

ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – June 2021 UPDATE

1. The Council has fully accepted all recommendations made by the external auditor (R1-R20)
2. The Council has added additional recommendations LBC1-4
3. There are 9 high priority recommendations from the external auditor for the Council to urgently address:

High Priority Actions	High Priority Actions
R1a Children's Social Care	R12 Revolving Investment Fund
R1b Adult Social Care	R14 Treasury Management
R2 Adequacy of Council Reserves	R18 Ongoing investment in Brick by Brick
R3 Use of Transformation Funding	R20 Governance of subsidiaries
R9 Budget Challenge/Rigour	

Overall accountability for the action plan rests with the Interim Chief Executive

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Recommendation 1a – HIGH PRIORITY The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children’s social care and take effective action to manage both the demand and the resulting cost pressures.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Updated Deadline	
i) Develop a strategy for managing demand and expected impact / outcome and set up panels to manage activity and cost: <ul style="list-style-type: none"> - Weekly care panel to divert children from care - Bi-weekly Children Looked After review panel to identify children who can be supported to be reunited with families from care, and to systematically review higher cost placements 	<p>The Care Panel was established in February 2021. Outcomes from the care panel & new entries to care are monitored weekly at DLT.</p> <p>To build on this work further process maps are being refreshed to formalise challenge, authorisation and decision making for children in care or at risk of care. A scoping workshop to enhance multi-agency partnership provision has also been delivered in March 2021.</p>	COMPLETE	<p>The CFE Delivery plan was agreed in February 2021 following review and challenge at the Children’s Continuous Improvement Board (CCIB) and CYP Scrutiny Sub-Committee. Examination of CFE Delivery plan confirmed that this sets out the approach to continuing to manage demand and reduce costs to achieve the MTFS savings across the directorate.</p> <p>Examination of Continuous Improvement Plan (CCIP) established that MTFS for Early Help and Children’s Social Care had been embedded in CCIP 2021-2024. The CCIP plan was also reviewed and challenged at the CCIB and CYP Scrutiny in July 2021 before being finalised.</p> <p>Children Looked After Review Panel terms of Reference confirmed that the CARE panel was established to support children who have become looked after to be reunited with their. The CARE panel meets weekly chaired by a Head of Service. Actions are minuted and reviewed at each meeting. It was confirmed that the funding protocol process map for CARE Panel and Children Looked After (CLA) were established.</p>
ii) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. Specifically for Children’s social care,	The June 7 th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a	COMPLETE – first iteration of report now developed and shared. updates	Examination of the ‘Corporate Finance, Performance & Risk’ reports to the October and November 2021 Cabinet meetings confirmed that this included data on the monthly movement in

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<p>this will monitor the effectiveness of actions to reduce the number of local children in care.</p> <p>This progress report will bring together data on the monthly movement in numbers of children in care, the achievement of care outcomes, the financial impact including full year forecast, and benchmarking against best practice.</p>	<p>further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>	<p>are scheduled to come to Cabinet monthly</p>	<p>numbers of children in care, the achievement of care outcomes, the financial impact and benchmarking against best practice.</p>
<p>iii) The progress report will be routinely presented to the Children’s Improvement Board, Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency (see Recommendation 5 which will also be incorporated into this process). The first report to members will be accompanied by detail outlining the statutory and non-statutory areas of service and the impact of demand management across the service.</p>	<p>The Corporate Finance, Performance and Risk report will provide an update on improvement actions across the Council including Children’s. (1a-ii)</p> <p>Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p>	<p>COMPLETE – first iteration of report now developed and shared. updates are scheduled to come to Cabinet monthly</p> <p>Training offer to be picked up under Recommendation LBC-3</p>	<p>Examination of the ‘Windows into Practice’ document confirms that the CSC Monthly Dashboard provided rolling monthly statistics on Key Performance Indicators (KPI), detailing that <i>‘the dataset includes a 12-month performance summary for key indicators and activity as well as year-on-year local authority comparative data to map performance trends. Benchmarking data for England average and statistical neighbours are included where this information is publicly available’</i>.</p> <p>Examination of the CSC Performance spreadsheet confirmed that 129 numeric indicators were being tracked monthly and examination of the Croydon Children’s Continuous Improvement Board (CCIB) meeting minutes and accompanying papers confirmed these indicators were reported to these meetings.</p> <p>Examination of the Executive Leadership Team (ELT) /Corporate Management Team (CMT) forward planner confirmed that the ‘Corporate Finance, Performance and Risk’ report was a monthly agenda item, being reported at the 4th meeting each month.</p> <p>Examination of the October and November 2021 Cabinet meetings minutes confirmed that</p>

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			<p>'Corporate Finance, Performance & Risk' reports were reported to these meetings.</p> <p>Examination of General Purpose Audit Committee (GPAC) meeting minutes and the 'GPAC Work Programme' established that the 'Corporate Finance, Performance and Risk' report had not been reported to GPAC and was not on the 'Work Programme'.</p> <p>Although reported to the 15 June Overview and Scrutiny Committee, the 'Corporate Finance, Performance & Risk' was not reported to subsequent Committee meetings and was not on the Committee's 'Work Programme'.</p>
v) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care.	<p>Dataset developed and being progressed further.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>	<p>COMPLETE - first iteration of report now developed and shared. updates are scheduled to come to Cabinet monthly.</p>	<p>Examination of General Purpose Audit Committee (GPAC) meeting minutes and the 'GPAC Work Programme' was unable to locate any instances of the 'Corporate Finance, Performance and Risk' report being reported to GPAC.</p> <p>It is acknowledged, as detailed in 1(a) (iv) above, that this data was initially provided to the Overview and Scrutiny Committee and regularly to Cabinet.</p>

<p>Recommendation 1b – HIGH PRIORITY</p> <p>The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.</p>			<p>Summary of Internal Audit Work – Evidence Obtained and Seen</p>
<p>Cabinet Member Accountability: Councillor Campbell, Cabinet Member for Families, Health and Social Care</p>			
Action	Progress made to date	Updated Deadline	
v) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. This will include monitoring of the new	The June 7 th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a	<p>COMPLETE – First iteration of report now developed and</p>	Initially reported to the June 2021 Overview and Scrutiny Committee and Cabinet meetings, the development of the 'Corporate Finance, Performance & Risk' has been an iterative progress.

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<p>service delivery model to track progress and challenge effectiveness of the plan.</p>	<p>further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet. The monthly reports will develop over time as recommendations are progressed.</p>	<p>shared. updates are scheduled to come to Cabinet monthly.</p>	<p>Examination of the 'Corporate Finance, Performance & Risk' reports to the October and November 2021 Cabinet meetings confirmed that full reports had been presented at these meetings.</p>
<p>vi) Progress will be governed by reporting to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency. The first report to members will be accompanied by detail outlining the statutory and non-statutory areas of service and the impact of demand management across the service.</p>	<p>The Corporate Finance, Performance and Risk report will provide an update on improvement actions across the Council including HWA's (1b-v). Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p>	<p>COMPLETE – First iteration of report now developed and shared. updates are scheduled to come to Cabinet monthly.</p>	<p>Examination of the October 2021 'Corporate Performance and Finance Report confirmed that this included the improvement actions for Health Wellbeing and Adult (HWA). Examination of the Executive Leadership Team (ELT) /Corporate Management Team (CMT) forward planner confirmed that the 'Corporate Finance, Performance and Risk' report was a monthly agenda item, being reported at the 4th meeting each month. Examination of the October and November 2021 Cabinet meetings minutes confirmed that 'Corporate Finance, Performance & Risk' reports were reported to these meetings. Examination of General Purpose Audit Committee (GPAC) meeting minutes and the 'GPAC Work Programme' established that the 'Corporate Finance, Performance and Risk' report had not been reported to GPAC and was not on the 'Work Programme'. Although reported to the 15 June Overview and Scrutiny Committee, the 'Corporate Finance, Performance & Risk' was not reported to subsequent Committee meetings and was not on the Committee's 'Work Programme.'</p>
<p>vii) Ensure that cost of care tool is used effectively to track all case expenditure to improve financial</p>	<p>The Cost of Care tool referred to in has been utilised to help accurately forecast its spend to support budget setting,</p>	<p>COMPLETE</p>	<p>The '2021/22 Adult Social Care Budget Proposals' report to the Health and Social Care Sub-Committee in January 2021 confirmed that a 'cost of Care' tool</p>

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<p>control, identify areas of focus for further improvement and to enable better decision making.</p>	<p>improve financial management and identify opportunities for further savings.</p> <p>A separate tool called CareCubed is in the process of being acquired. It is a benchmarking tool that allows adult social care to acquire an indicative cost of placing an individual aligned with their assessed care and support needs. This indicative amount is then used to aid contract negotiations with providers.</p> <p>The tool has successfully enabled savings in other Council's and will be tested in Croydon over the next 12 months. Training for staff to use tool is in planning.</p>		<p>had <i>'been developed to build a zero based adult social care budget and set a baseline for current activity and cost from which then to reduce to bring in line with the average level of spending in London or England as appropriate.'</i></p> <p>The 'Overview Of The 2021-22 Adult Social Care Financial Performance' report provided to the Scrutiny Health & Social Care Sub-Committee at the meeting held on 29 June 2021 confirms that, <i>'A further £0.026m transformation investment was agreed in Feb 21 for the purchase of a tool called Care Cubed. This allows the service to benchmark placements costs with other councils, enabling stronger provider negotiations.'</i></p> <p>The copy of the Care Cubed contract provided, confirms that, <i>'IESE will provide Licensee with access to CareCubed for one year from 1st April 2021 and ending on 31st March 2022' with the option to extend this.</i></p> <p>As evidenced by the Care Cubed Implementation Plan, the CareCubed tool was implemented as of 18th June 2021.</p> <p>A training plan for use of the tool has been established and distributed to social workers and brokerage staff.</p> <p>Examination of the CareCubed Project Board Meeting Report, dated 17th November 2021, demonstrated that outcomes from the testing of the CareCubed tool were being reported.</p>
<p>IX) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care</p>	<p>A finance and performance workstream has been established and meets fortnightly. The key objectives for this workstream are to ensure dashboards are developed to enable the senior management team to track activity against the benchmarking forecasts set</p>	<p>COMPLETE</p>	<p>It was confirmed that a Finance, Performance and Risk report has been developed to inform on the progress of Services against identified measures. The report is provided to the CMT monthly. It is also provided to Cabinet monthly but is expected to be</p>

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	<p>out in the adults improvement plan; and against the move towards both London (younger adults) and England (older adults) averages.</p> <p>Bettergov have been commissioned to help finalise dashboard and benchmarking modelling. 2 dashboards are to be utilised one focused on activity which is complete and another on finances which is in development.</p> <p>The MTFS tracker is currently updated weekly.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>		<p>received by Cabinet on a bi-monthly basis from January 2022.</p> <p>However, as detailed in previous actions, this has not been provided to the General Purpose and Audit Committee (GPAC).</p>
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Recommendation 3 – HIGH PRIORITY The Chief Executive should oversee a review of the outcomes achieved from the use of transformation funding to demonstrate that the funding has been applied in accordance with the aim of the scheme.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Updated Deadline	
i) A review of all schemes previously funded from transformation capital receipts be undertaken and a report produced that assesses whether the funding has been applied in accordance with the scheme.	This work is completed following discussions with the external auditor. An update will be made to GPAC as part of the report on the 2019/20 accounts.	COMPLETE	This action has not been reported publicly and nor has Internal Audit been provided with evidence of this being completed.

Recommendation 4 The s151 officer should set out the strategy for applying capital receipts for transformation annually as part of the budget setting process.	
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Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal			Summary of Internal Audit Work – Evidence Obtained and Seen
Action	Progress made to date	Updated Deadline	
i) A strategy for funding transformation to be incorporated into the budget setting process using the current Ministry of Housing, Communities and Local Government (MHCLG) Flexible Use of Capital Receipts Scheme.	Following extension of the Flexible Use of capital receipts scheme. Proposals for the use of up to £5 million of capital receipts, subject to availability of receipts will be drafted and agreed by ELT. This should be received in w/c 7 th June.	COMPLETE	<p>The 'Transformation Funding Strategy & 2021/22 Usage' report to full Council on 5th July 2021 detailed that, <i>'The Council's MTFS assumed up to £5 million of capital receipts could be utilised for transformation funding. The Council's strategy for use of flexible capital receipts is to ensure that such use remains affordable to the revenue account, taking into account the opportunity cost of otherwise funding the capital programme; ensuring such usage conforms to the requirements set out in the regulations; and delivers a positive and rapid rate of return in the level of savings delivered.'</i></p> <p>Examination of the report established that a total of 12 proposals were included.</p>
ii) In the absence of any national capital receipts for transformation scheme, the strategy for funding transformation will set out how future schemes will be funded using invest to save principles using rolling investment that is set aside and supported by business cases that demonstrate return. Any business case will have to demonstrate governance of the programme to assure the section 151 officer and Cabinet that the deliverables are being met. All schemes approved for funding under this strategy will be assessed individually and against the overarching risk exposure and affordability for the Council.	See 4i above.	COMPLETE	<p>See (4) i above. The 'Transformation Funding Strategy & 2021/22 Usage' report to full Council on 5th July 2021 required that full Council:</p> <p><i>'1.2 Approve the strategy as outlined in Section 3 to use capital receipts to support the delivery of ongoing savings where such proposals meet the requirements of the Flexible Capital Receipts Regulations, deliver positive payback, and are affordable;</i></p> <p><i>1.3 Approve the specific list of transformation funding schemes as set out in the body of this report and summarised in Table 1; each proposed scheme be individually approved.'</i></p>

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Recommendation 5 The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Updated Deadline	
v) Progress against the recovery plan to be included in the monthly budget monitoring report to Children’s, Families and Education Department Leadership Team, the Executive Leadership Team, the Children’s Improvement Board and the quarterly Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency.	Progress update included in the monthly budget monitoring to Education SLT and CFE DLT.	COMPLETE	<p>Examination of the ‘2021-22 -P02 CFE Directorate’ spreadsheet confirms that monthly budget monitoring occurs. This includes the Dedicated Schools Grant (DSG), High Needs and Education Monitoring, where the financial position is recorded alongside an explanation of items such as anticipated overspend, financial pressures and underspends.</p> <p>Examination of the meeting minutes dated 19th May 2021 confirmed that the budget position was being reported to the High Needs Working Group. It was also confirmed that the meeting in July involved a review of the Quarter 2 outturn, but the minutes of this meeting were not yet available.</p> <p>Examination of the Cabinet meeting minutes since March 2021 did not identify any specific presentations on the DSG recovery plan, although regular ‘financial performance reports’ were provided.</p> <p>Examination of the meeting minutes of the General Purposes and Audit Committee confirmed that an update on the DSG recovery plan was presented to the 4 March and 25 November 2021 meetings. A further update was also noted to be scheduled for the January 2022 meeting.</p> <p>Examination of the Children & Young People Sub-Committee minutes since March 2021 did not</p>

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			identify any specific presentations on the DSG recovery plan, although regular 'Service Impact and Budget update' reports were provided.
vi) Progress on Dedicated Schools Grant recovery plan to be reported to the Schools' Forum on a termly basis	Included in the forward plan of agenda items for Schools' Forum	Complete and ongoing	Examination of the minutes of Schools' Forum meetings held in 2020/21 confirmed that Dedicated Schools Grant (DSG) Recovery Plan was presented to the meeting held on 26 April 2021 and examination of the forward plan (appended to the minutes of the meeting held on 8 November 2021) for the schools forum noted that this is next due to be presented at the meeting to be held on 6 December 2021, 17 January 2022 and 7 March 2022.

Recommendation 7 The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Updated Deadline	
ii) Present options for the Council to deliver safe services within the capacity threshold to the Children's Improvement Board, Cabinet and General Purposes and Audit Committee and Scrutiny & Overview Committee to increase levels of control and improve transparency.	A Cabinet paper on the Council's approach to caring for UASC will be presented on June 7 th 2021.	COMPLETE	Correspondence with the Executive Officer for Children, Families and Education confirmed that the Council's approach to caring for UASC were presented to Cabinet on June 7 th 2021. Examination of the report presented confirmed that this detailed the options for the Council to deliver safe services to UASC within the capacity threshold and confirms that the capacity threshold for numbers of UASC is 66 but that Croydon was caring for 205 UASCs. The report further detailed that if the Council were to accept no new UASCs for two years whilst reducing 40 current UASCs, the number of UASC would be within capacity threshold by

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			<p>2023/24. It was identified that this would result in a budget shortfall of £13m over the next three years.</p> <p>An ‘Accompanied Asylum Seeking Children Update’ was subsequently provided to the 13 September 2021 Cabinet meeting.</p> <p>A paper ‘Update on support for Asylum Seekers in Croydon’ was presented to the 17 November 2021 Croydon Children’s Continuous Improvement Board.</p> <p>No papers on UASC were noted as being presented to the Overview and Scrutiny Committee or the Children & Young People Sub-Committee during 2021.</p> <p>Although a presentation on UASC and the corresponding risk register entry was made in February 2021, no papers on UASC were noted as being presented to the General Purposes and Audit Committee during 2021.</p>
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Recommendation 8 The Cabinet reports on the financial position need to improve the transparency of reporting of any remedial action taken to address in year overspends.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance and Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Updated Deadline	
i) A review of financial reporting best practice is to be undertaken and the results used to design reports and a system of reporting that will improve its approach to managing finance, performance and risk to introduce a greater level of transparency and better grip of expenditure. All departments will	A process for monthly reporting is being developed with the period 1 report to come to Cabinet June 7 th 2021. These reports will develop iteratively over the coming months. See recommendation 8 – ii for further information on performance monitoring.	COMPLETE	The ‘Croydon Renewal and Improvement Plan - Performance Reporting Framework & Measures; report initially on 12 th April 2021 and then the subsequent updates to Cabinet on 7 th June and 26 July 2021 provided, ‘an update on the implementation of the Council’s Corporate Performance Action Plan and development of the associated performance reports as agreed at

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<p>be required to report against their budgets to the Departmental and Executive Leadership Teams on a monthly basis.</p>			<p>Cabinet on the 12 April 2021. The performance, finance and risk report (appendix A) will improve the corporate performance offer by providing timely and accurate performance data on programme / project status, performance against Corporate Renewal Plan KPI's, and progress against the delivery of financial savings.'</p> <p>It is noted that the development of the report is an iterative process, with a report detailing the four areas of programmes, finance and risk expected to become available in September 2021.</p> <p>This was in addition to the regular 'Financial Performance Report' being provided to Cabinet.</p>
<p>ii) The Council will develop a new corporate framework for monthly reporting that includes finance, performance and risk. This will report to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny and Overview Committee as appropriate. The new framework will include progress against service delivery, departmental actions plans, savings opportunities and actions contained within the Croydon Renewal Plan. All actions will be assigned to accountable people (including relevant cabinet member) and will be tracked through a central reporting team to ensure that the process is joined up, consistent and timely. This will be a recognised Programme Management Office function using savings and actions trackers.</p>	<p>The Council has developed a new Corporate framework to deliver monthly Corporate Finance, Performance and Risk update reports. These monitor implementation of improvement actions across the Council (including those contained in the RIPI and as part of the CRP) and set out KPIs and accountable officers.</p> <p>The PMO presented an approach to monthly Corporate, Finance, Performance Risk Reporting to Cabinet on April 12th.</p> <p>The June 7th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p>	<p style="text-align: center;">COMPLETE – first iteration of report now developed and shared. updates are scheduled to come to Cabinet monthly</p>	<p>Examination of the Executive Leadership Team (ELT) /Corporate Management Team (CMT) forward planner confirmed that the 'Corporate Finance, Performance and Risk' report was a monthly agenda item, being reported at the 4th meeting each month.</p> <p>In addition to the updates to the 12th April, 7th June and 26 July 2021 Cabinet meetings, 'Corporate Finance, Performance & Risk' reports were confirmed to be reported to the October and November 2021 Cabinet meetings.</p>

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	The monthly reports will develop over time as recommendations are progressed.		
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Recommendation 19 The s151 officer and monitoring officer should monitor compliance with loan covenants with Brick by Brick and report any breaches to Members.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal			
Action	Progress made to date	Updated Deadline	
<p>i) Loan covenants are within scope of the PwC strategic review and will be considered as part of the overall recommendations.</p> <p>A review of the existing loan covenants and their governance is to be undertaken. Learning from this review, a new system of control for all loan agreements entered into by the Council will be presented to Members and this will form part of the new Corporate Finance, Performance and Risk reporting system.</p> <p>The review and the proposed new system for loan covenants will be presented to GPAC & Scrutiny and Overview Committee prior to being presented to Cabinet for approval.</p>	<p>Loan agreements to be redrafted to provide a comprehensive single agreement.</p> <p>The February Cabinet report agreed that detail of the revised loan scheme be delegated to the Chief Executive after consultation with the leader and appropriate lead members.</p>	<p>COMPLETE</p>	<p>The 'Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2021/2022' presented to the February 2021 Cabinet meeting detailed that, '<i>The RIF [Revolving Investment Fund] also acted as a funder to the Council's Housing Development Company Brick by Brick, enabling the development of homes in the Borough. The Council has commissioned a review of the RIF which was reported to the Cabinet in November 2020. No new investments other than a loan for working capital to Brick by Brick will be made in 2021/22.</i>'</p> <p style="color: red;">There is no evidence of the review and proposed new system for loan covenants being presented to GPAC & Overview Committee prior to being presented to Cabinet for approval.</p> <p style="color: red;">No clear metrics have been provided for the proposed system governing loan covenants as forming part of the new Corporate, Finance, Performance and Risk reporting system.</p>

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LBC Recommendation 1 Given the challenges ahead there will need to be improvement of the Council's approach to risk management to enable a satisfactory turnaround of the financial position.			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal			
Action	Progress made to date	Updated Deadline	
<p>ii) Corporate Finance, Performance and Risk management to be combined into one reporting function to remove silo thinking and increase the rigour to enable delivery of services, savings plans and the overarching Improvement Plan. This will require one new unified system of corporate reporting.</p>	<p>PMO developing initial Corporate Finance, Performance and Risk report. These reports will be developed monthly and will provide updates from across the Council on key KPIs. A Cabinet report on the process of reporting was provided on April 12th 2021.</p> <p>The June 7th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>	<p>COMPLETE</p>	<p>Please also refer to 8(i) above.</p> <p>The 'Croydon Renewal and Improvement Plan - Performance Reporting Framework & Measures; report initially on 12th April 2021 and then the subsequent updates to Cabinet on 7th June and 26 July 2021 provided, 'an update on the implementation of the Council's Corporate Performance Action Plan and development of the associated performance reports as agreed at Cabinet on the 12 April 2021. The performance, finance and risk report (appendix A) will improve the corporate performance offer by providing timely and accurate performance data on programme / project status, performance against Corporate Renewal Plan KPI's, and progress against the delivery of financial savings.'</p> <p>It is noted that the development of the report is an iterative process, with a report detailing the four areas of programmes, finance and risk expected to become available in September 2021.</p> <p>This was in addition to the regular 'Financial Performance Report' being provided to Cabinet. The progress of developing Corporate Finance, Performance and Risk report (FPR) and a draft copy of FPR is reported in the Cabinet meeting on 12th April 2021 and 7th June 2021.</p> <p>Complete 'Corporate Finance, Performance & Risk' reports were confirmed to be reported to the October and November 2021 Cabinet meetings.</p>

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vi) Councillors to be provided overview of Council risk function and how risks are constantly monitored and updated in the organisation	Cabinet training workshop took place in January 2021. The action is complete therefore but will need to be developed further to ensure that proper attention to changing financial position is considered throughout the year. Officers will look at opportunities to provide key learning to members through refreshed work programme for 2022.	COMPLETE	Examination of the minutes of the Ethics Committee and the learning and update reports to the Committee has been unable to locate any mention of a risk workshop being provided to members.
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LBC Recommendation 2 Clarifying member and officer roles to support good governance arrangements			Summary of Internal Audit Work – Evidence Obtained and Seen
Cabinet Member Accountability: Councillor Young Cabinet Member for Resources and Financial Governance			
Action	Progress made to date	Updated Deadline	
iii) A review of the member and officer Codes of Conduct will be undertaken to incorporate any learning from recent events and to ensure that they explicitly include the seven principles of public life, known as the Nolan principles, as the basis of the ethical standards expected of elected and appointed public office holders.	<p>The Local Government Association Code of Conduct 2020 was reported into Ethics Committee in February 2021. Members asked for a gap analysis to come back to the committee in April to inform any potential future changes.</p> <p>This Gaps Analysis was provided to Councillors at the May 26th Ethics Committee.</p> <p>This is linked to LBC2 - ii.</p>	COMPLETE	<p>Examination of the minutes of the Ethics Committee meeting held on 11th February 2021 confirmed that LGA’s new model Code of Conduct was presented at the meeting and that members asked for a gap analysis to come back to the committee in April to inform any potential future changes.</p> <p>Examination of the minutes of the subsequent Ethics Committee meeting held on 26th May 2021 confirmed that the completed gap analysis was reported.</p> <p>The member Code of Conduct was then approved at the 11 October 2021 full Council meeting. The officer Code of Conduct is yet to be approved.</p>