billion in additional funding for the sector as well.

However, not everything was positive. Multi-year settlements were delayed (since [announced](#) as starting from 2026/27). The UK Shared Prosperity Fund has been nearly halved (from £1.5 billion to £0.9 billion), with Cornwall estimated to be the biggest English loser. It was also unclear what impact increased employer national insurance contributions, and a higher minimum wage would have on the sector. There was speculation around whether compensation will fully cover additional employer national insurance costs; what will happen if town and parish councils are not included in compensation packages; and how the social care sector will cope with the additional costs.

As the graph on the right shows, the [Institute for Fiscal Studies](#) estimates that core funding per resident will still be 17% lower in 2025/26 than it was in 2010 - or 16% lower after allowing for extended producer responsibility (ERP).

Financial pressure is not going away. Councils need to continue with financial discipline and, for future planning, should avoid optimism bias. When it comes to preparing budgets for 2025/26 and the medium-term period thereafter, Audit Committees need to be just as ready to challenge assumptions as they needed to be before under the previous administration.

Institute for Fiscal Studies: Funding per resident 16% lower than 2010 after allowing for ERP:



Local government finance policy statement 2025 to 2026

The Ministry of Housing, Communities and Local Government published their Finance Policy Statement for 2025/26 on 28th November 2024, setting out what local government leaders can expect in the finance settlement for 2025/26 (expected on or around 19th December 2024).

Key headlines from the Finance Policy Statement include:

- ❖ As part of “efficiency” efforts, the government states they will repurpose some grants to target more funding towards Councils that have a weak tax bases, and high levels of need and service demand;
- ❖ The rural services grant, which last year totalled over £100 million, is one of several funds being “repurposed” to redirect funding towards more deprived areas;
- ❖ A one off £600 million recovery grant has been created from repurposed grants, which the government will distribute according to need, using deprivation as a “proxy” tool for measuring;
- ❖ The government has promised that no Council will see a reduction in core spending power if they make use of the Council Tax increase, which remains the same as last year; and
- ❖ Ministers want to “fundamentally improve the way we fund councils and direct funding to where it is most needed, based on an up-to-date assessment of need”.

This is a new start for local government funding reform, talked about for so long but so far never implemented. For some Councils, it will bring welcome support, for others it is likely to mean reduced funds.

It is going to be important for Councils to look out for the consultation that the government says will follow; and to stay abreast of any future announcements on transitional arrangements that the government indicates will be considered.

For a full copy of the Statement, see [Local government finance policy statement 2025 to 2026](#).



Ministry of Housing,
Communities &
Local Government

Local Government and Social Care Ombudsman Triennial Review

The Local Government and Social Care Ombudsman (LGSCO) published their latest triennial review in October 2024, stating that in the last three years they have made decisions on more than 52,000 complaints across every dimension of local service provision. They highlighted that their casework is dominated by complex issues in the areas of homelessness, special educational needs and disabilities (SEND) and adult social care, rather than the small localised matters envisaged fifty years ago when the Ombudsman was first set up.

As the last port of call for complaints about the actions of local councils and adult social care providers, LGSCO's work gives them a unique insight into the effectiveness of public redress and accountability systems. The Ombudsman plays a vital role in identifying systemic failure. However, their triennial findings paint a worrying picture about the state of services, and they make a case for being given more powers to act.

"In the last three years we have become increasingly concerned about the ongoing sustainability and effectiveness of the sectors within our jurisdiction and the sustainability of our own service..... This is caused by the acute challenges in local government and social care, the effectiveness of statutory public services and the closure of discretionary services".

Local Government &
Social Care
OMBUDSMAN

The triennial review called for four changes to help maximise the impact LGSCO can have in future:

- ❖ Simplified legislation giving the Ombudsman clear, straightforward powers of investigation for all local government services;
- ❖ A new statutory duty for Ombudsman to monitor compliance with the Complaint Handling Code ensuring that all Councils adhere to it; and putting LGSCO on an equivalent footing to the Housing Ombudsman and UK Ombudsman services;
- ❖ Mandatory signposting to the Ombudsman by all adult social care providers, including those in the private sector, who tend not to signpost at present; and
- ❖ New powers for the Ombudsman to investigate the implementation of education, health and care plans; support for children with additional needs; and admissions and exclusions in schools.

For a full copy of the triennial review see [LGSCO Triennial Review 2024-27](#).

Special Educational Needs

The **National Audit Office reported in October** that the current system for Special Educational Needs (SEN) is not achieving value for money and is not sustainable. Key statistics supporting that conclusion are that:

- ❖ Since 2015, demand for EHC plans has increased 140%, leading to 576,000 children with plans in 2024. There has also been a 14% increase in the number of those with SEN support, to 1.14 million pupils in school;
- ❖ Although DfE has increased high-needs funding, with a 58% real-terms increase between 2014-15 and 2024-25 to £10.7 billion, the system is still not delivering better outcomes for children and young people or preventing local authorities from facing significant financial risks;
- ❖ The Department for Education estimates that some 43% of local authorities will have deficits exceeding or close to their reserves in March 2026. This contributes to a cumulative deficit of between £4.3 billion and £4.9 billion when accounting arrangements that stop these deficits impacting local authority reserves are due to end; and furthermore....
- ❖ Families and children lack confidence in a SEN system that often falls short of statutory and quality expectations.

Along similar lines, **the County Councils Network** has estimated that almost three quarters of England's largest councils risk bankruptcy by 2027 if statutory override for their Special Educational Needs and Disability (SEND) deficits ends in March 2026.

The Autumn Budget Included a £1 billion funding uplift to reform the SEND system, but this looks far from likely to address the fundamental issues of concern. For SEN, the National Audit Office has recommended:

- ❖ Whole system reform;
- ❖ Root cause analysis of the reasons for the rise in SEN demand;
- ❖ Local authorities being given the power to require providers to take SEN pupils
- ❖ Building a vision and long-term plan for inclusivity across mainstream education.

For Councils struggling with SEND deficits now, the last point is at least one that they can already have some influence over. The NAO refers to building “an evidence base” for where mainstream settings can best support children with SEN; and using this to improve parents’ confidence in mainstream options. The NAO also refers to improving data and interventions around the early years so that needs are identified and supported early, avoiding them escalating into needs outside the mainstream.

Whilst we wait for a wholesale reform that could take years to come, Audit Committees can help by asking challenging questions around how their Council compares with others for ratios of children educated in a mainstream setting; and how their Council compares for ratios of spend on early years rather than later years intervention.

Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiaa.org/globalassets/documents/resources/the-iaas-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crosssectoral-guidance-notes-2021-edition>



Internal Audit Report ASC Debt Management 2024/25 Plymouth City Council

November 2024

Audit Opinion

Limited Assurance - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
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Number of Actions

High	5
Medium	5
Low	1
Opportunity	0

Corporate Objective

Spending Money Wisely and Providing Quality Public Services. Adult Social Care Debt Recovery ensures money owed to the Council is effectively and promptly recovered and that service users are appropriately and accurately charged the amounts they are assessed to pay for the services they receive.

Risks or Areas Covered - Key Findings

1. **Accumulating ASC debt potentially leading to budget deficits may affect the ability to provide essential services; meet other financial obligations and damage the local authority's reputation and trust among residents and stakeholders.**
 - Ineffective ASC debt management decision making
 - Lack of robust write off procedures
 - Lack of up-to-date debt management policies
 - Ineffective monitoring of suspended invoices
 - Ineffective monitoring of individual ASC debt cases

Level of Assurance

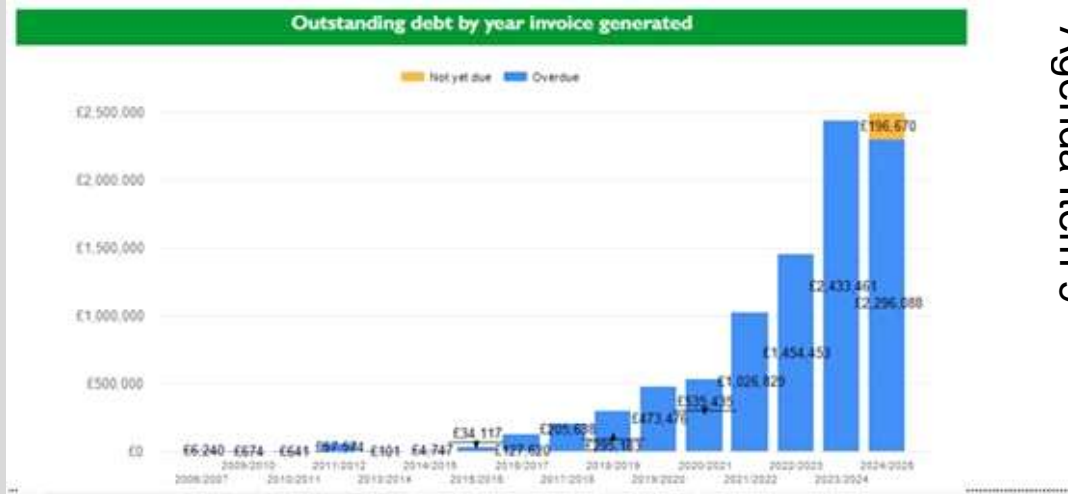
Limited Assurance

Background and Context

The Care Act 2014 gives local authorities legal powers to recover money for arranging and providing care and support services. These powers can be used if service users or their financial representatives refuse to pay the amount they have been assessed to pay. All local authorities are required to have a charging policy in place in relation to care and support being provided by Adult Social Care. The policy reflects the requirements of the Care and Support Statutory Guidance and includes a section on debt recovery which also refers back to the council's Income and Credit Management Policy.

Risks identified on the Plymouth City Council risk register include the escalating and sustained strain on the Adult Social Care (ASC) budget which in turn poses a risk of failing to meet statutory service obligations.

The current outstanding debt for ASC from client contributions stands at £8.9m, see chart opposite. 53% of this debt is related to invoices raised from April 2023, the remaining outstanding debt (47%) is related to invoices raised before this date. It is noted that there are invoices outstanding for some clients year on year.



Executive Summary

The Income Recovery team are responsible for debt recovery including ASC debt. At the present time priority is being given to in year debt and high level debt (over £10k) across the council. Recovery of ASC debt from client contributions can be complex and time consuming, which may require input from other departments and external agencies, often who are experiencing their own resource difficulties. Debt is often unsecured and once a service user passes away recovery becomes more challenging and there is a higher risk of it becoming irrecoverable. There are further complications if the service user is suspected or known not to have mental capacity to make financial decisions and if family members or "financial representatives" are uncooperative or unsupportive. There is no legal framework for "financial representatives", so when family or friends have taken on this role and do not wish to apply for LPA or deputyship, they can be difficult to engage. With Income Recovery Team resources limited, cases cannot be monitored and debts chased with enough regularity to prompt payment. Time delays between contacts can be significant and allows the "Financial Representative" opportunity to stall for time by repeatedly challenging assessments or querying correspondence.

It was noted that the Income Recovery Team is due to lose a member of staff during October who cannot be replaced impacting on the already stretched resource. In addition, the Legal Team do not currently have capacity to manage all of the debt recovery cases referred to them.

A Business Case for the purchase and implementation of Better Care Finance has recently been submitted and agreed. The system will allow service users to complete their own online self-assessment which will automatically advise the service user of the exact charge upfront. There has been a long standing issue with service users/or financial representatives stating that they have never been informed of a charge for services and, at times, this has been difficult to prove resulting in non-payment of invoices. It is expected that Better Care Finance will resolve the issue of service users claiming that "they did not know they had to pay" and improve collection rates as the service user can decide not to proceed with the service request if they do not wish to pay the assessed contribution.

There is "Limited Assurance" that ASC debt is effectively and promptly recovered. This audit opinion has been reached based on the following observations:

- Policies are out of date and have not been reviewed;
- Write off procedures do not ensure requests are approved within the Service Area prior to agreement by the Service Director for Finance;
- ASC Debt Meetings were discontinued and although recently restarted would benefit from a Terms of Reference to ensure members are clear on the objectives and their responsibilities;
- Insufficient monitoring and chasing of high risk debt including unsecured debt in the name of Executors;
- Debts from Devon ICB not paid regularly affecting collection rates and impacting on staff time;
- Bad debt provision is understated and calculation methods could be reviewed to improve accuracy based on individual risk;
- Inaccurate / overstated debtors accounts where debt is considered not recoverable but remaining on Debtors showing as recoverable.

The detailed findings and our observations regarding these issues are described in Appendix A. Our observations have been categorised to aid prioritisation. Definitions of the priority categories and the assurance opinion ratings are also given in the Appendices to this report. Management have agreed an action plan as attached at Appendix A.

Detailed Observations and Action Plan

1. Risk Area: Accumulating ASC debt potentially leading to budget deficits may affect the ability to provide essential services; meet other financial obligations and damage the local authority's reputation and trust among residents and stakeholders.

Level of Assurance

Limited Assurance

Opinion Statement:

The Bad Debt Write Off Procedure (2021) sets out to define the write off function within the Council and is underpinned by the Income and Credit Management Policy and Financial Regulations. The Income and Credit Management Policy has not been reviewed since 2017 and the Charging Policy for ASC Services based on the statutory requirements of Care Act 2014 has not been reviewed since 2019.

The Bad Debt Write Off Procedure does not specifically refer to ASC debt, which is often sensitive, complex and of a significant value with the potential for the debtor to be in receipt of continued services and therefore increasing debt. In addition, Livewell Southwest (LWSW) who hold the caseload of ASC service users may have a more comprehensive overview of individual cases, but the budget (and therefore any bad debt) is held by ASC.

ASC debt can theoretically be put forward for write off and be authorised by the Service Director for Finance without the knowledge or approval of the Head of ASC and Retained Function. Whilst, in practice, conversations are had to ensure the Head of ASC and Retained Function is aware and approves the write off request, the requirement for formal approval is not included in the policy and therefore there is a risk that this step could be missed.

The write off process within Income Recovery was followed in the cases reviewed during the audit with evidence and authorisations held on file. It was noted that there was a lack of separation of duties in the inputting and authorisation of the write off within the debtors system. To mitigate the risk of someone inputting an unauthorised write off, exception reports are produced from Debtors, checked by the Team Leader and retained for future reference.

Regular debt meetings attended by key stakeholders was put in place in 2019 to discuss the ASC debt position, review collection rates, review the bad debt provision and identify cases with high level debt to discuss and agree actions and identify trends. These meetings improved communication and collaborative working between departments and agencies involved with ASC. However, due to staff changes these meetings fell by the wayside and have only recently been resurrected. In order to maximise the potential for these meetings a Terms of Reference should be drawn up to ensure stakeholders are aware of the purpose of the meetings and their responsibilities.

Delays in payment from the Devon ICB has been reported which negatively affects the Income Recovery Team's collection rates and places additional work pressures on the team to monitor. In March 2024 £18m was being withheld by the Devon ICB due to a separate issue which could potentially affect the Council's cashflow position. There have been some concerns raised regarding the process for joint funded cases and this will be subject to a separate audit later this year.

The ASC Bad Debt Provision, based on current calculations and parameters set, is understated. Parameters within the calculation of the bad debt provision do not take into account risk factors related to individual cases with only a high level approach applied based on the age of the debt and stage of recovery. The ASC Bad Debt provision would benefit from review and should be updated to include a risk-based approach alongside the high level aged debt parameters to better reflect the Councils ASC bad debt position.

Processes are in place for the collection of ASC debt. However, after two automated reminders have been sent, automatic recovery action ceases and reliance is placed on the Income Recovery Team working through the "SSCARE" report of outstanding ASC debt and following up with emails or phone calls. Due to

the level of debt owed across the Council, the Income Recovery Team have prioritised in-year and over £10k debt, resulting in less focus on ASC debt (below £10k). Invoices for client contributions are often ongoing and therefore service users will realise very quickly that once two reminders have been sent, very little action is taken against the debtor.

In the ASC debt cases reviewed, significant gaps between following up on overdue debt was seen, along with stalling or questioning tactics from financial representatives resulting in little or no income being recovered in some cases. It was also noted that financial representatives and/or family members would sometimes state that they were applying for deputyship or for Lasting Power of Attorney (LPA) but no evidence was requested to ensure that this was correct. It is possible that claiming an application for legal status is in process could also be a stalling tactic.

No.	Observation and Implications	Impact / Priority	Management response and action plan including responsible officer
1.1	<p><u>Ineffective ASC Debt Management Decision Making</u> In 2019 an ASC Debt Recovery and Income Collection Project plan was put in place to facilitate improved communication between all stakeholders in relation to ASC debt and for members to actively contribute to the meetings and action points. The aim of the project plan was to improve working relationships and collaboration between PCC and Livewell Southwest with a focus on debt recovery and to increase collection rates. As a result of the project, a monthly debt meeting was put in place to identify cases with high levels of debt, to discuss and agree action to take and to enable forecasts to be adjusted to ensure a more accurate financial position was reported. An additional aim was to highlight trends which, if addressed, could lead to improved income collection overall.</p> <p>The debt meetings ceased for a period of time but have very recently been resurrected. A number of staff changes has resulted in some of the original aims and objectives being lost and the meetings currently lack some direction. However, it is recognised that it is early days and there is a commitment to use the meetings to make a positive difference to ASC debt recovery.</p> <p>Recommendation: Effective communication and collaboration between stakeholders is crucial in understanding and preventing debt accumulation.</p>	High	<p>ASC Debt meetings have been reinstated and the agenda includes objectives and frequency of meetings. This will be formalised into a Terms of Reference incorporating the areas to include as per recommendation.</p> <p>ToR to outline the governance of ASC Debt Meetings and how identified risks are escalated.</p>

	<p>In order to maximise the full potential of the reinstated Debt Meetings it is important that members recognise the significance of the meetings and their strategic importance for ASC finance. A Terms of Reference should be drawn up and distributed to all attendees to include:</p> <ul style="list-style-type: none"> • the key objectives of the meetings; • frequency of meetings; • a set agenda with regular items plus any additional points for discussion; • responsibility for co-ordinating meetings, agenda items, action points; • identify the expected regular attendees/representatives (e.g. Legal, Finance, LWSW, Income Recovery, Deputyship); • expectations of members based on the principles of a RACI matrix (i.e.. who needs to attend every meeting, who should be informed of decisions, responsibility for actions etc); • identify specialised area representatives who may be required for specific meetings/agenda items (e.g. Operations Development / Counter Fraud). 		<p>Responsible Officer: Head of ASC and Retained Functions (SB)</p> <p>Target Date: 31/12/2024</p>
1.2	<p><u>Lack of robust write off procedures</u></p> <p>The Bad Debt Write Off Procedures do not take into account the situation in ASC where LWSW manage the day-to-day services for ASC clients and could be in a position to suggest a debt be written off. The procedures do not state that this must be approved by the budget holder (ie. Head of ASC and Retained Function or Strategic Director A,H & C prior to being submitted to Income Recovery for approval at Corporate Management level.</p> <p>Four ASC write offs were reviewed. Whilst at a corporate level write offs had been authorised by senior management, there was no evidence on file that ASC management had approved the write offs. Whilst it was advised that discussions did take place, no evidence was seen. The service area may not have had the opportunity to carry out their own authorisation or due diligence on the</p>	High	<p>An additional step to be built into the write off process to ensure that instruction for write off only comes from ASC management. Process to be reiterated to all, including LWSW, at ASC Debt meeting.</p> <p>Requests for write off to be agreed at ASC Debt Meetings.</p> <p>Responsible Officer: Head of ASC and Retained Function (SB) Target Date: 31/12/2024</p> <p>Income Recovery Team will ensure approval from ASC budget holder is in place prior to submitting to Service Director for Finance for write off approval. LWSW does not have delegated authority to approve write offs.</p> <p>Income Recovery Team Leader to review processes for pursuit of debt from Executors and explore ways of maximising engagement and debt recovery from Executors.</p>

recovery prior to write off.

The following observations were also noted:

- Debtor No. 072001 - there was a potential conflict of interest where LWSW requested a write off on an account due to a safeguarding enquiry where the daughter of the client also worked for LWSW. The write off for £22,217.67 was approved by the Service Director for Finance but there was no evidence it had been approved prior to this by ASC;
- Debtor No. 058325 - a "deceased" letter was sent to the Executor after a three-month gap. There was no reply from the Executor and a delay of a further nine months before this was chased up. Bank statements provided showed cash withdrawals after service user had passed away. Amount written off £4,750.51
- Debtor 052934 - awaiting deputyship. Accounts frozen during covid. Debt of £13,931.75 written off when Deputyship confirmed no funds.
- Debtor 050624 - one three monthly bank statement was received but showed no activity on the account, leading to the question as to whether there were other bank accounts not seen. Write off of £16,732.25 with a previous write off of £21k.

During the audit, the large write offs seen were related to accounts in the name of executors. There is potentially an increased risk of non-payment for cases in the name of executors particularly if the debt is unsecured and the executor is not a solicitor. It is acknowledged that the number of write offs which were in the name of executors maybe due, in part, to the perseverance in pursuing outstanding debt and it is only when the service user has passed away that cases are recommended for write off.

Recommendation:

Bad Debt Procedures should be updated to ensure that an

Responsible Officer: Income Recovery Team Leader (CC)
Target Date: 31/1/2025

	<p>additional approval step is put in place to ensure all write off requests are formally approved by the budget holder, prior to being submitted to Income Recovery and authorisation by the Service Director for Finance. All approvals for write offs should be retained on file for future reference.</p> <p>Review processes for the pursuit of debt from Executors and ensure all is being done to maximise the chances of recovery i.e..</p> <ul style="list-style-type: none"> • Ensuring an up to date next of kin on record; • Establishing the Executor early on and, if not being dealt with by a solicitor, ensure contact details are up to date; • Regular review and contact with Executor to ensure position of estate is understood to ensure follow up is timely but not intrusive; • Ensure Executors are clear on what information the Council requires as evidence and try to obtain this at the earliest opportunity; • Consideration as to whether enough documentation has been obtained to base a decision and to fully document rationale. 		<p>Responsible Officer: Head of ASC and Retained Function (SB)</p> <p>Income Recovery Team Leader (CC)</p> <p>Target Date: 31/12/2024 and 31/1/2025</p>
1.3	<p><u>Lack of up to date debt management policies</u> Policies are in place but have not been reviewed (or where they have, the revised versions have not been approved). Therefore, old policies remain in place and this has been raised in previous ASC audits and Debtors audits including the latest Debtors audit issued in May 2024.</p> <p>The Income and Credit Management Policy 2017 refers to the "Fairer Charging Policy" which was superseded by the "Charging Policy" and introduced in line with the Care Act 2014. Appendix 5 lays out the collection of income for ASC according to the Care Act 2014 and the considerations which need to be taken into account when recovering debt from vulnerable service users. Any debt occurring after the Care Act 2014 came into effect must be recovered within six years of the monies becoming due</p>	High	<p>Income and Credit Management Policy to be reviewed to include review of ASC debt recovery and potential use of enforcement agencies. Awaiting trial of this approach in another Local Authority.</p> <p>Responsible Officer: Head of Revenues, Benefits and Service Centre (PW) Target Date: 31/1/2025</p> <p>Charging Policy to be reviewed by Head of ASC and Retained Function with Income Recovery/Client Financial Services Team Leader and Operations Development Manager to ensure policy is up to date and to review local decisions to ensure income is maximised.</p>

	<p>otherwise the debt will be written off.</p> <p>The Charging Policy was amended after the Direct Payments audit in October 2023 which highlighted that the policy wording conflicted with current Direct Payment processes. However, the amended version was not approved and so the Charging Policy 2019 is the version currently published.</p> <p>Recommendation: The Income and Credit Management Policy (2017) should be reviewed and if necessary, brought up to date. The same applies to the Charging Policy (2019) which should include amendments made to bring in line with current practices for Direct Payments.</p>	High	<p>The reviewed Charging Policy to include the new online financial self-assessment system (Better Care Finance). The aim is to have a draft by January 2025 and publish a final version in April 2025.</p> <p>Responsible Officer: Head of ASC and Retained Function (SB) Target Date: 30/4/2025</p>	<p>Responsible Officer: Head of Revenues, Benefits and Service Centre (PW) and Head of ASC and Retained Function (SB),</p> <p>Target Date: 30/4/2025</p>
<p>1.4</p>	<p><u>Ineffective monitoring of suspended invoices</u> As at 4 June 2024 there were 2841 Adult Social Care invoices where recovery had been suspended totalling £3,601,797.48. Recovery action is suspended for a variety of legitimate reasons, however, if they are not regularly checked and action taken this may result in debts becoming irrecoverable and falsely inflating expected income. The Income Collection Team Leader confirmed that it is usual to suspend an account once a client passes away and this will remain in place until the account is closed as cases are monitored through other reports.</p> <p>Five cases were selected at random from the suspended report to identify the reasons why recovery action was suspended. All were suspended for a legitimate reason. The following was noted:</p> <ol style="list-style-type: none"> 069367- Amount outstanding £2,938.10. Complaint made by Financial Representative regarding CFS and LWSW. Response provided by CFS but response from LWSW still outstanding 7 1/2 months from complaint. Recovery action cannot commence until complaint has been investigated and response provided to the Financial 			<p>One team member has been assigned to the suspended invoices report, however, there is insufficient resources to check and chase debt as regularly as would like.</p> <p>In cases where Legal Services recommend that a debt is irrecoverable, these cases will be taken to the ASC Debt meetings for discussion and possible write off.</p> <p>As per 1.2 above, processes to be reviewed and a more risk based approach to high value/high risk cases to be taken.</p> <p>Where “bottlenecks” in other teams, departments hinder debt recovery this will be highlighted at the ASC Debt Management meetings for monitoring or action as necessary.</p>

	<p>Representative.</p> <p>2. 061866 - Amount outstanding £64,931.03. Invoices were not being paid despite a property being sold proceeds of which could not be located. Legal involved since 2017. In 2021 Legal advised that recovery would be unlikely as there was no property on which to place a charge, however, fraud was suspected and therefore advised to refer to the Counter Fraud Team.</p> <p>3. 021159 - Amount outstanding £15,037.86 as at 4/9/24 and growing weekly. Recovery suspended when client found not to have capacity in June 2023 whilst asking for family member to apply for LPA or Deputyship. Family uncooperative regarding information. Last update on file was July 2024 asking who has access to bank statements. No contact from family. Significant gaps in chasing family members and waiting for responses. Case has not moved on in the past year with mounting debts.</p> <p>4. 069367 - Amount outstanding £7,220.29. Property was sold in 2021. Financial Representative only appeared to pay when chased by the Income Recovery Team. The client then passed away in March 2023 and recovery action was suspended. No further action appears to have been taken on the account. As the property was sold in 2021 and the client passed away 18 months ago it is questionable whether this debt will now be recoverable as it is possible the estate may have been finalised.</p> <p>5. 071340 - Amount outstanding £286.72. Original charge disputed and a credit note issued with a statement of remaining balance on 15/5/24. No response from Financial Representative.</p> <p>A certain amount of delaying and avoidance tactics used by some families and financial representatives together with infrequent chasing on these accounts has led to balances remaining outstanding and recovery action</p>		
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<p>stalling. Once the client passes away then it becomes even more difficult to follow the money trail and recover amounts due.</p> <p>Reliance on other departments/agencies to complete work also impacts the ability to collect debt as seen in examples 1 and 2 above.</p> <p>A debt considered to be unrecoverable but still referred to Counter Fraud for investigation (see example 2 above), and remaining in the debtors system may result in the Debtors being overstated in the Councils Financial Statement. Income is immediately allocated to the departmental budget when the invoice is raised and will be recovered from that budget in the event of the debt being written off.</p> <p>Recommendation: The suspended cases report should be reviewed to ensure all suspended invoices/accounts are still appropriate. Regular monitoring of the report and following up on outstanding information or co-operation from families/financial representatives should be carried out and the suspended status removed as soon as possible.</p> <p>Each account should be considered independently but when a high value balance is deemed unlikely to be recovered by Legal Services and has been referred to Counter Fraud (which is likely to take a considerable time to investigate) it may be worth considering write off from the accounts so it does not over inflate recoverable council debt. If the debt or partial debt is recovered by Counter Fraud it can always be written back on into the accounts.</p> <p>When it is suspected that a family or financial representative is being evasive or deliberately stalling or avoiding contact, a risk-based approach should be applied with more focus and concentrated chasing on high value or increasing balances with the highest risks of money or assets disappearing. Where application for LPA or</p>		
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	<p>Deputyship is claimed, in high risk cases evidence should be sought at the earliest point to ensure claims are accurate.</p> <p>When recovery action cannot be taken due to work being undertaken in other areas e.g. Complaints Team, LWSW, Legal or Counter Fraud, they should be aware that the debt cannot be pursued until their role is completed and until that time debts will continue to be shown as income and if irrecoverable will falsely inflate the financial statement and impact the ASC budget.</p>	High	<p>Responsible Officer: Income Recovery Team Leader (CC) Target Date: 31/1/2025</p>
<p>1.5</p>	<p><u>Ineffective monitoring of individual ASC debt cases</u> The ASC Debt Report (SSCARE) shows outstanding debt for ASC from 2009 to date (less 1 month). There is no specific focus in the Income Recovery Team on ASC debt as it forms part of the wider debt recovery for the council. Focus currently is on high level debt and in-year debt across the Council which will include ASC as part of this. In addition, some work is also carried out on the SSCARE report on an ad hoc basis.</p> <p>Due to ongoing high weekly costs for some services, the vulnerability and mental capacity of some debtors and potential financial interests of family members, ASC debt is a high risk area where debts can mount up quickly. If invoices are not paid on time and there is not regular contact between the council and family members or financial representatives, the recovery of some of these large balances can be complex and resource heavy once the client passes away. In addition, this debt is often unsecured which increases the risk of non-recovery.</p> <p>The SSCARE report for 2 July 2024 was reviewed and at that time there were 9709 invoices outstanding totalling £5,696,824.24. There were 25 accounts which owed in excess of £10k each. At 1 September the SSCARE report showed £5,739,503.73 outstanding. Six cases from the July SSCARE were reviewed in more detail and evidence of delays in chasing up debt identified and stalling from</p>		<p>As per 1.4 above, Income Recovery to review processes and consider using a risk based approach to high risk/high value cases, particularly where an “unwillingness” to pay is suspected rather than an “unable” to pay. Explore whether more can be done to obtain evidence in the early stages of applications for LPAs to ensure this is not used as a stalling tactic from financial representatives.</p> <p>Responsible Officer: Income Recovery Team Leader (CC) Target Date : 31/1/2025</p> <p>Ensure that bottlenecks and resource issues, which prevent and hinder debt recovery, are discussed at ASC Debt Meetings to understand the reasons and risks. Where appropriate resource issues that delay debt recovery to be escalated to DMT.</p> <p>Responsible Officer: Head of ASC and Retained Function (SB) Target Date: 31/1/2025</p> <p><u>Legal Services Comment:</u></p> <p>At present the Legal Team would not have capacity to manage all of the ASC debt. However, the work of Legal services is impacted by delays within the debt recovery team where the processing of recovery action is not undertaken quickly enough, so by the time matters get to legal the debts are much larger and more difficult to recover. The whole process needs an overhaul</p>

<p>family members particularly with regard for taking ownership of applying for LPA or Deputyship. However, in one case efforts from the Income Recovery Team regularly following up on a relative applying for Deputyship resulted in the full payment of £135,221.40 on 10/9/24. Details of the remaining five cases are as follows:</p> <ol style="list-style-type: none">1. Debtor 057786. Balance outstanding £147,274.83. Regular payments were being made but ceased in 2020. Niece was named as Financial Representative and client was reassessed to include a property with invoices backdated to a cost of £90,887.39 and on-going full charge of £683 weekly. Care home did provide evidence that niece had applied for deputyship to enable the property to be sold. Follow up was not regular and it was difficult to make contact with the niece. The deputyship and house sale did not appear to progress with final contact made with niece in April 2024. Case was picked up again in June 2024 but the chase up was sent to PCC Deputyship instead of the niece so no further action taken. This case has been raised with the Income Recovery Team Leader.2. Debtor 069641. Balance outstanding £127,586.91. Client is elderly with advanced dementia. Full cost is being charged as financial assessment cannot be carried out without access to bank statements. Family are not prepared to apply for LPA or deputyship but there was a year waiting for confirmation of this. Case submitted to PCC Deputyship in 2022 but still on waiting list as at June 2024. If client passes away before a financial assessment can be undertaken it will be difficult to ascertain the client's estate afterwards and the debt may be irrecoverable.3. Debtor 075583. Balance outstanding £64,766.57. Grandson states he is applying for deputyship in		<p>and investment to make it more efficient and to provide capacity for recovery of all outstanding debts, starting with the way the finance team manage recovery to the legal team taking on an extra lawyer with a specialism in ASC debt recovery.</p>
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	<p>April 2023. In July 2024 grandson still states he is applying for deputyship, however it is not clear whether the process actually commenced in 2023. There is evidence of chasing emails sent with no response from the grandson.</p> <p>4. Debtor 066320. Balance outstanding £5,600.39. Debt dating back to 2019. Case was suspended in 2021 as part of the agreement not to invoice Keyham residents for a period of time. Letter with summary of balance sent in December 2022 - no response and no follow up from Income Recovery.</p> <p>5. Debtor 073664. Balance outstanding £52,117.23. Care home confirmed daughter had LPA and provided documents to evidence this. LPA did not declare client owned part share of a property and money moved from client's account to another account. Stalling and avoidance from the LPA in relation to chasing for payment. LPA admitted not reading emails. Client passed away in September 2022 and it was found the person holding LPA had a different date of birth to the daughter. Letters to Next of Kin to inform funds cannot be spent until all debtors paid, no reply. Case referred to Legal Services to see if a charge can be placed on the property. Legal have so far been unable to progress due to capacity issues.</p> <p>Evidence was seen above of recovery action being prevented due to capacity issues which may result in debts being irrecoverable and financial statement being overstated. Additionally, evidence was seen of debts not being regularly chased with long gaps between attempted contact with family members and financial representatives, and in one case, an error made in chasing PCC deputyship instead of the family member. In two cases stalling by family members claiming to have or have applied for deputyship either without evidence or with</p>		
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	<p>potentially fake evidence has also delayed recovery.</p> <p>Recommendation: Capacity within teams involved in the recovery of debt should be under constant review. Recovery of debt in complex areas such as ASC is resource heavy, PCC Senior Management should consider whether the benefits of investing in sufficient capacity across Income Recovery, Deputyship and Legal Services to enable an effective and efficient means to recover debt outweighs the costs this will incur. The risks of not doing so is that debt recovery may become more challenging if the public believes debts will not be vigorously pursued.</p> <p>Income Recovery should consider if more can be done when family members agree to apply for LPA or deputyship and whether evidence should be requested and followed up on. Finding a way to identify high risk cases and focus more attention on them may send out a message that cases are monitored closely and act as a deterrent.</p>		<p>Responsible Officer: Head of ASC and Retained Function (SB) and Income Recovery Team Leader (CC)</p> <p>Target Date: 31/12/2024</p>
1.6	<p><u>Unpaid Devon Integrated Care Board (ICB) Invoices</u> Residential Care which is fully or partially funded by Devon ICB is paid by the Council in the first instance and recharged to the Devon ICB on invoice. There are sometimes delays in the payment of these invoices which negatively impacts collection rate figures for the Income Recovery Team. During the latter part of 2023/24 Devon ICB withheld payment for a number of invoices due to a separate dispute. Payment was eventually made in March 2024 of £18m covering a number of invoices.</p> <p>In this case, there was a lack of effective communication between decision makers, Income Recovery and Finance which resulted in:</p> <ul style="list-style-type: none"> • Officers chasing debt which had been agreed to be put on a temporary hold; • Finance being unaware payments had not been 	Medium	<p>This is not expected to be an ongoing issue, however, learning from last year's dispute will be applied going forward. As soon as it is known that an invoice is being disputed Finance will contact the income recovery team to hold invoices being chased.</p>

	<p>made;</p> <ul style="list-style-type: none"> Income Recovery not being aware when payment was finally made. <p>The withholding of such a large amount negatively affected Income Collection performance rates, placed additional unnecessary work pressures on the Income Recovery Team and ASC Finance and could potentially have affected the Council's cashflow position.</p> <p>Recommendation: Communication should be improved between decision makers, ASC Finance and Income Recovery to ensure that time is not wasted in chasing debts which have been temporarily placed on hold whilst a dispute or other arrangement is concluded.</p>		
1.7	<p><u>Understated Bad Debt Provision</u> The opening balance of the bad debt provision for ASC for 24/25 was -£1,571,893.77. In year write offs to September 2024 totalled £98,269.43. The calculated bad debt provision based on the provision calculations was estimated at -£2,184,628.14. An adjustment of -£711,003.80 would be required to balance the bad debt provision, however, this would have a negative impact on the ASC budget.</p> <p>As soon as an invoice is raised, the projected income is automatically credited to the ASC budget. If the debt becomes irrecoverable and is written off, then that amount must be recovered from the ASC budget. With a bad debt provision shortfall of over £700k (based on the estimate) the ASC budget is inaccurately overinflated which would have to be paid back into the central fund if the debts are written off.</p> <p>Recommendations: The ASC bad debt provision should reflect the calculated risk in order for the service area to accurately and completely report their financial position.</p>	Medium	<p>Responsible Officer: Lead Accountancy Manager (HS) Target Date: Implemented</p> <p>The Finance team will carry out a full review of the methodology of calculating the ASC Bad Debt Provision, to ensure that recommendations in 1.7 and 1.9 are considered, and that the provision going forward shows a more accurate view of debt risk and that any financial impact as a result is factored into the revenue monitoring position.</p> <p>Responsible Officer: Lead Accountancy Manager (HS) Target Date: 31/1/2025</p>

<p>1.8</p>	<p><u>Closed investigation leaving irrecoverable debt showing as recoverable on Debtors system</u></p> <p>One case reviewed during the audit had an outstanding balance in excess of £64k. There had been a number of difficulties ongoing from 2017 and Legal Services had been involved. There was a suspicion of fraud and a police investigation. In 2021 the case was referred to Counter Fraud in relation to alleged missing funds of approximately £93k from the sale of a property. Legal Services advised at this time that the £64k debt was likely to be irrecoverable as the money had not been traced and there was no longer a property in which to place a charge.</p> <p>There is evidence on the debtors system of follow up emails to Counter Fraud up to March 2022.</p> <p>The debt remains on the Debtors system despite there being little or no chance of recovery. Counter Fraud have stated that they closed a number of cases down that they could not pursue but no evidence could be found of Income Recovery or Legal Services being informed of this decision. In the specific case reviewed during the audit, it was believed that the case was still being actively investigated by Counter Fraud, which is not the case.</p> <p>Recommendation: If advised by Legal Services that a debt is likely to be irrecoverable, it should be referred to the appropriate manager to make a decision on whether the debt should be written off, ensuring that income is not overstated, or at least a provision is made in the bad debt reserve. A debt can be written back on if it is recovered once an investigation is complete. (Recommendation covered in 1.4 above)</p> <p>Regular updates should be provided to the relevant departments who have requested Counter Fraud's services on each case they are working with. When a case is closed to Counter Fraud this should be communicated back to the relevant department manager</p>	<p>Medium</p>	<p>Standard procedure would be that a report would be provided whenever a case is closed down, I can't confirm whether reports went out on the cases that were mentioned, as they would have been attached onto our old fraud system. We have standard report formats now, which must be completed by an investigator when submitting a case for closure, whether it is being recommended that action is taken or just closed down as no further action, and these should be provided to the department that refers the fraud to us.</p> <p>The cases that were previously investigated were stopped multiple years ago, I can't say for certain, but I believe in 2022. From my recollection, I met with the previous Legal Assistant before they left, and we discussed how none of the cases could be progressed for the reasons I mentioned, and I believe after he left, someone else e-mailed to ask about them and they were advised that they had already been stopped from our end. If legal were not successfully notified of the outcome of the cases, that would have been an error on my part, as standard procedure would be to send a closure report (or at least an e-mail).</p> <p>From our current position, we have no current live cases related to Adult Social Care debt. But any future cases that may be referred to us, will always have a closure report sent over.</p> <p>I'm happy to assist in an exercise to look at cases that have been referred to the Counter Fraud team, to make sure that they can all be successfully updated by legal, should it be required.</p>
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	<p>and evidenced so that action can be taken to write off debt or close the case down within the originating department as appropriate.</p> <p>An exercise should be undertaken to identify any cases that were referred to Counter Fraud and subsequently closed to ensure the originating department have been informed of the closure.</p>		<p>Responsible Officer: Senior Counter Fraud Officer (PB) Target Date: Implemented</p>
<p>1.9</p>	<p>Insufficient bad debt provision, calculations do not adequately reflect risk of recovery.</p> <p>The bad debt provision calculator applies a percentage bad debt provision based on high level criteria such as age of debt, recovery status, account name (ie if the account is in the name of an Executor) or if the debtor is health funded or an ASC provider. This then feeds into the summary sheet for the bad debt provision and the final bad debt reserve needed.</p> <p>The calculator relies on assumptions which may be overly optimistic such as:</p> <ul style="list-style-type: none"> • Debts 6 years or older are given a 95% provision, suggesting that 5% will be recovered; • Accounts in the name of "The Executor" are awarded zero provision, indicating 100% recovery. However, in some cases this could be a high risk area due to the debt being unsecured. When debts have not been paid during the client's lifetime it is optimistic to assume that 100% of the debt will be recovered from the Executor, who may well be the same Financial Representative who withheld payment previously. <p>Deputyship and Charging Orders are also given zero provision. The spreadsheet does not specify whether this is applied for or if in place. With very long waiting lists for Deputyship, Court of Protection, Legal Services and Land Registry the sad fact is that people pass away before the legal framework can be put in place, leaving debts</p>	<p>Medium</p>	<p>The Finance team will carry out a full review of the methodology of calculating the ASC Bad Debt Provision, to ensure that recommendations in 1.7 and 1.9 are considered, and that the provision going forward shows a more accurate view of debt risk and that any financial impact as a result is factored into the revenue monitoring position</p>

	<p>vulnerable.</p> <p>The bad debt provision calculator based on age of debt and recovery status alone is high level and whilst it gives a basic general estimate of potential uncollectable debt could be refined to provide the service area with a more accurate risk based bad debt provision.</p> <p>Recommendation: The bad debt provision calculator should be sense checked to ensure the factors are appropriate. In addition to the calculator, a risk-based approach to the individual debts should be included and a RAG rating allocated based on a predetermined criteria such as:</p> <ul style="list-style-type: none"> • mental capacity; • previous payment history/client debt issues/previous debt written off; • size of debt (based on client not invoice); • if estate is being managed by a solicitor; • whether there is a property involved; • financial representative, family, safeguarding concerns; • co-operation of client/financial representative (including where full charge is applied due to non-disclosure during financial assessment); • suspected fraud; • awaiting input from other service areas/agencies (eg. Deputyship, Court of Protection, Legal Services, Counter Fraud etc). <p>An additional tab could be added to the bad debt spreadsheet to incorporate the above and feed into the overall bad debt provision. The bad debt provision calculator and risk approach tool should be agreed by managers and form part of the Bad Debt Policy for ASC.</p>		<p>Responsible Officer: Lead Accountancy Manager (HS)</p> <p>Target Date: 31/1/2025</p>
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<p>1.10</p>	<p><u>"Free Text" Exception Report identifies cases where correspondence may not be sent due to incorrect input</u> As raised in previous audit reports a "free-text financial representative" remains in 17 cases as shown in the Dashboard exception report. This is a field which should not be completed and may prevent the issue of correspondence and/or invoices.</p> <p>It is understood that the Eclipse upgrade has removed the issue with the "Free Text" box for new cases, however, 17 pre-migration cases currently remain with this error notification.</p> <p>Recommendation: An exercise should be undertaken to clear up the final 17 "free text representatives" cases.</p>	<p>Medium</p>	<p>Cases continue to be worked through and removed. Currently down to 15 pre-migration cases.</p> <p>The Operation Development Team will close down the remaining 15 Free Text Fin Reps and where possible convert them into CareFirst records.</p>
<p>Responsible Officer: Operations Development Manager (GS) Target Date: 31/12/2024</p>			
<p>1.11</p>	<p>ASC Debt summary is not regularly produced and reported to senior managers ASC debt can be monitored and is reported in various ways (ledger, ASC dashboard, debtors system) and is included in the Council's financial statements.</p> <p>ASC Deferred Debt is also reported in the financial statement and in the ASC Dashboard. However, there appeared to be a lack of clarity and understanding amongst finance staff in relation to Deferred Debt and how this is monitored and reported and how this information is displayed in the ASC Dashboard.</p> <p>According to the ASC dashboard (as of September 2024) there was £8.9m outstanding ASC debt spanning a number of years. 53% of the debt was from 2023/24 and 2024/25 (to date). The remaining 47% spanned between 2006/07 to 2022/23. It was noted that some service users debt had been accrued over a number of years.</p> <p>Recommendation: Managers could benefit from a periodic ASC debt report which summarises key risk areas as not everyone has access to all debt management reports and systems. This</p>	<p>Low</p>	<p>Operations Development Manager to add a debt section to the weekly income report which is sent to managers.</p> <p>Email alerts are already sent to Management Team when debt levels peak.</p> <p>Management reporting to be discussed at ASC Debt Meeting and reports tweaked as necessary to provide good quality management information.</p>

<p>could pull together specific information held in the dashboard and debtors system regarding aged debt and service user categories (eg. mental capacity, financial representative etc) and information from the bad debt provision report in relation to service users who have the highest debt. Findings from the debt management meetings in relation to trends and work undertaken to reduce the debt could also be included.</p> <p>Deferred debt should also be regularly monitored by Finance and ASC monitoring reports should include Deferred Payments for visibility and to enable trends to be identified and monitored.</p>		<p>Responsible Officer: Operations Development Manager, GS</p> <p>Target Date: 31/12/2024</p>
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Scope and Objectives

The scope and objectives of this audit was to provide the Council with an opinion on the processes in place to pursue debts within Adult Social Care (ASC) to maximise income for the Council whilst supporting vulnerable service users who struggle to pay and addressing those who "won't pay".

The audit included those direct payment recipients who receive their direct payment gross of the assessed client contribution and who are invoiced in the same way as those in receipt of commissioned services. Direct Payments which are paid "net" of the assessed client contribution were not be included in this audit. The management and oversight of client contributions for Direct Payments that are paid "net" of the contribution are included in the Direct Payments audit.

Overall Risk:

- Accumulating ASC debt may lead to budget deficits, affecting the ability to provide essential services and meet other financial obligations.

Risk Effect:

- Non-compliance with legal and regulatory requirements can result in penalties, fines or legal action against the Local Authority;
- Insufficient funds which may impact the quality and availability of services provided by the local authority. This can result in reduced access to essential care services for vulnerable adults, affecting their well-being and potentially leading to safeguarding issues;
- Negative publicity regarding financial mismanagement or inadequate support for vulnerable adults can damage the authority's reputation and trust among residents and stakeholders;
- Increased administrative burdens and operational costs, including resources needed for debt collection, legal proceedings and managing disputes;
- ASC debt can have broader economic implications for the local community ie. affecting the council's ability to maintain services;
- Lack of adequate social care services due to financial constraints can exacerbate social inequalities and contribute to social isolation among vulnerable adults.

The following areas and mitigating controls were reviewed during the audit:

- Financial Management Policies and compliance with Regulations;
- Debt Management Procedures;
- Documentation and record keeping;
- Risk assessment and management;
- Stakeholder Communication;
- Performance Measurement and Reporting

Acknowledgements

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Inherent Limitations

The opinions and observations contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

Devon Assurance Partnership

Devon Assurance Partnership has been formed under a joint committee arrangement, details of our partners can be found on our [website](#). We aim to be recognised as a high-quality assurance service provider. We collaborate with our Partners by providing a professional service that will assist them in meeting their challenges, managing their risks and achieving their goals.

In conducting our work, we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk.

Confidentiality under the National Protective Marking Scheme

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the organisation, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Marketing

Official

Definitions

The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.

Official: Sensitive

A limited subset of OFFICIAL information could have more damaging consequences if it were lost, stolen or published in the media. This subset of information should still be managed within the 'OFFICIAL' classification tier but may attract additional measures to reinforce the 'need to know'. In such cases where there is a clear and justifiable requirement to reinforce the 'need to know', assets should be conspicuously marked: 'OFFICIAL-SENSITIVE'. All documents marked OFFICIAL: SENSITIVE must be handled appropriately and with extra care, to ensure the information is not accessed by unauthorised people.

Definitions of Audit Assurance Opinion Levels

Definition of Observation Priority

Assurance	Definition		
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important observations made to improve internal control arrangements and manage identified risks.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Opportunity	An observation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These observations do not feed into the assurance control environment.

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Audit and Governance Committee



Date of meeting:	14 January 2025
Title of Report:	Procurement Act Readiness Action Plan
Lead Member:	Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities)
Lead Strategic Director:	Liz Bryant (Monitoring Officer)
Author:	Holly Golden
Contact Email:	Holly.golden@plymouth.gov.uk
Your Reference:	HG/PS/763/CP/1224
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide a progress update on Plymouth City Council's readiness for the launch of the UK's new Procurement regime as laid down in the Procurement Act 2023 which is due to go live on 24 February 2025.

Recommendations and Reasons

1. To note the progress made on the delivery of the Council's Procurement Act Readiness Action Plan

Reason: To provide formal acknowledgement that the Council is on track to comply with the requirements of the new Procurement Regime

Alternative options considered and rejected

The option not to deliver a Procurement Act Readiness Action Plan is rejected on the grounds the Council has a legal obligation to comply with the requirements of the Procurement Act 2023 due to go live on the 24 February 2025.

Relevance to the Corporate Plan and/or the Plymouth Plan

The requirements of the new Act align to many of the Council and City aspirations as set out in the Plymouth Plan and Corporate Plan, for example, maximising public benefit and supporting small and medium-sized enterprises.

Implications for the Medium Term Financial Plan and Resource Implications:

The Council must have regard to the importance of delivering value for money as its number one objective when running procurements under the new Regime.

Sign off:

Fin	OW. 24.25. 002	Leg	LS/00 0010 75/1/ AC/3/ 1/25	Mon Off	N/A	HR	N/A	Asset s	N/A	Strat Proc	HG/PS/76 3/CP/1224
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Originating Senior Leadership Team member: Liz Bryant- Monitoring Officer

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 19/12/2024

Cabinet Member approval: Councillor Chris Penberthy (Cabinet Member for Housing, Co-operative Development, and Communities) *approved verbally*

Date approved: 06/01/2025

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PROCUREMENT ACT READINESS ACTION PLAN

Briefing Note



INTRODUCTION

The purpose of this briefing note and associated action plan is to provide a progress update on Plymouth City Council's readiness for the launch of the UK's new Procurement regime as laid down in the Procurement Act 2023 which is due to go live on 24 February 2025.

The Act sets out the rules that the Council must follow when undertaking procurement activity above certain thresholds and replaces the current Public Contracts Regulations 2015, Concession Contracts Regulations 2016, and wider specialist Procurement legislation into a single regime.

The overarching aim of the new Act is to '*create simpler, more flexible and effective procurement*' following the UK's departure from the European Union (EU).

KEY POINTS OF CONSISTENCY

The UK remains party to many international agreements which means the underlying principles and the majority of the provisions will remain materially the same as the existing legislation. Key points of consistency for the Council include:

- The ability to rely on the 'teckal' exemption to award contracts to its family of companies
- Specific types of contracts remain exempt such as land and buildings and employment
- Recognition of the need for additional flexibility for contracts defined as 'light touch' e.g. certain health and social care contracts
- Frameworks will remain a mechanism through which the Council can award contracts without the need to run full regulatory-compliance procurement processes
- Contracts must comply with the Regulations under which they were procured. I.e. no retrospective application of new provisions.

KEY NEW PROVISIONS

- Introduction of new flexibility into competitive procedures enabling procurements to be tailored to specific requirements.
- Enshrines in law the National Procurement Policy Statement which includes government priorities such as Social Value and supporting SMEs
- Introduction of a new Procurement Pipeline publication requirement
- Extensive new transparency requirements in the form of 14 mandatory notices to be published from pre-procurement market engagement through to contract termination.

ACTION PLAN

To ensure the Council is ready for the new regime a procurement working group has been set up and an action plan has been developed and is being delivered against. The plan categories actions into 6 core areas:

- Policies- including Procurement Strategy and Contract Standing Orders
- Templates/Form- including internal governance procedures and tender procedure templates
- Processes- including pipeline publication and contract management notices
- Systems- updates to e-procurement portal
- Training- procurement professionals, wider PCC officers and suppliers

All actions are currently being delivered as planned however it must be noted that many actions rely on information from central government which has yet to be released. All UK contracting authorities are in the same position and the Procurement working group are closely monitoring the situation.

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Plymouth City Council - Procurement Act Readiness Plan (Procurement Act 2023 'Go Live'- 24th February 2025)						
Ref.	Item to be Updated	Description of Action	Lead	Target Completion Date (end)*	Status Update	Monitoring Comments
Policies						
Po1	Procurement Strategy	Update regulation references as required	Head of Procurement	Dec-24	Complete	
Po2	Contract Standing Orders inc. Procedural Notes	Update regulation references + enhance sections as required	Head of Procurement	Dec-24	Complete	
Po3	Social Value Policy	Update regulation references + enhance sections as required	Head of Procurement	Apr-25	Scheduled/Due to begin at a later date	To be incorporated into wider social value policy refresh
Templates/Forms						
Te1	Contract Standing Orders governance forms	Update regulation references as required	Head of Procurement	Dec-24	Complete	
Te2	Above threshold tender templates- Open procedure	Update regulation references+ enhance sections as required	Category Lead (Governance and Systems)	Feb-25	On track for completion	Dependent upon release of templates- awaiting central government
Te3	Above threshold tender templates- Competitive Flexible procedure	NEW- create new templates incorporating new commercial tools	Category Lead (Governance and Systems)	Feb-25	On track for completion	Dependent upon release of templates- awaiting central government
Te4	Above threshold supplier notification letter templates	Update regulation references+ enhance sections as required	Category Lead (Governance and Systems)	Feb-25	On track for completion	Dependent upon release of templates- awaiting central government
Te5	Conflict of Interest Assessment	NEW-create new report template building on existing forms	Category Lead (Governance and Systems)	Jan-25	On track for completion	Dependent upon release of templates- awaiting central government
Te6	Standard Terms and Conditions	Update regulation references as required	Assistant Head of Legal Services	Jan-25	On track for completion	
Te7	Contract Agreement	Update regulation references as required	Category Lead (Governance and Systems)	Jan-25	On track for completion	
Processes						
Pr1	Procurement Pipeline Publication	NEW-Develop process to capture and maintain a procurement pipeline	Category Lead (Governance and Systems)	Apr-25	On track for completion	Deadline May 25.Completion dependent upon launch of central digital platform + release of Notice templates- awaiting central government
Pr2	Contract Management	NEW- Develop process to ensure completion of new performance management notices by contract managers	Category Lead (Governance and Systems)	Apr-25	Scheduled/Due to begin at a later date	Post Feb-25 Procurements only. Dependent upon launch of central digital platform + release of Notice templates- awaiting central government
Pr3	Payments	NEW- Develop process to ensure completion of new contract payment and payment compliance notices	Category Lead (Governance and Systems)	Apr-25	Scheduled/Due to begin at a later date	Post Feb-25 Procurements only. Dependent upon launch of central digital platform + release of Notice templates- awaiting central government
Pr4	Conflict of Interest Management	Update and formalise existing process	Category Lead (Governance and Systems)	Jan-25	On track for completion	Completion dependent upon release of templates- awaiting central government
Systems						
Sy1	E-procurement portal- open procedure	Update workflow with new central digital platform notices	Category Lead (Governance and Systems)	Feb-25	On track for completion	Commenced Dec 24. Completion dependent upon launch of central digital platform + release of Notice templates- awaiting central government
Sy2	E-procurement portal- competitive flexible procedure	NEW- create new workflows incorporating new commercial tools including new central digital platform notices	Category Lead (Governance and Systems)	Feb-25	On track for completion	Commenced Dec 24. Completion dependent upon launch of central digital platform + release of Notice templates- awaiting central government
Sy3	Contract management system	NEW- develop business case for subscription to new contract management system	Head of Procurement/Market Improvement Manager	Mar-25	Scheduled/Due to begin at a later date	Awaiting launch of new regime to assess software providers' ability to comply with publication requirements
Training						
Tr1	Procurement Professionals (Procurement Service, Commissioning & Legal)	Complete central government training programme	All Procurement Professionals	Dec-24	Complete	
Tr2	Procurement Professionals (Procurement Service, Commissioning & Legal)	Identify additional training needs and identify relevant courses for completion	All Procurement Professionals	Feb-25	Scheduled/Due to begin at a later date	Awaiting release of all remaining guidance and templates to assess gaps in knowledge and skill.
Tr3	Strategic/ Service Director DMTs	Deliver tailored sessions	Head of Procurement/Market Improvement Manager	Jan-25	On track for completion	
Tr4	Departments	Offer tailored sessions	Head of Procurement/Market Improvement Manager	Jan-25	On track for completion	
Tr5	Individual officers	Train as and when procurements are delivered	All Procurement Professionals	Ongoing	On track for completion	Key internal clients have already been briefed about the changes. Further training to be provided tailored to individual procurements
Tr6	Suppliers	Hold an event for Plymouth suppliers with city partners	Head of Procurement	Mar-25	Scheduled/Due to begin at a later date	Already linked in with Partners via economic development. Awaiting outstanding information from central government to plan specifics of event
Tr7	Process Flows	NEW- create process flows to accompany new procedures	Category Lead (Governance and Systems)	Mar-25	On track for completion	
Communication						
Co1	CMT	Provide initial briefing	Head of Procurement	May-24	Complete	
Co2	CMT	Report on readiness progress (verbal)	Head of Procurement	Dec-24	Complete	
Co3	Audit and Governance Committee	Report on readiness progress	Head of Procurement	Jan-25	On track for completion	
Co4	Team Plymouth/ management	Briefing session + overarching guidance	Head of Procurement/Market Improvement Manager	Feb-25	Scheduled/Due to begin at a later date	
Co5	All staff	Staff room post + staff news letter	Head of Procurement	Feb-25	Scheduled/Due to begin at a later date	

*Where February 25 is stated as the target completion date, the specific date is 24th February 2025 i.e. new regime 'go live'

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Audit and Governance Committee – Tracking Decisions 2024/25

Minute No.	Resolution	Date Due & Progress
Minute 42 Risk Management Monitoring Report November 2023 28 November 2023	A SharePoint page would be created for members of the Committee, to see risk management information in near real time.	Date Due: January 2024 Officer Responsible: Ross Jago Progress: Request formally made 1 December 2023. Chased 26 March 2024, 23 April 2024, 12 July 2024.
Minute 59 External Audit – Audit Findings Report 2020/21 12 March 2024	There would be an independent review into the pension transaction from October 2019 and as soon as there was information on when the review was to take place, and what its scope would be, David Northey (Service Director for Finance) would let members of the Committee know, as well as any other relevant Councillors.	Date Due: Ongoing. Officer Responsible: David Northey Progress: Formal request sent 13 March 2024. Update provided to the Committee at the 23 July 2024 and 10 September 2024 meetings. Further updates to be provided when possible.
Minute 60 Whistleblowing Policy 12 March 2024	Ross Jago (Head of Governance, Performance and Risk) agreed to provide members with an explanation as to why Councillors, agency workers and contractors were exempt from the Whistleblowing Policy.	Date Due: 27 March 2024 Officer Responsible: Ross Jago Progress: Formal request sent 13 March 2024. Chased 26 March 2024, 23 April 2024, 12 July 2024, 4 December 2024, 3 January 2025.

Audit and Governance Committee – Tracking Decisions 2024/25

<p>Minute 60</p> <p>Whistleblowing Policy</p> <p>12 March 2024</p>	<p>It was suggested that Section 3.4 be considered for re-wording, as it put too much pressure on people to put their name to a whistleblowing report.</p>	<p>Date Due: 27 March 2024</p> <p>Officer Responsible: Ross Jago</p> <p>Progress: Formal request sent 13 March 2024. Chased 26 March 2024, 23 April 2024, 12 July 2024, 12 August 2024, 4 December 2024, 3 January 2025.</p>
<p>Minute 60</p> <p>Whistleblowing Policy</p> <p>12 March 2024</p>	<p>Section 2.2 did not include inappropriate behaviour, so Ross Jago (Head of Governance, Performance and Risk) agreed to provide information to members on how this would be dealt with through existing HR policies, or if it needed to be included in the Whistleblowing Policy.</p>	<p>Date Due: 27 March 2024</p> <p>Officer Responsible: Ross Jago</p> <p>Progress: Formal request sent 13 March 2024. Chased 26 March 2024, 23 April 2024, 12 July 2024, 12 August 2024, 4 December 2024, 3 January 2025.</p>
<p>Minute 60</p> <p>Whistleblowing Policy</p> <p>12 March 2024</p>	<p>It was suggested that Section 6.1 a should be changed to ‘any Councillor’.</p>	<p>Date Due: 27 March 2024</p> <p>Officer Responsible: Ross Jago</p> <p>Progress: Formal request sent 13 March 2024. Chased 26 March 2024, 23 April 2024, 12 July 2024, 12 August 2024, 4 December 2024, 3 January 2025.</p>
<p>Minute 60</p> <p>Whistleblowing Policy</p> <p>12 March 2024</p>	<p>It was suggested that ‘MP’s’ be included in Section 6.1.</p>	<p>Date Due: 27 March 2024</p> <p>Officer Responsible: Ross Jago</p> <p>Progress: Formal request sent 13 March 2024. Chased 26 March 2024, 23 April 2024, 12 July 2024, 12 August 2024, 4 December 2024, 3 January 2025.</p>

Audit and Governance Committee – Tracking Decisions 2024/25

Minute 60 Whistleblowing Policy 12 March 2024	Ross Jago (Head of Governance, Performance and Risk) agreed to provide information to the Committee on process if the Service Director was the subject of a Whistleblowing issue.	Date Due: 27 March 2024 Officer Responsible: Ross Jago Progress: Formal request sent 13 March 2024. Chased 26 March 2024, 23 April 2024, 12 July 2024, 12 August 2024, 4 December 2024, 3 January 2025.
Minute 19 Recommendation 2 Constitutional Update 23 July 2024	Review the efficiency and effectiveness of these changes at an Audit and Governance Committee meeting in March 2025.	Date Due: 11 March 2025 Officer Responsible: Ross Jago Progress: Added to the work programme 24 July 2024 for the 11 March 2024 meeting.
Minute 23a & 23i Annual Information Governance Statement 23 July 2024	The Annual Information Governance Statement report was to be split into Part I and Part II. Furthermore, it would include benchmarking figures, if obtained, on numbers of requests.	Date Due: July 2025 Officer Responsible: John Finch Progress: Requested for the July 2025 meeting.
Minute 46 Treasury Management Strategy 2025/26 12 November 2024	The Committee agreed to recommend the Treasury Management Strategy 2025/26 to City Council for approval.	Date Due: 27 January 2025 Officer Responsible: Wendy Eldridge/Ross Jago Progress: Due on agenda for the meeting.
Minute 47	The Committee agreed to recommend the Capital Financing Strategy to City Council for approval.	Date Due: 27 January 2025

Audit and Governance Committee – Tracking Decisions 2024/25

<p>Capital Financing Strategy 2025/26</p> <p>12 November 2024</p>		<p>Officer Responsible: Wendy Eldridge/Ross Jago</p> <p>Progress: Due on agenda for the meeting.</p>
<p>Minute 51</p> <p>Council’s Electoral Cycle Consultation</p> <p>12 November 2024</p>	<p>The Committee agreed to receive the electoral cycle consultation summary report at Appendix A and recommend that the City Council determined at its meeting on 25 November 2024 whether to make a change to its electoral cycle arrangements.</p>	<p>Date Due: 25 November 2024</p> <p>Officer Responsible: Liz Bryant/Ross Jago</p> <p>Progress: Complete.</p>
<p>Minute 56</p> <p>Auditors Annual Report</p> <p>11 December 2024</p>	<p>The Committee agreed to recommend the Chair of the Audit and Governance Committee should meet with Council officers and Grant Thornton auditors on a regular basis to ensure documents were not brought before Committee late again.</p>	<p>Date Due: 10 February 2025</p> <p>Officer Responsible: Oliver Woodhams/Carolyn Haynes</p> <p>Progress: Update will be available from 8/9 January 2025.</p>

Audit and Governance Committee

Work Programme 2024/25



Please note that the work programme is a 'live' document and subject to change at short notice. The information in this work programme is intended to be of strategic relevance.

For general enquiries relating to the Council's Committees, including this Committee's work programme, please contact Hannah Chandler-Whiting (Democratic Advisor) on 01752 305155.

Date of Meeting	Agenda Item	Reason for Consideration	Lead Officer
23 July 2024	Role of an Audit Member	Standing Item (Verbal Report)	Paul Dossett
	External Audit Report – Progress Report/Plan 2023/24		Paul Dossett
	External Audit Report – 2020/21 Audit findings report		Paul Dossett
	Management Response to GT 2024 Actions including a revised Management Review and Action Plan addressing the CIPFA Financial Management Code		David Northey
	Update on Capitalisation	(Verbal Report)	David Northey
	Statement of Accounts 2019/20 Accounts and 2020/21 Accounts		Carolyn Haynes
	Draft Statement of Accounts 2023/24		Carolyn Haynes
	Contract Standing Orders		Holly Golden/Liz Bryant/Alison Critchfield
	Procurement Strategy		Holly Golden
	Treasury Management Outturn Report 2023/24		Wendy Eldridge
	Internal Audit Actions Review		Louise Clapton
	Internal Audit End of Year Report	Annual Report	Louise Clapton
	Internal Audit Strategy and Charter 2024/25	Annual Report	Louise Clapton
	Annual Information Governance Statement	Annual Report	John Finch
	Counter Fraud Annual Report	Annual Report	Ken Johnson
	Annual Governance Statement		Ross Jago
	Constitutional Update		Ross Jago
	Risk Management Monitoring Report		Ross Jago
	Electoral Cycle Consultation	Council Motion on Notice from 24/06/24	Elinor Firth
		Update on External Audit Recommendations	Standing Item (Verbal Update)

10 September 2024	Capitalisation Direction Update		David Northey
	Internal Audit Progress Report		Louise Clapton
	Committee Self-Assessment		David Northey/Ross Jago
	Health, Safety and Wellbeing Annual Report 2023/24	Annual Report	Kirstie Spencer
	Family of Companies		Liz Bryant
12 November 2024	Plymouth City Council Audit Plan 2023/24		Jackson Murray
	Interim Auditor's Annual Report		Jackson Murray
	Counter Fraud Half Year Report	Half Year Report	Ken Johnson
	Internal Audit Actions report		Louise Clapton
	Internal Half Year Report	Half Year Report	Louise Clapton
	Capital Finance Strategy	Annual Report	Wendy Eldridge
	Treasury Management Strategy	Annual Report	Wendy Eldridge
	Treasury Management Mid-Year Review	Annual Report	Wendy Eldridge
	Risk Management Monitoring Report		Ross Jago
	Performance and Accountability Framework	Moved from September to November on 28 Aug 2024.	Ross Jago
	Committee Self-Assessment	Added by officers 30 August 2024.	David Northey/Ross Jago
	Electoral Cycle Consultation		Liz Bryant/Caroline Marr/Andrew Binding/Ellie Firth
11 December 2024 (Additional Meeting)	Approval of Statement of Accounts 2021/22 and 2022/23		Carolyn Haynes/Paul Dossett
14 January 2025	External Auditor Update		Jackson Murray
	Capitalisation Direction Update	Verbal Update	David Northey
	Update on External Audit Recommendations	Standing Item	David Northey
	Treasury Management Board Update	Verbal Update	Wendy Eldridge
	Adult Social Care Debt Management 2024/25	Requested at the November 2024 meeting	Devon Audit Partnership
	Procurement Readiness Action Plan		Holly Golden
	Committee Self-Assessment	Added during 10 September 2024 meeting	Ross Jago

18 February 2025 (Additional Meeting)	Update on External Audit Recommendations	Standing Item	David Northey
	Capitalisation Direction Update	Verbal Update	David Northey
	Update on External Audit Progress (23/24)		Paul Dossett
	Approval of Statement of Accounts 2023/24		Carolyn Haynes
	Civic Protocol		Glenda Favor-Ankersen/Maddie Halifax
	Constitutional Changes		Ross Jago
11 March 2025	External Audit Progress Report		Paul Dossett
	External Audit – Audit Findings Report 2023/24		Paul Dossett
	Update on External Audit Recommendations	Standing Item	David Northey
	Capitalisation Direction Update		David Northey
	Internal Audit Strategy and Charter 2025/26	Annual Report	Louise Clapton
	Internal Audit Plan 2024/25		Louise Clapton
	Anti-Bribery and Corruption Policy		Ken Johnson
	Whistleblowing Policy	Annual Review	TBC
	Treasury Management Practices Principles and Schedules 2025/26	Annual Item	Wendy Eldridge
	Quarterly Prudential Indicators	Quarterly Report	Wendy Eldridge
	Treasury Management Board Update	Update Report	Wendy Eldridge
	Procurement Strategy	Update every 6 months	Holly Golden
	Audit and Governance Annual Report (to include Committee Self-Assessment)	Annual Report	Ross Jago
	Review of efficiency and effectiveness of Constitutional Updates	Identified for consideration at the July 2024 meeting.	Ross Jago
	Risk Management Monitoring Report		Ross Jago
	Data to Intelligence Strategy	Review Identified for consideration at the November 2024 meeting	Ross Jago
Items to be schedule for 2024/25			
2024/25	Regulatory Regimes	Identified for consideration at the March 2024 meeting.	Ross Jago
2024/25	Pre-Election Period Guidance	Identified for consideration at	Liz Bryant

		the July 2024 meeting.	
Items to be scheduled for 2025/26			