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AUDIT COMMITTEE

DATE: Thursday, 29 September 2022

TIME: 10.30 am

VENUE: Committee Room - Town Hall,

Station Road, Clacton-on-Sea, CO15

1SE

MEMBERSHIP:

Councillor Coley (Chairman)
Councillor Alexander (Vice-Chairman)
Councillor Fairley

Councillor Miles Councillor Steady

AGENDA

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DATE OF PUBLICATION: Wednesday, 21 September 2022

AGENDA

1 Apologies for Absence and Substitutions

The Committee is asked to note any apologies for absence and substitutions received from Members.

2 Minutes of the Last Meeting (Pages 1 - 12)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Thursday 30 June 2022.

3 <u>Declarations of Interest</u>

Councillors are invited to declare any Disclosable Pecuniary Interests or Personal Interest, and the nature of it, in relation to any item on the agenda.

4 Questions on Notice pursuant to Council Procedure Rule 38

Subject to providing two working days' notice, a Member of the Committee may ask the Chairman of the Committee a question on any matter in relation to which the Council has powers or duties which affect the District of Tendring <u>and</u> which falls within the terms of reference of the Committee.

5 Report of the Internal Audit Manager - A.1 - Report on Internal Audit (Pages 13 - 32)

To provide the Committee with a periodic report on the Internal Audit function for the period June 2022 – August 2022, as required by the professional standards.

6 Report of the Assistant Director Partnerships - A.2 - Career Track Update (Pages 33 - 48)

The purpose of this report is to provide Audit Committee with a progress update on the organisation's improvement actions following the Ofsted inspection of Career Track in November 2021, the last Audit Committee report of 31 March 2022 and the update on 30 June 2022.

7 Report of the Deputy Chief Executive - A.3 - Corporate Risk Update (Pages 49 - 96)

To present to the Audit Committee the updated Corporate Risk Register and updated Risk Management Framework.

8 Report of the Assistant Director (Finance & IT) - A.4 - Table of Outstanding Issues (Pages 97 - 112)

To present to the Committee the progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Audit Committee is to be held in the Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Thursday, 26 January 2023.

Information for Visitors

FIRE EVACUATION PROCEDURE

There is no alarm test scheduled for this meeting. In the event of an alarm sounding, please calmly make your way out of any of the fire exits in the hall and follow the exit signs out of the building.

Please heed the instructions given by any member of staff and they will assist you in leaving the building and direct you to the assembly point.

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Your calmness and assistance is greatly appreciated.

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE, HELD ON THURSDAY, 30TH JUNE, 2022 AT 2.30 PM IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15 1SE

Present:	Councillors Coley (Chairman), Alexander (Vice-Chairman), Fairley, Miles and Steady
In Attendance:	Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Andy White (Assistant Director (Building and Public Realm)) (except items 5 (part) & 6), Craig Clawson (Internal Audit Manager), Ian Ford (Committee Services Manager), Karen Townshend (Executive Projects Manager (Governance)) and Keith Durran (Committee Services Officer)

1. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

No apologies for absence were submitted on behalf of Councillors on this occasion.

2. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Monday 25 April 2022 were approved as a correct record and were signed by the Chairman.

3. DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

4. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

No Questions on Notice pursuant to the provisions of Council Procedure Rule 38 had been submitted on this occasion.

5. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - REPORT ON INTERNAL AUDIT: MARCH TO MAY 2022 AND THE ANNUAL REPORT OF THE INTERNAL AUDIT MANAGER

The Committee had before it a report submitted by the Council's Internal Audit Manager (A.1) which provided a periodic update on the Internal Audit function for the period March 2022 to May 2022 together with the Internal Audit Manager's Annual Report for 2021/22 as required by the professional standards. That report was split into three sections as follows:-

1) Internal Audit Plan Progress 2021/22

- a satisfactory level of work had been carried out on the 2021/22 Internal Audit Plan in order for the Internal Audit Manager to be able to provide an opinion in his Annual Audit Report.
- two audits from the Internal Audit Plan remained outstanding. All other audits within
 the plan had been completed with only two receiving an overall audit opinion of
 'Improvement Required'. All other audits within the plan had received a satisfactory
 level of assurance.

2) Annual Report of Internal Audit Manager

• the Annual Report of the Internal Audit Manager had concluded that an unqualified opinion of Adequate Assurance could be provided.

- the work carried out throughout the year by the Audit Committee, Senior Management and the Internal Audit Team had been in line with the Public Sector Internal Audit Standards and CIPFA Application Notes (Latest release November 2020).
- there were risks to being able to provide an unqualified opinion in 2022/23 given some identified wider governance issues and the difficulties reaching an overall opinion for 2021/22. This would form a key element of the Annual Governance Statement (AGS) that was currently being prepared along with a number of actions to ensure that adequate progress could be made to avoid a potentially unfavourable opinion in future.

3) Internal Audit Plan Progress 2022/23

• Six audits within the 2022/23 Internal Audit Plan were currently in fieldwork.

INTERNAL AUDIT PLAN PROGRESS 2021/22

The Committee heard how two audits within the 2021/22 Internal Audit Plan remained outstanding (Depot Operations and Strategic Housing). All other audits within the plan had been completed.

A total number of nine audits had been completed during the period April 2022 to June 2022. One report in this period had received an overall opinion of 'Improvement Required' (Housing Repairs and Maintenance) with the other eight receiving satisfactory assurance opinions with no significant issues being identified.

It was reported that Internal Audit had continued to provide advice on internal control, risk management and governance arrangements on a consultative basis. Further to completing audits within the agreed plan, the Team had attended meetings regarding Procurement, Career Track and Careline. The Team also allocated some time throughout the year liaising with departments and advising on an ad-hoc basis.

The Committee was reminded that the audit plan was fluid, which ensured that Audit worked with services to reaffirm audit priorities continuously throughout the year. Audit officers remained focussed on delivering the message that they were here to support services.

Quality Assurance

Members were aware that the Internal Audit Team issued satisfaction surveys for each audit completed. In the period under review 100% of the responses received had indicated that the auditee had been satisfied with the audit work undertaken.

Resourcing

The Committee was informed that Internal Audit was currently working with an establishment of 3fte with access to a third party provider of internal audit services for specialist audit days as and when required. The Council had recently advertised

internally for the vacant Audit Technician post, unfortunately there had been no applicants. Officers were expected to advertise externally soon.

Outcomes of Internal Audit Work

The Standards required the Internal Audit Manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report nine audits had been completed and the final report issued. The Public Sector Internal Audit Standards required the reporting of significant risk exposures and control issues.

Assurance	Colour	Number this Period	Total for 2020/21Plan	
Substantial		0	5	
Adequate		8	15	
Improvement Required		1	2	
Significant Improvement Required		0	0	
No Opinion Required		0	3	Three consultative engagements in 2021/22

For the purpose of the colour coding approach, both the substantial and adequate opinions were shown in green as both were within acceptable tolerances.

Issues arising from audits completed in the period under review receiving an 'Improvement Required' opinion and which required reporting to Committee were:-

Housing Repairs and Maintenance

1. Lack of Variation Tracking

Issues identified:

"When a job was not as straight forward as expected a variation order was raised by the contractor which would then increase the expected cost of the job within the contract. The contractor had a contracted self-authorisation limit of £50 (but must send in photo beforehand) and anything above this must be authorised by the Council. This limit had recently been raised by the Council to £100. Whilst those variations were recorded under 'Job History', and looked at during invoice payment stage, there was no independent method of identifying the amount or total value of those works, or how many complied with contractual requirements."

Risk:

"Without an overview or method of identifying variations orders, there was a risk of paying for works or parts that were not required which had an adverse financial impact."

Agreed Action:

"Explore options within Housing repairs software review to include a reportable process for separately adding, identifying and tracking order variations.

This additional step should be linked to authorisation levels for each user, to ensure the value is appropriate for their role and experience."

2. <u>Tenancy Information</u>

Issues identified:

"Every housing unit should have an identified tenant, or clearly marked as void if between tenants.

Updated records were necessary to ensure the customer service team knew they were dealing with the tenant at the address and to enable any security checks needed as well as complying with any data requirements.

There was currently no regular updating of tenant details within the maintenance system if they move in or out. Similarly, it was understood that initially tenant details needed to be completed manually during initial rollout of software. As a consequence, there was limited confidence that all addresses had a tenant listed and there might be a few rogue overlooked blank entries in the database, where no visits had been needed."

Risk:

"Apart from reputational damage due to lack of data integrity and apparent professionalism, there was also the risk of allowing unauthorised access or works by a non-tenants."

Agreed Action:

"Liaise with IT to identify a data linkage method where existing records held on tenancy system can be exported to Housing Repairs software to ensure the records are current."

3. Lack of Clear Record Keeping

Issues identified:

"In a case brought to the Housing Ombudsman against the Council, one major criticism had been the absence of clear and comprehensive record keeping. This was also crucial in any legal defence against growing Housing Disrepair Claims.

Although some measures had been brought in, it was considered there was still room for some improvement. Further details and examples had been recorded within the operational audit report."

Risk:

"If information was missing or dispersed, there was a risk of overlooking key facts which might impact works in place or potential ones, leading to adverse reputational damage or financial impact (especially if a repeat in nature of the case previously sent to the Ombudsman or subject to growing instances of costly Housing Disrepair Claims)."

Agreed Action:

"New procedures and processes to be implemented so that information is captured centrally.

This will be examined as part of Housing Repairs software review to identify what options are available and any subsequent officer training carried out."

4. Discrepancies Between Oneserve System and Invoices

Issues identified:

"Work is raised on OneServe with the job description and cost. Once the job is complete, an invoice is raised and submitted to the council for payment. This invoice is matched against work raised and paid accordingly.

In all cases, OneServe (council housing repair software) figures should match invoice to ensure only the work raised is paid for.

There are examples identified through testing which showed payment was apparently in excess of raised work."

Risk:

"If the correct figures are not matched, this raises the risk that payments forecast may be different from invoice and overpay as a result. The variations are not kept with the main record, adding extra checking time to locate and cross reference any subsequent authorisations."

Agreed Action:

"Initially, a reminder will be issued to officers reminding them of the need to ensure the job value matches the received invoice.

There will also be investigation into software capability to see if a check function can be incorporated."

The Assistant Director (Building & Public Realm) (Andy White) attended the meeting and updated the Committee in respect of the department's response to the outcomes of the Housing Repairs and Maintenance audit, especially in relation to the implementation of the OneServe software system; its links to the Northgate system and the automated exchange of information. He also indicated that Officers were investigating the department's longer-term IT software requirements and its related information management protocols.

Mr White then responded to questions posed to him by the Chairman and members of the Committee.

Management Response to Internal Audit Findings

The Committee was reminded that there were processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that

appropriate corrective action had been taken. Where appropriate, follow up audits had been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding was as follows: -

Status	Number	Comments
Overdue more than 3 months	1	
Overdue less than 3 months	1	
Not yet due	1	

ANNUAL AUDIT REPORT OF INTERNAL AUDIT MANAGER

Members were reminded that the Public Sector Internal Audit Standards (PSIAS) stated that a professional, independent and objective internal audit service was one of the key elements of good governance, as recognised throughout the UK public sector. The role of the Head of Internal Audit (Internal Audit Manager), in accordance with the PSIAS, was to provide an opinion based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's governance, risk management, and control processes.

As set out in the PSIAS there was a requirement under PSIAS 2450 that the Chief Audit Executive must provide an annual report to the Audit Committee, timed to support the Annual Governance Statement. This must include:

- an annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment);
- a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies); and
- a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme.

The Council was accountable collectively for maintaining a sound system of internal control and was responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The Council continued to adopt a 'Three Lines of Defence' assurance model, which was taken from the following sources:

1. Senior Management and Departmental Leadership Under the first line of defence, operational management had ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

Internal Governance

The second line of defence consisted of activities covered by several components of internal governance (Statutory Officers, Corporate Oversight Functions, Quality Control, IT Security, Data Protection and other control departments). This line of defence monitored and facilitated the implementation of effective risk management practices by operational management and assisted the risk owners in reporting adequate risk related information up and down the organisation.

3. Internal Audit

The requirement for an internal audit function in local government was detailed within the Accounts and Audit Regulations 2015, which stated that a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Internal Audit Approach

The Internal Audit function undertook a programme of audits each year to provide the Council and its Audit Committee with assurance on the adequacy of its system of internal control, governance and risk management arrangements. The audit programme was developed using a risk based approach that incorporated a number of independent reviews of the Council's activities to be able to give an overall opinion on the areas mentioned above.

CIPFA had released guidance on Head of Internal Audit Annual Opinions in November 2020 due to the impact of COVID-19. There had been no further guidance from CIPFA since then. The Internal Audit Manager continued to refer to this guidance while forming an opinion; however, there had been minimal impact on the delivery of the 2021/22 Internal Audit Plan due to COVID-19.

The impact of COVID-19 was now a section of every audit undertaken and would continue to be going forwards. The Internal Audit Team would record changes to procedures and effectiveness and efficiency issues due to COVID-19 and report any significant issues to the Council's Management Team and Audit Committee, as required.

Communication between Internal Audit, the Council's Leadership and the Audit Committee had been effective and remained consistent which provided reasonable assurance around the effectiveness and transparency of reporting arrangements.

Internal Audit had continued to work with services on a consultancy basis to support the implementation of new processes, identify and analyse route cause if necessary and ensure that all relevant employees had the appropriate training to competently carry out their role. This included advising service area transformation projects, procurement, adhoc investigations and any further advice on procedures due to the impact of COVID-19.

Independent investigatory work had also been undertaken throughout the year as and when required to support Senior Management when internal control issues had arisen within service areas.

In 2021/22, only two audits from a total of 27 reviews undertaken had received an overall audit opinion of "Improvement Required" whereby high severity issues had been identified. It had been difficult to reach an overall unqualified opinion this year as there had been other activity that had to be taken into account when forming an opinion. Examples included the fact that two statutory 'Section 5' reports had been issued in order to correct decisions that had contravened law / constitutional requirements, as well as there being early indications from the outturn process suggesting that there had been significant unauthorised overspends of the Council's budgets. With all of the above to be considered, the balancing factors were that all significant issues identified had been addressed instantly which had included setting up working groups when needed and that overall the Council's internal control environment was sound, but needed to be followed.

Annual Opinion 2021/22

The Committee was made aware that the Head of Internal Audit's annual assurance opinion was based on the following:

- Internal Audit work completed during the course of the year;
- observations from consultancy/ advisory support;
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- a review of assurance from other providers including those from first and second lines of defence, independent regulators and peer reviews;
- the extent of resources available to deliver the internal audit work; and
- the quality and performance of the Internal Audit service and the extent of compliance with the Public Sector Internal Audit Standards.

<u>Limitations to the Annual Opinion</u>

There had been no limitations to report on the ability to deliver the Internal Audit Plan and provide an annual opinion on the effectiveness of governance, risk management and internal control. There had been changes to the audit plan throughout the year due to emerging risks and changes to service provision, which had meant that some audits had been merged and some elements had been amended within individual audits. The changes to the audit plan had been made in consultation with the Audit Committee and Management Team, furthermore the amendments to the plan had only added to the overall assurance opinion provided by the Internal Audit Team.

The Head of Internal Audit's Annual Opinion

It was reported that the overall direction of travel regarding the internal control environment since 2020/21 had remained the same. Officers were unable to state that the control environment had improved overall as the majority of audits had received an 'Adequate Assurance' opinion meaning that although there were no significant issues identified within those audits there was still some work to be done to develop the control environment at an operational level. A total of 39 moderate issues and 6 major issues had been identified with actions agreed with operational management throughout the year. All major actions had been reported to the Audit Committee and all moderate actions had been managed through the audit follow-up process with the service area.

Governance arrangements and internal controls had been evaluated in all audits within the plan, albeit with varying levels of scope. Senior Management continued to review strategic risks on a regular basis within Management Team and the Corporate Risk Register was reviewed bi-annually with any feedback reported to Management Team for consideration.

The opinion of the Internal Audit Manager had therefore been drawn from all of the information reported above, external reviews carried out throughout the year from other assurance providers and through the ongoing work in supporting Senior Management and services in delivering the Council's objectives and vision.

The Internal Audit function had updated the annual Quality Assurance and Improvement Programme (QAIP), which was a self-assessment questionnaire against the Public

Sector Internal Audit Standards. The QAIP had been completed and agreed by the Audit Committee in April 2022.

The Internal Audit Manager was satisfied that sufficient work had been completed in 2021/22 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's activities. The internal control environment continued to remain stable with some significant changes in specific service areas which had been reported to the Audit Committee throughout the year as part of the periodic reporting arrangements. An open dialogue with Senior Management on risk remained in place and a generally sound system of internal control had been assessed across the majority of the Council's operational areas. Therefore, an overall unqualified opinion of 'Adequate Assurance' could be provided.

The above report would be included within the Council's AGS as part of its statutory responsibilities.

The Committee was advised that there were risks to being able to provide an unqualified opinion in 2022/23 given the wider governance issues identified and the difficulties reaching an overall opinion for 2021/22. This would form a key element of the AGS that was currently being prepared to ensure that adequate progress could be made to resolve historical issues and avoid a potentially unfavourable opinion in future. As part of an immediate and direct response, the Chief Executive had established a regular cycle of Budget, Performance and Delivery Review meetings with Management Team and other Senior Officers across the Council. It had been recommended that those meetings cover the following key issues:

- high level review of the in-year budget position for each Directorate / Department, which needs to aim to draw out any potential financial issues ahead of the associated impact on the budget e.g. potential overspends, underspends and / or other financial issues / pressures;
- following on from the point above, to promote and oversee any associated decision making / governance processes;
- to identify financial pressures that may impact on the Council's long term financial plan;
- to promote connections / linkages with the recently implemented Corporate Investment Plan;
- to review the in-year performance against the Council's key aims and objectives and other key delivery targets;
- · to identify and oversee any other key governance issues; and
- set against all of the above, keep under on-going review the level of resources / capacity to meet the various demands on the Council's departments and services.

After detailed discussion it was RESOLVED that -

- (a) the contents of the report be noted; and
- (b) the Housing Portfolio Holder and the Corporate Director (Operations & Delivery) be required to attend the next meeting of the Committee to give an update on the improvement actions being undertaken in relation to the Housing Repairs & Maintenance audit and to answer Members' questions thereon.

6. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - A.2 - TABLE OF OUTSTANDING ISSUES

The Committee had before it a report on the progress of outstanding actions identified by the Committee along with general updates on other issues that fell within the responsibilities of the Committee (report A.2).

Members were reminded that a Table of Outstanding Issues was maintained and reported to each meeting of the Committee. This approach enabled the Committee to effectively monitor progress on issues and items that formed part of its governance responsibilities.

Members also heard that updates were set out against general items and the Annual Governance statement within Appendices A and B respectively and that to date there were no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate.

Other issues

Statement of Accounts 2020/21

It was reported that the Statement of Accounts 2020/21 remained subject to the conclusion of the work of the External Auditor. At the time of this Committee meeting, the associated report of the External Auditor had yet to be received as they continued their necessary audit work.

At the last meeting of the Committee, the External Auditor had provided a report which had detailed reasons for the aforementioned awaiting conclusion and had stated that the audit was not sufficiently progressed to enable the Audit Completion Report to be submitted, citing increasing pressures on the sector and unrealistic target dates. At the present time, it was hoped to bring this item to the September meeting of the Committee.

RIPA

The Committee was informed that this Authority had not conducted any RIPA activity in the last quarter and that it was rare that it would be required to do so.

The Covert Surveillance Policy and Procedure Manual pursuant to the Regulation of Investigatory Powers Act 2000 and Use of Social Media in Investigations Policy and Procedure had been finalised and had been published in May and June 2022 respectively.

Housing Void Rate

Members recalled that the housing void rate issue would now be managed through the Financial Performance Reports and it had consequently been removed from the Table of Outstanding Issues. However, if issues arose in the future they would be brought to this Committee as necessary.

Redmond Review

The Committee was informed that the Government had provided a further response to Local Audit Framework: technical consultation, as detailed in the Redmond Review on 31 May 22. This was a culmination of the Government's response into the effectiveness of external audit and transparency of financial reporting in local authorities and detailed the first steps taken towards a more co-ordinated local audit system, in which key players worked together to address challenges as they arose.

The response had confirmed that the new regulator, the Audit Reporting and Governance Authority (ARGA) would act as system leader for local audit. Ahead of ARGA's establishment, shadow arrangements would start at the Financial Reporting Council. Additionally, measures had been announced to ease immediate timeliness issues and to reduce the financial burden which increased audit requirements had placed on councils. Collaboration had accelerated across the current system as key stakeholders had worked closely through the Liaison Committee to deliver a package of measures to improve timeliness. Furthermore, the response had confirmed that once Parliamentary time allowed, it was planned that audit committees would become mandatory for all councils, with at least one independent member nominated to each Authority's audit committee.

It was further reported that the Local Audit Framework technical consultation had set out the Government's intention to act as interim system leader for local audit before new system leader arrangements were established. This had included the establishment of the new Liaison Committee, which had met 4 times. This forum had enabled strong and positive engagement from across the local audit system on how to balance different priorities and objectives. A primary focus for the Liaison Committee across this period had been the development of measures to address ongoing audit delays and to support the fragile audit market.

The Public Sector Audit Appointments Ltd (PSAA) had continued to progress its procurement strategy for the next round of local audit contracts. In March 2022, PSAA had confirmed that 470 out of 475 eligible local bodies had opted-in to its scheme for the procurement of the 2022/23-2027/28 audit contract, including this authority.

Planning Enforcement Policy

Members were advised that the draft Planning Enforcement Policy had been presented to the Corporate Enforcement Group where feedback and comments had been invited. The draft policy would now be presented to the Planning Committee in order for it to be formally adopted and it was anticipated that this would be at its August 2022 meeting.

Careline update

Following the Audit Committee's consideration of the Careline service at its March 2022 meeting, a report had been presented to Cabinet on 17 June 2022 which had set out options for the future of the Careline service, along with the most up to date position with regard to the improvement actions identified. Those actions had included the creation of a Careline Board which was attended by senior managers and the Portfolio Holder for Housing. This Board continued to oversee the improvement plan which included such elements as the monitoring of performance against the TSA KPI's, incoming call volumes, staffing levels and debt management. Therefore the above had established an assurance framework to respond to the issues previously reported to the

Committee. However, further timely updates would be provided to future meetings of the Committee.

After discussion the Committee RESOLVED that -

- (a) it notes the progress made against the actions set out in Appendices A and B of item A.2 of the Report of the Assistant Director (Finance & IT);
- (b) in relation to the Careline update, the Assistant Director (Finance & IT) be requested to submit, on behalf of the Audit Committee, the following questions and comments to the Careline Board:-
 - (1) are the approved new plans for Careline realistic ambitions for the structure and staffing levels in Careline?;
 - (2) the Audit Committee want a reassurance that the agreed new plans for Careline do not compromise the recovery of the service and its delivery to customers:
 - (3) will the ability to deliver a sustained and deliverable service match the potential interest resulting from the marketing campaign?;
 - (4) will Careline provide a sustainable and cost effective service, which mitigates the financial and reputational risk to the Council?;
 - (5) what is the current and proposed staffing levels and does the business case support the employment and training of additional new staff?;
 - (6) has the Business Continuity Plan for Careline been updated, to mitigate the previous risks and failings?; and
 - (7) is there still outstanding unrecovered debt?.
- (c) in relation to the response to the Ofsted report following its inspection of Career Track, the Assistant Director (Partnerships) be required to attend the September 2022 meeting of the Committee and give a presentation to Members on the completed Career Track development plan;
- (d) in view of the Council's on-going response to Covid-19 the Committee authorises an indefinite delay in carrying out an audit review in relation to the effectiveness of the Council's response to the COVID-19 including a review of the lessons learnt from the Council's response and longer term consequences; and
- (e) in relation to the Council's declared intention to be 'carbon neutral' by 2030 and the reputational risk inherent, the relevant Corporate Director be required to attend a meeting of the Committee in early 2023 to present to Members a two year progress report on the Council's Climate Change Action Plan.

The meeting was declared closed at 3.39 pm

Chairman

AUDIT COMMITTEE

29 SEPTEMBER 2022

REPORT OF INTERNAL AUDIT MANAGER

A.1 PERIODIC UPDATE REPORT ON INTERNAL AUDIT: JUNE 2022 - AUGUST 2022 (Report prepared by Craig Clawson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide a periodic report on the Internal Audit function for the period June 2022 – August 2022 and to provide an update on the Internal Audit Charter for approval by the Audit Committee as required by the professional standards.

EXECUTIVE SUMMARY

- Five audits have been completed since the last Audit Committee in June 2022. Four
 of those audits received a satisfactory level of assurance and one audit (Depot
 Operations) received an 'Improvement Required' opinion.
- A further 14 audits from the 2022/23 Internal Audit Plan have been allocated, eight of which are currently at the fieldwork phase.
- The Internal Audit Charter is provided to be reviewed and approved for the 2022/23 financial year. There has been no changes since the last update.

RECOMMENDATION(S)

Having considered the report and having decided whether it has been sufficiently informed on its contents, the Committee is recommended to resolve that:-

- (a) the contents of the report and its appendices be noted; and
- (b) the Internal Audit Charter be approved.

PART 2 - IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Provision of adequate and effective internal audit helps demonstrate the Council's commitment to corporate governance matters.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The Internal Audit function is operating within the budget set.

Risk

Review of the functions of the Council by Internal Audit assists in identifying exposure to risk, and its mitigation.

LEGAL

The Council has a statutory responsibility to maintain adequate and effective internal audit.

The Accounts and Audit Regulations 2015 make it a statutory requirement that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards and guidance.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Internal Audit activity assists the Council in maintaining a control environment that mitigates the opportunity for crime.

During the course of internal audit work issues regarding equality and diversity, and health inequalities may be identified and included in internal audit reports.

There is no specific effect on any particular ward.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Public Sector Internal Audit Standards require the Internal Audit Manager to make arrangements for reporting to senior management (Management Board) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that can be used to inform the Annual Governance Statement.

INTERNAL AUDIT PLAN PROGRESS 2022/23

The Housing Strategy audit is the only audit that remains outstanding from the 2021/22 Internal Audit Plan. The audit was originally delayed due to the passing of the Project Executive Officer for Housing. The service has not been able to recruit to the post since and are currently recruiting to the position. Therefore the audit has been moved in to the 2022/23 Internal Audit Plan with a view to completing the audit later in the year.

A total number of five audits were completed during June 2022 to August 2022. One report in this period has received an overall opinion of 'Improvement Required' (Depot Operations) with the other four receiving satisfactory assurance opinions with no significant issues being identified

A further 14 audits from the 2022/23 Internal Audit Plan have been allocated, eight of which are currently at the fieldwork phase.

As previously discussed, every audit undertaken will review the impact of Covid-19 on the service area under review. A summary will be provided to the committee at the end of the financial year detailing observations and recommendations made throughout the year. Any

significant issues identified will be brought to the committee sooner in the same way that significant findings are reported within the periodic reports.

We are currently in the 'Key Systems' phase of the plan where all financial and core service systems and processes are reviewed. Each area is tried and tested and very important to the Councils day to day activities. We do not anticipate any significant issues in this area as historically they have been well managed; however, it is very important to ensure that these systems and processes continue to work as expected and remain well controlled.

Quality Assurance – The Internal Audit function issues satisfaction surveys for each audit completed. In the period under review 100% of the responses received indicated that the auditee was satisfied with the audit work undertaken.

Resourcing

Internal Audit is currently working with an establishment of 3 fte with access to a third party provider of Internal Audit Services for specialist audit days as and when required. We have advertised twice for the vacant Audit Technician post but have unfortunately not been able to appoint to the post.

The Internal Audit Manager is a member of the Essex Audit Group which is made up of all Heads of Internal Audit across all district and boroughs across Essex including Essex County Council and Southend and Thurrock. All members of this group are finding it difficult to recruit and it seems that it isn't just an issue within the audit sector.

Because of this the Internal Audit Manager is leading with other members of the group, on a plan to allow apprentices to work within the different Councils across Essex for short periods of time to gain experience that they would not receive working for one organisation. This is to try and provide a better quality of training and experience across the board while the apprentice studies.

Therefore, at this time; due to not being able to recruit a candidate we would like, we will be revisiting the apprenticeship route.

Outcomes of Internal Audit Work

The standards require the Acting Audit and Governance Manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report nine audits have been completed and the final report issued. The Public Sector Internal Audit Standards require the reporting of significant risk exposures and control issues.

Assurance	Colour	Number this Period	Total for 2022/23 Plan	
Substantial		1	1	
Adequate		3	3	
Improvement		1	1	
Required				
Significant		0	0	
Improvement				
Required				
No Opinion		0	1	One consultative
Required				engagement in 2022/23 to date

For the purpose of the colour coding approach, both the substantial and adequate opinions are shown in green as both are within acceptable tolerances.

Issues arising from audits completed in the period under review receiving an 'Improvement Required' opinion and requiring reporting to Committee are: -

Depot Operations

Although there was only one significant issue reported within this audit, there were a number of operational issues identified which require management attention across all risk areas identified within the audit. This had a weighted influence on the overall assurance opinion of the report. Those issues will be followed up by Internal Audit with the service in the normal way.

It is important to note that many of the findings identified within the audit are longstanding issues that take time to resolve. The changes that are currently occurring and planned future changes have an impact on the culture, structure and day to day operations of the depot. The service has been working with Internal Audit, keeping us informed on progress and will continue to do so going forwards.

Significant issues identified;

1. Lack of Stores Stock Takes

In order to manage and control stock and check the integrity of the stock system against system error or potential theft, stock takes are necessary to ensure what is recorded on the system matches with the physical stock.

An ad-hoc stock take of a few random lines was undertaken during the audit, which identified a few discrepancies.

It was advised there are no regular stock takes - either checking a number of lines or a complete one. A lack of resource was provided as the main reason due to manual methodology of other tasks taking time.

Risk;

Without regular stock takes, it is problematic to know stock records are correct which would identify any errors in the system or if stock is being removed without authorisation.

Agreed Action;

To actively manage stock, regular stock takes are to be introduced, at a minimum frequency of a month.

Current software to be used to monitor stock, but stocktakes will be continued using any replacement software, following current review of options.

Management Response to Internal Audit Findings – There are processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action has been taken. Where appropriate follow up audits have been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding was as follows: -

Status	Number	Comments
Overdue more than 3 months	0	
Overdue less than 3 months	0	
Not yet due	3	

Update on previous significant issues reported

The Corporate Director (Operations and Delivery) will be in attendance to provide an update on the progress of agreed actions relating to Housing Repairs and Maintenance as reported at the June 2022 Audit Committee.

The Assistant Director (Partnerships) will also be in attendance to provide an update on agreed actions previously reported to the committee on Careline and Career Track.

INTERNAL AUDIT CHARTER

A requirement of the Public Sector Internal Audit Standards (PSIAS) is for the Audit Committee to review and approve the Internal Audit Charter on an annual basis. The Charter was last updated and approved in September 2021. There has been no changes to standards or processes since the last review, therefore no amendments were required.

The Charter is included as Appendix B of this report.

BACKGROUND PAPERS FOR THE DECISION

Internal Audit reports

APPENDICES

Appendix A – 2022/23 Internal Audit Plan Progress Report

Appendix B – Internal Audit Charter



-	Tendring District Council Inte	rnal Audit		
2	2021/22 Internal Audit Plan Progress Report			
1	Audit Title	Status Sept 2022	Audit Type	Audit Opinion
ı	Key Systems / Key Financial R	Risk Areas		
	Housing Strategy	Delayed	To review and assess the services progress in delivering key strategic objectives and obligations	To be confirmed
	Depot Operations	Complete	To review day to day operations of the depot, overall culture in line with corporate responsibilities and follow up on any outstanding security issues for the depot and its associated satellite compounds	Improvement Required
2	2022/23 Internal Audit Plan F	Progress Report		
1	Audit Title	Status Sept 2022	Audit Type	Audit Opinion
	Key Systems / Key Financial R	Risk Areas		
Dana 10	Procurement	Unallocated	To review the Councils compliance with procurement rules for works or services of value which require a tender exercise	To be confirmed
	Housing Benefits	Allocated	Different Techniques involved. Likely to include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises until Universal Credit is adopted.	To be confirmed
	National Non Domestic Rates	Fieldwork	Different Techniques involved. To include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises. Analysis of Legislation changes and pooling arrangements may also be required	To be confirmed
	Accounts Payable	Allocated	To review the mechanisms for making payments and ensure that all required controls are in place and followed as expected.	To be confirmed

	Corporate Governance	Allocated	Assurance Mapping and Self-Assessments to be used within this audit. Interviews with Senior Management required to ascertain the culture of the organisation	To be confirmed
	Council Tax	Fieldwork	Different Techniques involved. To include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises.	To be confirmed
	Payroll	Allocated	Data Analytics is the main audit technique used within this audit	To be confirmed
	Treasury Management	Fieldwork	Assurance Mapping, Self-Assessments and Data Analytics are the main techniques used	To be confirmed
Pa	Housing Rents	Unallocated	Root cause analysis / Data Analytics	To be confirmed
Page 20	Cash and Bank	Fieldwork	To review the controls in place for collecting and recording cash, including any cash collection contracts in place. Banking arrangements and the management of the Councils bank accounts will also be included within this review	To be confirmed
	Health and Safety	Unallocated	Spot checks on service area's to ascertain compliance with H & S recommendations	To be confirmed

Other Services / Systems			
Risk Management	Unallocated	Required annually under PSIAS and Cipfa guidance	To be confirmed
Coastal Protection	Unallocated	To assess the management of Coastal Protection processes within the Council. This includes strategic planning, programme delivery and safety requirements	To be confirmed

Housing Repairs and Maintenance	Unallocated	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works	To be confirmed
Partnerships – External Health Funding	Unallocated	To understand the objectives and obligations attached to external health funding and assess the governance arrangements in place for delivering against those objectives within current resources	To be confirmed
Recycling and Waste	Unallocated	To assess the current waste and recycling contracts in place and review the contract management and performance processes in place. Processes and procedures relating to fly tipping complaints will be included within this review	To be confirmed
Parking Services	Complete	Undertake an Internal Audit of Parking Services and assess the internal control environment and capacity to deliver services	Adequate Assurance
Open Spaces, Horticulture and Playgrounds	Fieldwork	To review the management of the service and compare delivery against departmental objectives. Ensure that all relevant internal controls are followed	To be confirmed
Section 106 Agreements	Complete	To review all processes relating to Section 106 Agreements and ensure that a robust monitoring and fee management process remains in place	Adequate Assurance
Land Charges	Complete	To review all processes relating to Land Charges and ensure that effective monitoring and fee management processes remain in place	Substantial Assurance
Licensing	Fieldwork	Licensing processes to be assessed and ensure that the Council are complying with all relevant legislative and regulatory requirements while managing licensing revenue	To be confirmed
Beach Huts	Complete		Adequate Assurance

		Review the management of Beach Huts including fee income and assurance of owner compliance with relevant regulations	
Career Track	Allocated	Allocated days to support the Career Track service in implementing their improvement action plan for the coming year	Consultancy
Housing Allocations	Fieldwork	Assess the management of housing allocations and ensure compliance with relevant legislation and regulations as well as internal controls in place	To be confirmed
Seafront Management	Fieldwork	To review all activities relating to the management of services on Tendring seafronts	To be confirmed
CCTV	Allocated	Ensure that the Council is compliant with all regulations and legislation relating to the management of CCTV	To be confirmed
Freeport East	Allocated	Allocated days to support any required reviews relating to Freeport East. Likely to involve governance or financial assessments	To be confirmed
Jaywick Sands Market Project	Unallocated	To review the arrangements in place for the delivery of the Jaywick Sands Market. Will involve working with partners on the project and reliance on alternative assurance activities	To be confirmed
Emerging Risks from Legislative Changes	Unallocated	Assess all legislation that directly affects public services provided by TDC and identify potential risks in which the Council are unable to control to support future risk management activities	To be confirmed
Computer Audit			

IT Governance	Allocated	PSIAS expectation that this will be covered each year.	To be confirmed
Freedom of Information Requests / Subject Access Requests	Allocated	To assess the processes and procedures in place for managing FOI and SAR requests	To be confirmed

Status Key

Unallocated	Audit in Audit Plan, but no work undertaken yet
Allocated	Audit is being scoped / has been scoped and awaiting commencement
Fieldwork	Audit in progress
Draft Report	Audit fieldwork complete, but Final Report not yet issued
Complete	Final Report issued and audit results reported to Audit Committee
Deferred	Audit was in Audit Plan, but will now be undertaken in a later year. Deferred audits agreed by Audit Committee
Delayed	Valid request from function being audited for audit to be undertaken later than proposed

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INTERNAL AUDIT CHARTER

1. INTRODUCTION

The CIPFA Public Sector Internal Audit Standards (PSIAS) require the Chief Audit Executive to produce an Internal Audit Charter that is consistent with the Standards, and the Definition of Internal Auditing and the Code of Ethics contained within the Standards.

The Internal Audit Charter defines the purpose, authority and responsibility of the Internal Audit function within the Council.

The Standards require that the Charter be subject to periodic review, and be formally approved by the Audit Committee. These reviews are to be undertaken by the Chief Audit Executive and reported to the Committee at least annually.

2. DEFINITION OF ROLES

The Standards use the terms Board, Senior Management and Chief Audit Executive.

In this Charter, and with regard to compliance with the PSIAS, the following definitions apply;

PSIAS	TDC
Board	Audit Committee
Senior Management	Management Team
Chief Audit Executive	Internal Audit Manager

Throughout this document the titles used by this Council have been used for clarity purposes.

3. REQUIREMENT FOR INTERNAL AUDIT

The Accounts and Audit Regulations 2015 requires that "a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

Tendring District Council is a relevant body, as defined by the Regulations.

Compliance with the Public Sector Internal Audit Standards fulfils the requirements set in the Regulations.

The role of the Internal Audit function includes the discharge of statutory requirements relating to internal audit.

5. COMPLIANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

The PSIAS, the definition of Internal Auditing and the Code of Ethics within the standards, are mandatory. Arrangements will be made to ensure that the Internal Audit function operates in accordance with the PSIAS, and that the core principles for the professional practice of Internal Auditing as detailed in the standards are present and operating effectively. In the event that circumstances prevent full compliance, appropriate equivalent safeguards or measures will be adopted as permitted by the standards, and the Audit Committee made aware. The Internal Audit Manager is responsible for maintaining an up to date Internal Audit Manual which details the framework adopted to meet the requirements set by the standards.

Internal Auditors will ensure that in undertaking their duties they demonstrate integrity, competence and due professional care and operate in line with the requirements of the standards, and its embedded code of ethics.

The Internal Audit Manager will make arrangements for compliance / quality reviews to be undertaken, in accordance with the PSIAS requirements, both at individual audit level and for the service as a whole and for the results of service reviews to be reported to the Audit Committee, together with any actions necessary to achieve full compliance.

The regular reports provided by the Internal Audit Manager will highlight areas of non-compliance and associated actions.

6. MISSION, PURPOSE, RESPONSIBILITY, OBJECTIVITY AND SCOPE OF INTERNAL AUDIT

The mission of the Internal Audit function is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The purpose of the Internal Audit function is to: -

- provide independent, objective assurance to the Council on its operations and control environment
- deliver an effective, cost effective, proactive and innovative function that meets the needs of the Council, and is aligned with its strategies, objectives and risks.
- add value by assisting management to improve the delivery of Council objectives and operations through the evaluating and challenging the effectiveness of risk management, control and governance processes
- add value by assisting management to improve the delivery of Council objectives and operations by the provision of consultancy and best practice advice.

The key responsibilities and objectives for the Internal Audit function are to: -

- provide an Internal Audit services that discharges the Council's statutory responsibilities with regard to internal audit
- provide a service that is compliant with the requirements of the PSIAS
- contribute to the Council's governance, risk and assurance arrangements
- enable the Internal Audit Manager to provide an annual opinion on the overall adequacy and effectiveness of the Council's control environment

- communicate effectively on risk and control issues, identified or that the Council might be exposed to, providing insightful, proactive and future-focused solutions where appropriate, that promote improvement to the Council's risk and control frameworks.
- deliver a quality service that strives to continually improve

The scope of Internal Audit includes: -

- undertaking independent risk based reviews to provide assurance on the effectiveness, efficiency and legality of management and service delivery arrangements
- undertake reviews using a range of audit techniques that are innovative and efficient and provide detailed insight on processes and procedures within a service area.
- undertaking independent ad hoc reviews as requested by management
- undertaking / participating in investigations including those in relation to potential fraud, corruption, bribery or irregularity
- undertaking proactive anti-fraud work examining emerging fraud risks and potential exposures identified
- providing consultancy and advice on major projects, and ad hoc advice upon demand
- · dissemination to the organisation of best practice

The scope of the Internal Audit function's remit includes the Council's entire control environment, not just financial controls – this includes assurance and monitoring mechanisms, including risk management arrangements. It also extends to any services provided through partnership arrangements, or by external providers.

Where the Council works in partnership with other organisations, the Internal Audit function will provide a service as agreed between the partner organisations. The nature of assurances to be provided will be consistent with the requirements of the Standards, the governance arrangements applicable to the partnership, and the terms of engagement for the assignments undertaken.

The Internal Audit function does not currently provide a service to any third party organisation, but may do so in the future if appropriate to do so. The nature of assurances to be provided in such circumstances will be consistent with the requirements of the Standards, the rules and regulations governing the organisation in question, and the terms of engagement contractually entered into.

The Internal Audit Manager will ensure that the planned Internal Audit work in any financial year provides sufficient coverage of the key financial, and other, systems to enable an opinion on the effectiveness of the Council's control environment to be formed. In lieu of work undertaken directly by the Internal Audit function, the Internal Audit Manager may place reliance on assurances provided by other assurance providers where he deems it appropriate to do so.

Consideration will be taken, in determining where Internal Audit activity should be focussed, of the Council's assurance and monitoring mechanism's including risk management arrangements.

The Internal Audit function can provide consultancy and advice to the functions of the Council and its management, usually of a one off and ad hoc nature. It may also be involved in assignments to aid development of new and improvement of existing processes. Mechanisms are in place to maintain independence and divisions of duty.

7. ORGANISATIONAL INDEPENDENCE OF INTERNAL AUDIT

The Internal Audit function will be independent of the activities that it audits to enable auditors to perform their duties in a manner that facilitates impartial, objective and effective professional judgements and recommendations.

A mechanism will be maintained that enables conflicts of interest, including previous employment responsibilities and any one off non audit duties undertaken, to be identified and recorded. Internal Auditors will not be allowed to undertake assignments / elements of assignments where a conflict of interest has been identified or to audit records where impartiality cannot be demonstrated.

The Internal Audit Manager has some other operational responsibilities of a governance nature. Arrangements will be maintained to ensure that the post holder is not involved in audits on such areas in either an operational or supervisory role to maintain independence.

The Internal Audit Manager will report at least annually to the Audit Committee on the organisational independence of the Internal Audit function.

8. ACCOUNTABILITY, REPORTING LINES AND RELATIONSHIPS

The Internal Audit function is located within the Corporate Services Department. The Internal Audit Manager's line manager is the Head of Finance, Revenues and Benefits Services (S151 Officer). The Internal Audit Manager has a right of direct access to the Deputy Chief Executive as corporate directorate head. In addition the Internal Audit Manager has a right of direct access to the Management Team, the Chief Executive and Corporate Directors / Head of Department individually, and Members.

The Internal Audit Manager has the right to meet privately with the Audit Committee, when necessary.

The arrangements for working relationships with elected members shall follow the requirements of the Protocol on Member / Officer relations within the Council's Constitution, and codes of conduct.

Following each audit the Internal Audit Manager will report directly to the relevant Corporate Director / Head of Department providing an assurance ranking based upon the results of the assignment undertaken, with any material issues being drawn to the attention of the Council's s151 officer, other statutory officers or Management Team as appropriate to the circumstance. The results of each audit will be reported to the Audit Committee.

Corporate Directors / Head of Departments are responsible for ensuring that appropriate action is taken to resolve issues reported by Internal Audit. The Internal Audit function will have in place mechanisms to obtain assurance that actions have been appropriately implemented, and to report any significant issues arising from this to the Audit Committee.

The Council's Audit Committee has responsibility for receiving and reviewing reports on Internal Audit from the Internal Audit Manager. Reports will be produced in formats that meet any criteria laid down by the PSIAS.

Internal Audit may be required to provide assurance to external parties, such as grant funding bodies, where so requested. All engagements will be conducted reflecting any requirements set by such bodies, and professional standards.

A dialogue will be maintained with Corporate Directors / Head of Department to ensure that emerging risks, and operational changes, are reflected in the work programme for Internal Audit at the earliest opportunity.

A clear line of communication will be maintained with the Council's external auditors and other review bodies, taking account of the differing roles and responsibilities of each organisation.

9. RESPONSIBILITY OF THE AUDIT COMMITTEE AND ROLE OF STATUTORY OFFICERS WITH REGARDS TO INTERNAL AUDIT

The role of the Audit Committee with regards to Internal Audit is laid out in the Council's Constitution. The role regarding Internal Audit includes:

- Considering the Internal Audit Manager's Annual Report and opinion.
- Considering reports on the operation of Internal Audit and summaries of specific internal audit reports.
- Considering reports from Internal Audit on significant agreed actions not implemented within a reasonable timescale.

To fulfil this role, and to meet the requirements of the PSIAS, the Committee in considering reports on the operation of Internal Audit will also receive and approve: -

- The Annual Internal Audit Plan
- Internal Audit Plan updates during the year
- The Internal Audit Charter
- Quality assessments on compliance with the PSIAS

The Head of Paid Service (Chief Executive) has responsibility for the discharge of the functions of the Council, and would therefore be advised regarding any issues of a significantly material nature arising during audits. The post holder also has a responsibility regarding the effective discharge of the Internal Audit function.

The s151 Officer (Head of Finance, Revenues and Benefits Services) has responsibility for ensuring that the Internal Audit Manager provides the Internal Audit service required by the Council, and is advised of any issues of a material nature identified during audits / provided with assurance as appropriate to aid in meeting his statutory obligations.

The Monitoring Officer (Head of Governance and Legal Services) has responsibility for the lawfulness and fairness of decision making, and any issues of this nature identified during audits will be drawn to the post holders attention / assurance provided as appropriate to aid the post holder to meet their statutory obligations.

10. FRAUD AND CORRUPTION

Managing the risk of fraud and corruption lies with management. The Internal Audit function does not have responsibility for the prevention and detection of fraud and corruption. Internal Auditors will be alert in the work undertaken to risks and exposures that could allow fraud or corruption to occur, and where appropriate will agree and report on control improvements to mitigate such risks and exposures.

The Council's Constitution (Financial Procedure Rules) requires that Corporate Directors / Head of Department report any financial irregularity or suspected irregularity to the designated Head of Internal Audit immediately. The Council's Fraud and Corruption Strategy confirms these arrangements.

Provisions will be made in the Audit plan to enable reactive work to be undertaken as a result of any irregularity reported where he considers it appropriate for the Internal Audit function to undertake, or be involved in, any investigation required.

11. INTERNAL AUDIT RESOURCE REQUIREMENTS

The Public Sector Internal Audit Standards require that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. However the Account and Audit Regulations / PSIAS are not prescriptive regarding the level of resources required.

The level and nature of resources required for each year's plan will be considered as part of the annual audit planning process to ensure that the resources available are deemed sufficient taking account of changes to the audit universe, changes to exposure of the organisation to risk, and developing professional standards.

The resources available will be maintained, both in terms of staffing levels and proficiency, at a level sufficient to deliver the approved plan to an acceptable standard, and to meet the requirements of the PSIAS.

Provision may be made to enable the use of resources from elsewhere within the Council or externally as appropriate to cover any skills gaps related to the audit engagements planned.

Any changes to the functions of the Council, the risks the Council is exposed to, the requirement for ad hoc work, and the development of audit techniques may change the baseline position. The Internal Audit Plan is intended to be flexible and mechanisms exist to update it during each year as required.

If at any time an imbalance between resources available and those required to deliver an effective Internal Audit function arises, then this will be drawn to the attention of the Audit Committee, together with proposed solutions.

The right of access for Internal Audit to records, assets, personnel and premises shall be consistent with the requirements of the Accounts and Audit Regulations. The right of access is also contained in the Council's Constitution.

The right of access shall extend to any resources bought in to supplement the in house team, in undertaking audits.

12. RIGHT OF ACCESS

The Internal Audit Team shall have, for the purposes of internal audit, the right of access to all establishments operated by the Council, all records held by the Council, all assets and personnel. Where the Council enters into partnership arrangements, or outsources functions, the contractual arrangements shall include provision for the right of access by the Council's Internal Auditors to all records and assets that relate to the Council. The Council's Internal Auditors shall have authority to obtain such information and explanations as are considered necessary to fulfil their internal audit responsibilities.

Internal Auditors will treat information they receive / see in the course of their duties as confidential, only disclosing such information where there is a legal or professional requirement to do so.



AUDIT COMMITTEE

29 SEPTEMBER 2022

REPORT OF ASSISTANT DIRECTOR (PARTNERSHIPS)

A.2 PROGRESS UPDATE FOLLOWING OFSTED INSPECTION OF CAREER TRACK (Report prepared by Debianne Messenger)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The purpose of this report is to provide Audit Committee with a progress update on the organisation's improvement actions following the Ofsted inspection of Career Track in November 2021, the last Audit Committee report of 31 March 2022 and the update on 30 June 2022.

EXECUTIVE SUMMARY

Career Track was established within Tendring District Council in 1983. Since then it has continuously provided apprenticeship opportunities within the organisation and for other employers. The Council's sustained commitment to the Career Track apprentice scheme has been a central plank of its work to develop a more skilled workforce and to "grow our own" employees of the future within Tendring.

Career Track had its first full inspection by Ofsted between 3 and 5 November 2021. Career Track had previously had a successful Ofsted Monitoring Visit (a more 'light touch' inspection in June 2019). The full report following the November Inspection was published on 24 December 2021. The findings of the report graded Career Track as 'Requiring Improvement'. Following this grading, the organisation implemented a comprehensive Development Plan to address the improvement areas identified by Ofsted.

An internal Development Group was established to monitor the progress against the actions identified within the Development Plan. The Development Group is chaired by the Deputy Leader, Cllr Guglielmi in his role as Portfolio Holder for Career Track, membership of the group also includes the Chief Executive; Assistant Director, Partnerships; Internal Audit Manager and the Executive Projects Manager – Governance. The Work Based Learning Manager and Organisational Development Manager report in to this group. The Internal Audit Manager and Executive Projects Manager were part of the Development Group to represent the Section 151 Officer and Monitoring Officer in their overarching governance roles due to the findings of the Ofsted Report.

To date the Development Group have met five times and following significant progress were able to sign off the Development Plan at the last meeting in June 2022.

With the recovery phase / improvement changes now complete, Career Track are returning to Business as Usual and the Development Group have recommended the membership is revised to align with a governance required by Ofsted for the ongoing provision of all apprenticeships.

This report updates the Audit Committee on the progress since the last Audit Committee meeting on 30 June 2022.

RECOMMENDATION(S)

It is recommended that Audit Committee:-

- (a) notes the contents of this report; and
- (b) continues to approve the Development Plan and endorse the actions being taken.

PART 2 - IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Career Track has been delivering apprenticeships since it was established in 1983.

Today, its work fundamentally supports the organisation's key corporate priority of Community Leadership by providing enhanced education and employment opportunities for the local community as well as for other employers within Essex, Suffolk and Kent through the following priorities:

- Develop and attract new businesses;
- support existing businesses:
- more and better jobs;
- education for improved outcomes.

Career Track's vision is to be recognised as a 'Good' provider of apprenticeships; engaging learners in the development of workplace knowledge, skills and behaviours that enable them to actively contribute to the economic, health and social wellbeing of the district:

- To educate, engage and inspire;
- to inform, advise, support and mentor;
- to establish and maintain high quality standards in apprenticeship training;
- to safeguard and promote the welfare of our learners.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources: To meet the requirements of the report some additional financial investment has been actioned. This is providing additional staffing capacity (£5K) and the specialist services of SDN Ltd. (up to £10K expected) The costs are being met from the carry forward held within the corporate training budget.

Additional investment has been made to introduce a software package, OneFile, to improve the quality of the delivery of apprenticeships by developing a full online learning curriculum and the facility for learners to have an online portfolio of evidence of learning. The cost of licensing for OneFile and an additional learning package, known as 'Apprenti-kit' is £55 per learner¹. This investment was already planned but it has been brought forward in response to the Ofsted report.

Risk: Career Track will receive a Monitoring Visit from Ofsted anytime from seven months after the Inspection (i.e. anytime from June 2022) and a further full Ofsted Inspection within

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¹ Cost of £50 per learner for Business Administration and for Customer Service. These make up the majority of Career Track apprenticeships. For the Public Service Operational Delivery Officer apprenticeship the cost of £10 per learner,

approximately 18 to 24 months. However, it should be noted that this could be earlier or as late as 36 months from the date of inspection.

If Career Track is not found to be making significant progress on the items identified by Ofsted when it has a Monitoring Visit it could be subject to a full inspection much sooner. If items identified are not being addressed to the satisfaction of the Inspectors the service could be graded as Inadequate. This grading would almost certainly result in the loss of the ESFA (Education and Skills Funding Authority) contract, which would consequently close Career Track. It should be noted that Career Track has moved from monthly monitoring with the ESFA to a more light touch quarterly meeting with the contract manager.

The Requires Improvement grading does present some reputational risk and the Communications Team have a pre-prepared statement in the event a corporate response is needed. To date this has not been required and so it appears that this risk has significantly reduced.

The grading may affect the willingness of some employers to engage with the service but as most custom is achieved through recommendation and word of mouth this risk is expected to be minimal.

A communication was sent to all Career Track apprentices and the employers in January 2022 to advise them some changes and improvements will be being made following the Ofsted visit. Since this communication Career Track have received full support from all of its stakeholders.

Ofsted reports are filed on their website and provider grades are noted on the Digital Apprenticeship Service along with user satisfaction ratings. This means that the report is publically available should someone choose to seek it out.

LEGAL

Tendring District Council has a legal obligation to ensure that its senior managers and 'governors' are fully conversant with the legal requirements set out in the contract held with the ESFA. Ofsted consider that TDC is not meeting the standard required in this area and that it Requires Improvement.

As part of the existing governance arrangements, regular reports have been provided to Members via the Council Tax & HR Committee and to Cabinet – the next Cabinet report is due on 7 October 2022. In addition, information sessions have also been provided to Members via All Member Briefings.

However, in light of the view of Ofsted, additional measures have been put in place. The establishment of the Development Group is one such measure. In addition, a Career Track Governance Board has been established from the Development Group and is chaired by the Portfolio Holder for the service. The Board have met five times with the first formal governance meeting planned in October 2022.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

No issues have been identified.

PART 3 - SUPPORTING INFORMATION

BACKGROUND

Career Track is the name used by TDC for its apprenticeship service.

In 2017 the government changed the criteria for providers to be allowed to deliver apprenticeships. Under the new rules, Career Track was no longer eligible to operate as a sub-contractor of Colchester Institute. To secure its future, the decision was made to apply, through the national tender process, for Career Track to gain Approved Provider status on the national Register of Approved Training Providers (RoATP). The tender application was successful.

In order to provide apprenticeships the organisation has to continue to be an Approved Training Provider with the Education and Skills Funding Agency (ESFA). Periodically, the ESFA announces that providers have to re-apply to remain on the Register, usually referred to as the RoATP (Register of Approved Training Providers). All approved providers are subject to inspection from Ofsted. On Inspection, Ofsted grades the organisations it inspects as Excellent; Good; Requires Improvement; or Inadequate. Its Inspection Reports are published here www.ofsted.gov.uk/reports

An Ofsted Inspection with an 'Inadequate' rating would usually result in withdrawal of contract from the ESFA. When applying to be on the RoAPT providers are asked to provide information on their Ofsted rating and details of actions to address areas identified as Requires Improvement or Inadequate. The ESFA may take this into account when deciding whether to re-approve a training provider.

Ofsted group its inspections into five categories:

- The quality of education;
- Behaviour and attitudes:
- Personal development;
- Leadership and management;
- Apprenticeships.

In June 2019 Career Track successfully re-applied to continue their Approved Provider status with the ESFA. In the same month Career Track also received a Monitoring Visit from Ofsted. A Monitoring Visit is a 'light touch' visit and the report does not provide a rating. The wording in the report and the verbal feedback received, appeared to suggest the service was on the right course to gain a Good rating from a full Ofsted Inspection.

The service made a number of plans for further improvements and developments for the following year. However, these plans were not actioned due to the impact of Covid upon the organisation in 2020; the Work Based Learning Manager was seconded to assist HR in its work supporting the workforce and the remaining team managed to keep the service running and put in extra time to ensure apprentices received extra support to help mitigate isolation and potential mental health problems such as anxiety and depression.

The numbers of apprentices supported by Career Track declined during 2020 as a result of the Covid Pandemic but increased rapidly during 2021 to reach and even exceed the numbers of 2019. At the time of the full Ofsted Inspection in November 2021 the numbers stood at 53 and are currently at 47. Apprentices are placed with a number of local authorities including Maldon, Epping, Braintree and Colchester and GP Primary Choice Ltd. Career Track has recently been approved as a provider for all Suffolk authorities to deliver the Public Service Operational Delivery Officer Apprenticeship Standard. In addition Career Track has apprentices with local businesses, the largest of which is Silverton's and it also provides apprenticeships for the Virtual School, Kent (run by Kent County Council).

The Ofsted Inspection in November 2021 was the first full Ofsted Inspection for Career Track since 2005 as previously it was subcontracted with Colchester Institute and therefore was not subject to inspection in its own right.

Shortly after the Ofsted inspection, Career Track received notification that it was to submit its application to remain on the RoATP by the end of January 2022 which was extended to the end of April 2022. Career Track was successful in their application and continues to be an 'approved provider' on the government's register of apprenticeship training providers.

CURRENT POSITION

Following the Inspection, Career Track has been given a rating of Requires Improvement across all areas. Although this is a disappointment there is much that is positive in the report as it has a detailed section about things that are being done well and it is especially complimentary about the dedication and care of the team for the apprentices and about the commitment the apprentices show towards their learning and development. The emphasis is now on what is needed to make things better.

The attached Development Plan (so called as this is the phraseology used by both ESFA and Ofsted) takes each of the five inspection categories and states what is being planned to address each area. As can be seen, the document identifies the key milestones and progress by using a RAG (Red, Amber, Green) system.

Initial activity focussed on setting the foundations and getting them in place. This has involved amending the hours and workload of the Training Assessment Team Leader so that she has been freed up to dedicate time to policy and curriculum development with the introduction of the OneFile system. To enable this to happen, a temporary Training Assessment Officer role has been created for 30 hours per week until the end of July 2022, this contact has now been extended to December 2022 for 24 hours per week. This person has taken over the apprenticeship caseload from the Training Assessment Team leader.

The services of a specialist company known as SDN (Strategic Development Network) were utilised for their professional help and advice for policy and curriculum development.

This support has enabled Career Track to develop a new curriculum, which fully meets the requirements and expectations of Ofsted. The curriculum covers the knowledge, skills and behaviours of the standards, including personal development which covers safeguarding, British values, career development and health and wellbeing. Employers are involved in creating the right curriculum for their apprentice – all starts now undertake the new curriculum.

SDN are supporting Career Track with consultants/professionals who also work alongside and train Ofsted Inspectors. In addition, their services were used to support the completion of the RoAPT application². SDN have recently completed a review of the Development Group to assist in shaping a more formal governance approach for the Career Track Apprenticeship provision.

Career Track will seek to follow the AELP (Association of Employment and Learning Providers) Governance Code. It is based on the following expectations of good governance:

- Putting the learner, apprentice, and employer first;
- promoting high expectations and ambitions for learners, apprentices, and staff;
- listening to learners, employers, and staff;
- promoting inspirational training, teaching, and learning and assessment;
- creating a safe environment for learners and apprentices to train, learn and develop;
- providing strong strategic leadership and challenge to the senior team;
- demonstrating accountability to all stakeholders, including publishing accurate and timely information on performance;
- ensuring the achievement of equality of opportunity, diversity, and inclusion throughout the organisation.

Under the Ofsted Education Inspection Framework it is a requirement that an apprenticeship training provider follows the Further education and skills handbook criteria for governance, as identified in the AELP Governance Code.

The aim of the Tendring District Council (Career Track) Apprenticeship Governance Board is to achieve effective governance, that:

- Sets the tone from the top and ensures that delivery matches up with an organisation's values and ethos;
- provides strategic direction and control to Career Track by creating robust accountability, oversight and assurance for educational outcomes and financial performance;
- requires confidence and ability to challenge conventional wisdom, ask tough questions and nurture strong relationships.

Cabinet will continue to hold overall responsibility for the function of Career Track with the Portfolio Holder chairing the Apprenticeship Board creating robust accountability, oversight and assurance for educational outcomes and financial performance.

As previously stated, the service has formally launched OneFile, a training software package for the administration and management of apprenticeships. OneFile is used by at least 50% of all apprenticeship providers as it supports the learners more effectively and enables the provider to better monitor and ensure effective delivery of the curriculum. Career Track are now able to fully personalise learning, improve quality and increase engagement with their apprentices and employers, using the OneFile eportfolio software.

Our first stakeholders briefing enabled Career Track to share the success of OneFile and the curriculum and resulted in positive feedback from those who attended. All apprentices (and their supervisors and mentors) are using OneFile (dependent on where they are in their

² SDN supported Career Track in its 2019 RoAPT application.

apprenticeship programme) and the benefits are already evident. A second briefing is planned in the Autumn term.

The agreement for TDC (under the name of Career Track) to provide apprenticeship training rests with the ESFA. The organisation has an allocated account manager with the ESFA and the Work Based Learning Manager has regular monthly meetings with him to discuss actions and progress towards meeting the improvements required by Ofsted. The ESFA account manager has approved the attached development plan and the meetings have moved from monthly to quarterly following the progress that has been made.

The full Development Plan can be seen in the Appendix. The Development Group was been formed to monitor the work and ensure that the targets set against the Ofsted report are being met. The Development Plan is almost complete, with a small number of activities left to complete and identified by the RAG rating.

A Career Track self-assessment report and its accompanying quality improvement plan is now drafted and will soon replace the development plan as the monitoring tool for quality, progress, development and achievement, This is an expectation of Ofsted and when complete will be shared with them and the ESFA.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix – Development Plan



Leaders must improve the awareness of staff of current and local issues relating to safeguarding and the risks of radicalisation and extremism, to ensure that they can help apprentices to understand how these issues may impact on their work and personal lives.

Action	Who is accountable	Milestones	Date started	Date to be completed	RAG Comments	Key Performance Indicator 1	Key Performance Indicator 2	Key Performance Indicator 3	Key Perforamnce Indicator 4	Key Performance Indicator 5
Meeting with Safeguarding Manager (Safer Communities Manager) to discuss and establish a system of sharing current and local issues to benefit those that need it most (apprentices, employers, CT staff)	Debianne Messenger Leanne Thornton		01.12.2021	Ongoing	Regular meetings and exchange of information (weekly)	Receipt of minutes from local Information and Advisory Group meeting	Receipt of newsletter from Prevent Co-ordinator Essex ALP Prevent Forum attendance	Use of resources from Safeguarding Network where the DSL has access to the resources and courses, powerpoints and handouts	Regular meetings with Safeguarding Prevent Lead - 23.02.2022	Emerging good practice in the operational implementation of Prevent & the Statutory Duty webinar 24.03.2022
Ensure Keeping Children Safe in Education (KCSIE) expectations are reflected in a new Safeguarding Policy	Leanne Thornton	KCSIE, RoAPT and Ofsted expectations shared 04.01.2022 with Safeguarding Manager	04.01.2022	28.02.2022	Completed, all staff have read Part 1 and are progressing through Future Learning	Updated Safeguarding Policy	New Safeguarding and Prevent Policy for YP	All staff have completed Future Learning which incorporates KCSIE Part 1	Summary of KCSIE provided to all staff and CT Dev Group attendees	
Ensure staff, apprentices and employers are able to access regular training and awareness updates	Hazel Bond Leanne Thornton		01.12.2021	28.02.2022	Completed	Staff CPD	ESAB Training and Future Learn (FE Sector) for KCSIE	Learner and Employer feedback		
Enable apprentices to understand the specific risks in their local area and how these might apply to them in their daily lives	Hazel Bond Leanne Thornton	Go live date with Onefile by 31.03.2022 Regular information sharing via reviews, assessment meetings, emails	01.12.2022	01.05.2022	Regular meetings and exchange of information. Learners to complete 'Your 'Safeguarding' booklet. Learner survey drafted.	Learner and employer webinars	Learner reviews with employer	Learner and Employer feedback		
Deliver specific training for supervisors and governors on Safeguarding and British (SiDs = supervisors forum	Debianne Messenger Hazel Bond	Specific training need for governors - induction, briefings, responsibilities, progress etc	04.01.2022	01.06.2022	Forum taken place, evaluation underway. Feedback from SDN received.	Employer and govenor feedback	HASS document completion which confirms employer understanding and awareness			

Leaders must train assessors to be able to teach standards-based apprenticeships effectively. Assessors must ensure that apprentices develop the full range of knowledge, skills and behaviours required by each standard. This includes ensuring that they develop a more effective understanding of British values, appropriate relationships and how to stay mentally and physically healthy.

Action	Who is accountable	Milestones	Date started	Date to be completed	RAG	Comments	Key Performance Indicator 1	Key Performance Indicator 2	Key Performance Indicator 3	Key Performance Indicator 4
Adjust staff structure and responsibilities to address improvements	Carol Magnus	Workforce Proforma 10.12.2021	01.12.2021	31.12.2021		Completed	Dedicated Project Lead	Portfolio work has been handed to additional work based assessor		
Achieve the RoAPT registration April 2022.	Debianne Messenger	Completed question workbook and policies by 07.03.2021 - SDN	01.12.2021	30.04.2022		Completed	Successful achievement of RoAPT			
Introduce OneFile to support the delivery of standard	y Hazel Bond	Start training 10.02.2022 Live by 31.03.2022	04.01.2022	01.05.2022		All training completed	Full ingetration and use of OneFile	75% of Apprentices using Oneline portfolios		
Focus on the delivery of the knowledge, skills and behaviours first and follow with the BTEC.		Curriculum Masterclass 25.01.2022 Curriculum Development CPD 17/18.03.2022	04.01.2022	01.05.2022		Curriculum written, supported with workbooks, standard only delivery following forum	All new starts to be on new CS2 curriculum from 01.05.2022	CS3, BA3 curriculum written	PSODO curriculum writter	Wider curriculum checklist for delivery
Supervisors Forum	Debianne Messenger Hazel Bond		04.01.2022	01.06.2022		Forum took place 8 June 2022	Newletters to employers	Employer Webinar	Onefile resources shared with employers	Curriculum to be shared with employers
Ensure Perpurriculum includes British values, appropriate relationships and ho to stay mentally and physically healthy	Hazel Bond W	As above	As above	As above		Curriculum written, incorporating all aspects of personal development	As above			
Develop MHFA courses for all apprentices and employers	Hazel Bond	Apprenticeship Growth Programme information shared with employers to sign the pledge 07.02.2022	04.01.2022	01.06.2022		All employers have been made aware of the benefits of joining the MHFA England Apprenticeship Growth Programme.	Educate and inform non public sector organisations to sign up to the pledge			
SDN (Chris Cherry) webinar on Curriculum Masterclass and further support if required	Hazel Bond	Training Course 25.01.2022	25.01.2022	25.01.2022		Completed	Attended and shared knowledge, identified next steps	Continued support from SDN		
Further development of written process and procedures to include										
Policy for E&D	Carol Magnus		01.03.2022	14.03.2022		Completed	E&D Policy	Awareness of policy for staff, apprentices and employer		
NEW policy for Safeguarding and Preve (16-18 year olds)	nt Leanne Thornton		01.02.2022	01.06.2022		Draft completed by LT 27.05.2022	Safeguarding and Prevent (16-18 yrs)	As above		

Policy for Safeguarding apprentices	Leanne Thornton	01.02.2022	02.03.2022
Policy that complies with the Prevent Duty for Apprentices	Leanne Thornton	01.02.2022	01.04.2022
Policy for Health and Safety of Apprentices	Clare Lewis	01.02.2022	02.03.2022
Policy for professional development and evidence of implementations	Carol Magnus	01.03.2022	17.03.2022
Policy and procedures for learners and employers complaints	Debianne Messenger	01.02.2022	02.03.2022
Policy for continuity of apprenticeship delivery	Debianne Messenger	04.12.2021	02.03.2022
Employer engagement to enable design and delivery of apprenticeships	Hazel Bond	01.03.2022	01.06.2022
Delivery of 20% off the job training methods to meet the needs of the employers	Hazel Bond	01.03.2022	01.06.2022
Delivery model for English and maths provision	Hazel Bond	01.03.2022	01.05.2022
Delivery model for performing initial assessment for learners	Hazel Bond	01.03.2022	01.05.2022

Completed	Safeguaring Policy	As above
Completed	Prevent Policy	As above
Completed	Health and Safety Policy	As above
Completed	People Strategy	As above
Completed	Complaints policy updated	As above
Completed	Continuity policy updated	As above
Launched at Supervisors Forum 8 June 2022	Employer feedback	Employer in in curriculun

Launched at Supervisors Forum 8 June 2022	Employer feedback	Employer involvement in curriculum planning
Launched at Supervisors Forum 8 June 2022	Employer feedback	Employer involvment in curriculum planning
Process finalised, delivery through OneFile and incorportated into the curriculum	Learner feedback	Learner success and achievement data
Process finalised, undertaken through BKSB and integrated into OneFlle once learner live	Learner feedback	Learner success and achievement data

Leaders must ensure that staff provide all apprentices with ongoing and timely careers advice and guidance. Staff need to ensure that apprentices understand what career options are available to them once they qualify, in particular, the jobs that are available outside of their current employer's structure.

Action	Who is accountable	Milestones	Date started	Date to be completed	RA	G Comments	Key Performance Indicator 1	Key Perforamnce Indicator 2	Key Perforamnce Indicator 3	Key Perforamnce Indicator 4
Careers education to be visible throughout apprenticeship	Debianne Messenger		04.01.2022	01.03.2022		Completed	Full career education information available on website	Link to Essex Opportunities and Career Service	Careers Week social media marketing - achieved 07.03.2022	Responses to email sent in National Careers Week 2022
Pathways to be made available to all to further enhance personal development	Debianne Messenger		04.01.2022	01.03.2022		Completed	Careers education sectio on website	n Spot checks with apprentices at reviews and assessments		
Move away from IAG and develop the term Careers Education/Career Advice and Guidance	Debianne Messenger		04.01.2022	01.03.2022		Completed	Update documents and records to reflect change from IAG to CE	Regular update of website - last reviewed on 05.04.2022	Э	

Leaders need to develop a thorough quality assurance and quality improvement process to ensure that they identify accurately what they do well and what they need to do to improve, so that apprentices develop a broader and deeper range of knowledge and skills. Leaders need to ensure that governors are provided with useful reports to enable them to challenge leaders' decisions about the quality of education and training and scrutinise whether apprentices progress effectively.

Action	Who is accountable	Milestones	Date started	Date to be completed	RAG	Comments	Key Performance Indicator 1	Key Performance Indicator 2
Self Assessment Report	Debianne Messenger	Draft available 01.04.2022	01.03.2022	01.07.2022 30.09.2022		SAR and QIP workshop 9 June, staff session July 2022, 03.08.2022 and final session 07.09.2022.	Shared with Ofsted July 2022 -Sept 2022	Quality Improvement Plan from July 2022 Sept 2022
Development Plan	Debianne Messenger	Monthly updates	01.12.2021	01.07.2022 30.09.2022		Ongoing weekly updates	Development plan achieved	QIP achieved
Management Team reports	Carol Magnus	First MT Report 11.01.2022	01.12.2021	ongoing		MT report draft written for August 2022 Sept 2022	MT reports	
Process for evaluating quality of training	Carol Magnus Debianne Messenger	Established governance meetings by 01.05.2022	01.03.2022	01.06.2022		Identified in SDN feedback	Governance Agenda and minutes	Governance Workshops attended
and outcomes Key measures and KPI's to monitor quality	Carol Magnus Debianne Messenger	Agreed at governance meetings by 01.05.2022	01.03.2022	01.06.2022		Identified in SDN feedback	Governance Agenda and minutes	
Collecting data and information process	Debianne Messenger	Revised information process through OneFile by 01.06.2022. Information to be agreed	01.03.2022	01.06.2022		ldentified in SDN feedback	Operational Meetings Governance Meetings CT Development Group Meetings	Governance Workshops attended
Apprenticeship Standard delivery	Hazel Bond	See previous	01.03.2022	01.06.2022		See previous	See previous	
Employer and apprentices survey outcomes	Debianne Messenger	Survey monkey linked to OneFile task by 01.05.2022	21.03.2022	01.06.2022 30.09.2022		Survey drafted, awaiting TDC IT support for survey software	Employer and apprentice satsifaction data	
OneFile	Debianne Messenger	See previous	04.01.2021	01.05.2022		Completed	See previous	
New Curriculum	Hazel Bond	See previous	04.02.2021	01.06.2022		See previous	See previous	

Leaders and Managers have a vision and mission for our organisation in respect of training and apprenticeships as well as how they manage and monitor quality of training.	•		01.03.2022	01.06.2022	Vision and Mission, People Strategy completed	Published Vision and Mission	
Leaders and Managers documented clear expectations in relation to setting high standards of apprenticeship training – written down and agreed.	Carol Magnus Debianne Messenger		01.03.2022	01.06.2022	Vision and Mission, People Strategy completed	Governance Agenda Clear expectations	
Use the revised Career Track/Apprenticeship Governance Board to inform and update	Carol Magnus Debianne Messenger	CT Development Group meeting 09.02.2022 To continue monthly	09.02.2022	01.06.2022	ldentified in SDN feedback	Governance Agenda and minutes	
Specific training need for governors - induction, briefings, responsibilities, progress etc	Carol Magnus Debianne Messenger	To take place inbetween governors meetings	01.03.2022	01.06.2022	ldentified in SDN feedback	Training records, webinar recordings	Governance Workshops attended

Governors must improve their oversight of the apprenticeship programme. They must rapidly ensure that they have good oversight of how they meet their statutory responsibilities regarding safeguarding, the 'Prevent' duty and equality and diversity, so they are confident that apprentices are safe both at work, in their personal lives and are prepared appropriately for life in modern Britain.

Action	Who is accountable	Milestones	Date started	Date to be completed	RAG	Comments	Key Perforamance Indicators		
Career Track/Apprenticeship Governance Board - Meet quarterly - Agenda items to cover aspects required by Ofsted/RoATP, i.e. Prevent, safeguarding, performance, equality and diversity etc	Carol Magnus Debianne Messenger	CT Development Group meeting 09.02.2022 To continue monthly	09.02.2022	01.06.2022		Identified in SDN feedback	See previous actions in Item 4		
Management Team reports/updates	Carol Magnus Debianne Messenger	First MT Report 11.01.2022	01.12.2021	0 1.06.2022 30.09.2022		MT report August 2022 Sept 2022	MT report to include subsections on Safeguarding, Prevent, British Values, E&D		
Audit Committee	Carol Magnus		04.01.2022	0 1.06.2022 29.09.2022		Report presented, agreed and support received. Update given June 2022 and final presentation planned for Sept	Report to be presented on 31.03.2022	to Audit Committee 30.06.2022	Next report to be presented to Audit Committee on 29.09.2022
Cabine Deport 4	Carol Magnus Debianne Messenger		01.04.2022	01.06.2022 07.10.2022		Meeting arranged for 7 October 2022	Cabinet report to include subsections on Safeguarding, Prevent, British Values, E&D		
HR Committee	Carol Magnus		01.02.2022	Completed		HR Committee took place 24.02.2022, presentation at HR Committee on 07.07.2022	HR Committee ongoing regular updates		

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AUDIT COMMITTEE

29 September 2022

REPORT OF DEPUTY CHIEF EXECUTIVE

A.3 CORPORATE RISK UPDATE

(Report prepared by Clare Lewis)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Audit Committee the updated Corporate Risk Register and updated Risk Management Framework.

EXECUTIVE SUMMARY

- The Corporate Risk Register is normally updated and presented to the Audit Committee every 6 months. The report was last presented in March 2022.
- The following table summarises the position at the end of the period under review with updated information provided within the register where necessary:

Item	Number
New Risks Identified	0
Risks Removed	0
Risk Score Amended	2
Risks Under Review	0
Risks Amended	17

RECOMMENDATION(S)

That the Audit Committee notes the updates provided to the current Corporate Risk Register.

PART 2 - IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Risk assessment, monitoring and control forms the central tool for managing the strategic risks that may prevent the Council from achieving the corporate priorities as identified in the Corporate Plan and associated corporate goals.

FINANCE. OTHER RESOURCES AND RISK

Finance and other resources

The risk management approach can be delivered within existing budgets.

Risk

The subject of risk and its management by the Council is set out in the main body of this report.

LEGAL

There are no specific legal implications.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no other direct implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Corporate Risk Register was last presented to the Committee in March 2022.

The Terms of Reference for the Audit Committee include a responsibility to provide independent assurance of the adequacy of the risk management framework and the associated control environment. The Corporate Risk Register is where possible brought to the Committee at six monthly intervals to enable the Committee to fulfil its role.

CURRENT POSITION

Corporate Risk Management Framework

Although no changes have been identified as being required at this time, the framework is included at **Appendix A** following a recent review and is for information only.

A Covid 19 element now forms part of all ongoing audits. A review of these findings will be provided at a later meeting by the Internal Audit Manager.

A full review of the corporate risks within this document has been conducted by the Assurance and Resilience Manager (formally the Fraud and Risk manager) with a view to ensuring that the council are considering the correct items.

A review of the council's Business Impact Assessments is currently being undertaken by the Assurance and Resilience Manager. This is to ensure the council identify the operational and financial impacts resulting from any potential disruption of business functions and processes and considers how the council can recover and continue to provide a service to our residents. A more detailed update will be provided at a later audit committee.

The council are dealing with some ongoing issues relating to Corporate IT that still need to be resolved but these are moving forward at a reasonable pace, and this is to ensure the council are not put at risk of cyber attack and are geared towards identifying the weaknesses throughout the authority which could make the council vulnerable to cyber attacks and held for ransom by any attackers. This includes stopping staff accessing TDC emails on their personal devices.

The council are currently experiencing some difficulties in recruiting in some areas of the council. The risk score has been increased to reflect this. It is hoped that this will be resolved in the next 6 months, an update will be provided at the next audit committee.

Given the various issues that continue to emerge from major changes / events within the national and global 'landscape', it is timely to undertake a wider review of the Corporate Risk Register heading into 2023/24. This will be undertaken by Senior Officers in consultation with Members / Audit Committee over the coming months. The changes to the

Corporate Risk Register set out in this report therefore reflect a limited number of changes since the Committee last considered the register in March.

The below table sets out **all** amendments to the Risk Register since it was last considered by the Committee in March 2022.

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	Item 4a – Loss of Key Staff – residual and inherent risk changed from 12 to 16. Due to the difficulties in council recruiting. Item 4b – Lack of Capacity to deliver core services -
	residual and inherent risk changed from 12 to 16. Due to the difficulties in council recruiting.
Risk number changed	None
Risks Amended	Item 1b - Catastrophic IT network failure – change in main wording relating to infrastructure response and controls.
	Item 1c - Ineffective communication / management of information – update on main wording relating to cybersecurity.
	Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management – updates to main wording relating to cyber security initiatives.
	Item 2b – Community Leadership Projects – changes to main wording relating to working within the health structure.
	Item 2e – Essex Family/Family Solutions - main wording changed to reflect that additional funding has been obtained for additional family solutions post in Harwich.
	item 2f – Garden Communities – current action updated relating to the development plan and providing a more detailed framework.
	Item 3a – Member Conduct – main text updated relating to the training provided for members and the code of conduct requirements.
	Item 3b – Failure to comply with legislative requirements – update to current actions. Addition of court claims for damages to service delivery.
	Item 3c – Health and Safety – main wording changed to

reflect risk assessment review being completed and review of lone worker devices.

Item 3d – Fraud and Corruption – current action amended to relating to fraud awareness training.

Item 4a – Loss of Key Staff – current action updated to explain the difficulties in recruiting.

Item 4b – Lack of capacity to deliver core services - current action updated to explain the difficulties in recruiting.

Item 6a – Loss of sensitive and/or personal data – update to main wording relating data breaches reporting arrangements.

Item 6b - Disconnection from PSN Network - change in wording to reflect the improvements being undertaken in cybersecurity.

Item 7a – Local Plan – main text updated relating to review of plan.

Item 9a - **Ineffective Emergency Planning** – change to main text tom reflect the increase in emergency planning incidents.

Item 9b – Ineffective Business Continuity Planning – update to main text relating to changes in the responsibilities of business continuity and the actions taken.

The Fraud and Risk Team continue to oversee the councils Risk Management supported by the councils Internal Audit Team. The table sets out the work currently being undertaken.

Agreed Action	Current Position
Management Team to promote the importance of operational risk management within the organisation and ensure that Senior Managers implement a process for identifying and mitigating risks in coordination with the Assurance and Resilience Manager (formally Corporate Fraud and Risk Manager)	The Assurance and Resilience manager (formally Fraud and Risk Manager) continues to work with Management Team to effectively promote the importance of operational risk management within the Council and continues to attend management team meetings (via Teams) on a quarterly basis and provides monthly updates for any urgent matters identified.
One to one meeting will continue to take place between Senior Managers and the Assurance and Resilience manager (formally Corporate Fraud and Risk Manager) to identify and record key operational risks within their service areas. Support to be provided by Internal Audit if required	This task is now completed, and the review of the corporate risk register is now complete. Due to changes in responsibilities a review is now being undertaken with all services relating to their business continuity plans.
Follow up item	
Arrange Risk Management training for all	No suitable Risk Management training has

departments across the council	been identified at this time, but this will be given priority and implemented by March 2023.
Review carried out relating to the effectiveness of the current control measures in place to identify inherent risk.	Review complete.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Risk Management Framework
Appendix B – Corporate Risk Register





RISK MANAGEMENT FRAMEWORK

September 2022

Finance and IT SERVICES

1. INTRODUCTION

Risk management is an essential element of good governance. CIPFA / Solace in their "Delivering Good Governance in Local Government" guidance note (2012) identify as a core principle of good governance that authorities "take informed and transparent decisions which are subject to effective scrutiny and managing risk".

Risk management is not about being risk averse, it is about being risk aware. For the Council to make the most of its opportunities and to achieve its objectives, the Council will be exposed to risk. By being risk aware and understanding its risk appetite, the Council will be better able to take advantage of opportunities and mitigate threats.

To secure maximum benefit for Tendring District Council, the risk management framework must be integrated with departmental planning. Risk registers must be regularly reviewed and must be meaningful, consistent, and current.

This framework is to ensure that the Council has a robust yet proportionate approach to risk management.

2. THE NEED FOR RISK MANAGEMENT

Risks are uncertainties that matter and may impact on the delivery of the Council's objectives and services. Risk exposure to the Council arises from the functions and activities it undertakes. Risk exposure will also arise as the Council increases its partnership and multiagency work – whilst control of risks in such instances may be outside of the Council's direct control, the risk exposure needs to be considered within the risk management process.

Risk management is the systematic method of identifying, assessing, prioritising, controlling, monitoring, reviewing, and communicating risks associated with any activity, function or process in a way that enables the Council to minimise the threats it is exposed to and to maximise the opportunities for achievement of its objectives.

The Council acknowledges that risk management plays a key role in better informed decision making and in assisting in the support and delivery of key objectives, projects, and services. It aids in creating an environment that: -

- Maximises opportunities
- Minimises threats
- Adds value

3. THE MANAGEMENT OF RISK

Risk exposure occurs at all levels within the Council. Therefore, the Council's approach to risk is that it must be addressed on an integrated basis with everyone having roles and responsibilities for its management.

Risks are managed by evaluating the inherent and residual risks applicable, scored to provide a risk rating, which are then assessed taking account of the Council's risk tolerance / appetite.

Risks are captured, and managed at two levels: -

Corporate Risks

Corporate risks are those risks that potentially impact on the delivery of the Council's goals and objectives. They may include issues that have the potential to fundamentally affect service delivery or provision.

Corporate risks will be controlled in the Corporate Risk Register, owned by Management Team.

Operational Risks

Operational risks are those that potentially impact on the routine service delivery of the Council.

Operational risks are recorded in registers maintained by each department of the Council, and embedded in the departmental planning process. Each register is owned by the relevant Corporate Director / Head of Department.

4. RISK MANAGEMENT ROLES AND RESPONSIBILITIES

Audit Committee	Provides independent assurance of the adequacy of the risk management framework and the associated control environment	Receives reports on risk management at least twice each year
Management Team	The maintenance and review of the Corporate Risk Register	Receives updated Corporate Risk Register on a regular basis
Directors / Assistant Directors/ Heads of Department /	Provide updates on any Corporate Risk where identified as Action Owner	Provide update monthly to Finance and IT
Senior Managers	The maintenance and review of Departmental Risk Registers	Provide update monthly to Finance and IT
Assurance and Resilience Manager	Maintenance of the Corporate Risk Register considering updates from Management Team, Directors / Assistant Directors/Head of Department / Senior Managers	Submit Corporate Risk Register to Management Team on a regular basis
	Support Departments in the continued development and maintenance of Departmental Risk Registers ensuring content is consistent with this framework Review and update of Risk Management Framework	As required As required
Internal Audit Manager	Maintenance of Internal Audit Universe and Audit Plans, and the undertaking of audits taking account of risks within Corporate and Departmental Risk Registers	Ongoing
	Audits of Risk Management process at Corporate and Departmental level	Annually
	Reporting on any significant risk exposures for consideration of inclusion in the appropriate Risk Register, identified from the work of Internal Audit.	As required
All Employees	Taking of reasonable steps to manage risk effectively in their roles	Ongoing

5. RISK REGISTERS

Risk registers are working documents that support senior management in the running of the Council.

Risk Registers will use a standard format, and record:

- Reference number for the risk
- Risk details
- Inherent risk scores and rating
- Identified controls in place to mitigate each risk
- Warning indicators
- Action owner
- Target / Review Date
- Residual risk scores and rating
- An indicator of direction of travel of each risk

The Corporate Risk Register will be structured to highlight high level corporate risk themes, with each containing detail of the identified corporate risks within that theme.

Whilst using the standard format, Departments can order risks to suit their own needs. Departments must though consider in preparing Departmental Risk Registers the exposure to risk across all their functions, and the requirements of this framework. Registers must include all risks that would materially affect the operation of each department's activities.

The Council's Risk Registers take account of two forms of risk: -

Inherent Risk This is the level of risk that is present before the application of any controls.

Measured by evaluating the impact and probability of the risk to calculate an

Inherent Risk Rating.

Residual Risk This is the level of risk remaining after application of controls. The Residual

Risk Rating is calculated on the same basis as for inherent risk but factoring in any changes in impact and probability arising from the controls in place to

mitigate the inherent risk.

Risks must be scored considering the scoring elements detailed in this framework, to provide a consistent approach across the Council.

Having identified each risk, and taking account of the extent of exposure to the Council, consideration should be given as appropriate to the level of exposure whether that risk should be:

Treated Procedures and controls in place or added that enable that risk to be mitigated

to an acceptable level.

Tolerated It is not cost effective, or feasible, to address the risk, therefore the risk is

accepted. This may not be acceptable where the risk is scored as High.

Transferred The risk is transferred to another body, obtaining insurance cover. It will not be

possible to transfer all types of risk.

Terminated Cease doing the activity that creates the risk exposure. Often this will not be

possible.

Within the Council's Risk Registers, it is expected that most risks identified will either be Treated or

Tolerated.

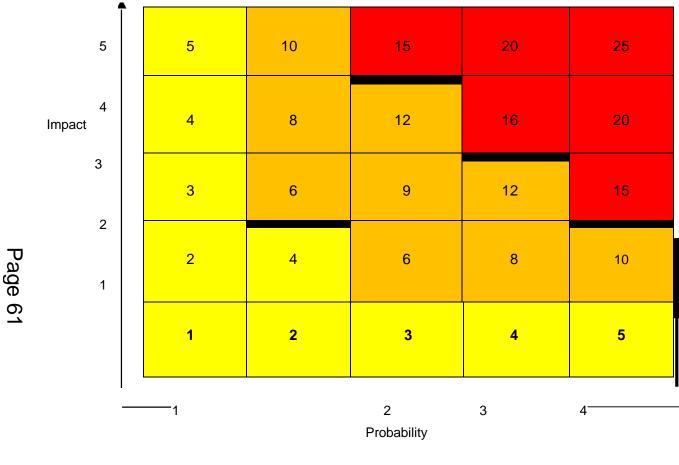
6. RISK RATING ELEMENTS - IMPACT

Risk			Impac	t	
level	Level	Financial	Service Delivery	Safety	Reputation
5	Critical	Loss of more than £1m	Effective service delivery is Effective service Author Author Fatality (Single or		Reputation damage is severe and widespread i.e. Regulatory body intervention
4	Major	Loss above 250K but below £1m	Effective service delivery is severely disrupted in one or more areas	Multiple serious injuries requiring professional medical treatment	Reputation damage occurs with key partners.
3	Sizeable	Loss above £25K below £250K	Effective service delivery is disrupted in specific areas of the Council.	Injury to an individual(s) requiring professional medical treatment	Reputation damage is localised and/or minor for the Council as a whole
2	Moderate	Loss above £5K below £25K	Delays in effective service delivery	Minor injury - no professional medical treatment	Slight reputation damage
1	Minor	Loss of up to £5K	Minor disruption to effective service delivery i.e. Staff in unplanned absence for up to one week	No treatment required	Reputation damage only on personal level

7. RISK RATING ELEMENTS - PROBABILITY

Timescal •e	Probability	Up to 6 months	To 12 months	To 24 months	To 60 months	60+ months
Over 80%		5	4	3	2	1
65% - 80%		4	4	3	2	1
50% - 64%		3	3	3	2	1
30% to 49%		2	2	2	2	1
Less than 30%	6	1	1	1	1	1

8. RISK MATRIX



Impact x Probability = Overall Risk Rating

High Risk (Rating of 15 -25)

Risks at this level will be above the Council's risk tolerance level. These risks require immediate attention and, as a high priority, a plan should be put together to provide sufficient mitigation resulting in a lower rating for the residual risk, wherever possible.

Management Team should regularly review any risks in the Corporate Risk Register where the mitigated level remains above the risk tolerance level.

9. RISK REGISTER FORMAT

Corporate Risk Register (Example of format)

Assessment date	Inherent	Present score breakdown		Direction of Risk	Residual	Review date				
	risk score	Probability	Impact		Risk rating					
October 2020	9	3	3 Sizable		4	March 2023				
May 2021	9	Medium		Unchanged						
September	9				LOW					
Mach 2022	9									
September	9									
	Asset Strategy and associated delivery plan and ensuring an effective and flexible property dealing policy adopted by full council in May 2017 new office practice documents completed.									
Responsible Officer - Andy White										
Responsible Cabinet member(s) – Corporate Finance and Governance PFH										

Departmental Risk Register (Example of format)

		Inherent Risk		<	Controls			Target	Residual Risk			**
Risk No			Probability 1-5	Inherent Risk Rating	We control the risk by:	Warning Indicators	Action Owner	Date		4 =	Residual Risk Rating	T ↓
FP1	Accountancy - Accounts not approved by statutory deadline	5	2		of Accountancy staff to monitor progress. liaison with External Auditor	Significant adverse issues emerging from work of external audit	Richard Bull	No outstandin g actions	2	2	4	↓

Corporate Risk Register September 2022

Tendring District Council

INTRODUCTION

The management of Risk is a key element to any organisation to protect its resources (human & physical), finances and reputation. By undertaking regular, stringent, and structured analysis of the risks faced by the organisation senior managers are able to take strategic decisions to mitigate against such risks whilst still being able to take the necessary decisions for a progressive council.

This document explains the methodology used to analyse and identify the risks which are considered to be of a sufficient level to be monitored corporately. The process of identifying risks is a linear examination at service, departmental and subsequently corporate level. It is only by undertaking a thorough and detailed risk assessment that this can be achieved.

Each risk is assessed for the likelihood of the risk occurring, as well as the potential impact of such an occurrence. The combination of these two factors gives an initial risk rating. Each risk is then 'managed' by the implementation of control measures. It is the re-assessed to give a residual risk rating.

Only risks which would have a significant corporate-level impact upon the ability of the Council to undertake its normal service delivery, finances, safety, or reputation are reported at this level.

DEFINITIONS

Risk: A risk is an event or action which may adversely affect the Council. It can arise from the possibility of not realising opportunities as well as from a threat materialising. Risk management is embedded across the organisation and forms part of each directorate's everyday function. They follow the format '[x...] leading to [y...] resulting in [z].' Please note that as we increase our partnership and multi-agency work, risks become increasingly complex as controls may become out of our direct control.

Inherent risk: This is the level of risk that is present before controls have been applied. Measured by evaluating the impact and probability of the risk to calculate an Inherent Risk Rating.

Residual risk: This is the level of risk remaining after application of controls. The Residual Risk Rating is calculated on the same basis as for inherent risk but factoring in any changes in impact and probability arising from the controls in place to mitigate the inherent risk.

Control: Controls are a key mechanism for managing risk and are put in place to provide reasonable assurance. Examples of controls can include policies and procedures adopted, progression of ongoing actions, or implementation of recommendations resulting from internal audits.

Warning indicators: These are the mechanisms or issues that will highlight that the risk is not being mitigated by the controls identified, or to the extent expected. These can be internal or external to the organisation.

RISK RATING CATEGORIES



- Risks at this level will be considered to be above the Council's risk tolerance level. These risks require immediate attention and, as a high priority, a plan needs to be put together to provide sufficient mitigation resulting in a lower rating for the residual risk, wherever possible.
- Management Team should regularly review any risks in the Corporate Risk Register where the mitigated level remains above the risk tolerance level.

- Where a risk in a Departmental Risk Register scores at this level, consideration will be given to any corporate impact, and whether there is a need for the risk to be considered in the Corporate Risk Register.
- 12 Medium Risks (Rating of 6-12)
- Controls should be put in place to mitigate the risk, wherever possible, especially where the risk is close to the risk tolerance level or is increasing over time. However, where the options for mitigation would not provide value for money, the risk may be tolerated.
- 4 Low Risks (Rating of 1-5)
- No action required to mitigate these risks.

Risk	Risk Headings	
colour		
	Failure to deliver key services	Pages 7-10
	Failure to deliver key projects	Pages 11-16
	Reputational Damage	Pages 17-20
	Ineffective workforce management and planning	Pages 21-22
	Failure to deliver a balanced and sustainable budget	Page 23
	Ineffective management of information	Pages 24-25
	Failure to adopt a sound Local Plan	Page 26
	Failure of income streams to meet Councils Financial requirements and obligations to other bodies	Page 27 -28
	Failure in emergency and business continuity planning	Pages 29 - 30

Assessment date	Inherent			Direction of Risk	Residual Risk	Review date		
	risk score	Probability	Impact		rating			
October 2020	9	3	3		4			
May 2021	9	Medium	Sizable	Unchanged		March 2023		
September 2021	9				LOW			
March 2022	9							
September	9							
Current Action	Asset Stra	Asset Strategy and associated delivery plan and ensuring an effective and flexible property dealing policy adopted by full						

Status/ Control Strategy Asset Strategy and associated delivery plan and ensuring an effective and flexible property dealing policy adopted by full council in May 2017 new office practice documents completed.

Responsible Officer - Andy White

Responsible Cabinet member(s) – Corporate Finance and Governance PFH

Scrutiny Committee(s) – Resources and Services

RISK 1b - Catastrophic IT network failure Assessment date Inherent Present score breakdown Direction of Risk **Residual Risk** Review date risk rating **Probability** Impact score October 2020 2 5 10 5 unchanged Critical Moderate May 2021 10 March 2023 September 2021 10 LOW March 2022 10 September 2022 10

Current Action Status/ Control Strategy

Significant Transformation network investment being undertaken during 2018/21 including re-design, renewed cabling, existing equipment re-use, significant shift to Wi-Fi working/ flexibility, additional resilience, removal of all single points of failure within our control, dual firewalls, dual 1Gbt/sec data links. Our investments also include real-time enhanced 24/7 Network visibility, monitoring, reporting and alarms together with a 24/7 Security Operations Centre (SOC) provided by a third party. The new network support and maintenance contract with an external company from August 2018 alongside their enhanced network monitoring/ reporting proposals is giving much greater 'real time' network performance visibility and is allowing us to react swiftly and pro-actively to issues.

Ongoing investment in remote working capabilities continues to enable the council to operate services with the majority of its staff and councillors working remotely from home.

Resilience built into other IT Investment Strategies including 'mirrored' data storage at two national Microsoft Azure platform data centres delivering 90% of our hybrid Private/ Public Applications - all resulting in significantly increased resilience and much speedier 'disaster recovery' capability.

Any catastrophic IT network failure is now likely to result from either a national UK network infrastructure issue or a successful cyber security attack.

Physical Infrastructure Controls - we have invested significantly over the past 7 years through our council digital transformation programmes and associated office transformation works to re-design and replace key physical network components to create an affordable level of resilience and redundancy within our office locations.

Cloud Infrastructure Controls - significant resilience and speedier 'disaster recovery' capability is provided by our 'Public Cloud' Microsoft Azure platform providing resilient service through two 'mirrored' data centres delivering 95% of our applications. Key business continuity is provided our remote working capabilities. Ongoing work to replace 'legacy' systems. Our goal is to become a 'Cloud Only' technology user for business continuity/ resilience reasons.

Monitoring & Response Controls - real-time enhanced 24/7 Network visibility, monitoring, reporting and alarms together with a 24/7 Security Operations Centre (SOC) provided by a 3rd party give us 'real time' network performance visibility and is allowing us to react swiftly and pro-actively to issues.

Residual Risk - Catastrophic IT network failure risk is now likely to result from:

- 1) National UK or regional network data infrastructure failure(s)
- 2) National UK or regional power issue(s).

A successful cyber-attack targeting our physical or Cloud network infrastructure.

Responsible Officer - John Higgins

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services

CORPORATE RISK REGISTER – September 2022

RISK 1c - Ineffective communication / management of information - Failure to adopt implement and foster effective communication and

RISK 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management - Failure to adopt, implement and deliver effective Cyber Security protective arrangements leading to a catastrophic or significant IT cyber security breach or loss of personal, sensitive, or vulnerable persons' data or inability to provide IT services and applications supporting Council services (or significant operational difficulties arising from).

Assessment October 2020	Inherent risk	Present score	breakdown ₅	Direction of Risk	Residual Risk	Review date
Assessment October 2020 May 2021	score 5	Mediability	InQpidicp	Unchanged	rating	March 2023
September 202					Medium	
March 2022	20 15	4	5			
September 2022	² 20 15	High	Critical	Unchanged	15	March 2023
Sept 2021	20	ct Council has robust Information	Governance policies and p	ractices based upon shared Essex rmation Governance Policy Unit (s	tn	Governance policies.
March 2022	20	onal). Our processes are annuall			HIGH	curity Management
September 2022	20			Commissioner's Office (ICO) conti d sensitive information and we mu		iance matters. We are Councillor working

Current Action Status/ Control Strategy

Tepdatoc District Counted has a supercyter consulting including obysinal devitan (F202 plbs) rise being sogrepositent projection to recommend the position of the position of

Security Breaches will continue to be monitored and investigated to ensure robust information governance arrangements remain in place and to reserve the security self-assessments achieved a robust Amber green (score 65-79% Essex top-quartile) but with areas of imprevented when the security self-assessments achieved a robust Amber green (score 65-79% Essex top-quartile) but with areas of imprevented the security self-assessment highlighted.

With council cyberattacks growing exponentially in both volume and complexity we are proposing a number of cybersecurity strengthening initiatives during 2022. We are working with the Department for Levelling Up Housing and Communities (DLUHC) and are hopeful of receiving significant funding to assist us in our cybersecurity improvements. With reconstitution with reconstitution that the Department for Levelling Up Housing and Communities (DLUHC) and are hopeful of receiving significant funding to assist us in our cybersecurity improvements. With reconstitution assist us in our cybersecurity of the control of the c

th rough ficuncil and agreed dising solly in a single and vices that an investment of the council with a single and vices that are the council with a further review of the auto-forwarding of emails to personal accounts planned in the second half of 2022/23. It is recognised that there remains a risk to the Council in Wether investment with the libertain review of the auto-forwarding of emails to personal accounts planned in the second half of 2022/23. It is recognised that there remains a risk to the Council in Wether investment with the libertain review of the auto-forwarding of emails to personal accounts planned in the second half of 2022/23. It is recognised that there remains a risk to the Council in Wether investment with the libertain review of the council £150k funding for improvements in accordance with an agreed Action Plan which we have 90% completed. Our next DLUHC

Responsible Officer - John Higgins - Senior Information Risk Officer (SIRO) Judy Barker – Data Protection Officer (DPO)

Responsibility Cabineth megaber(s) - Corporate Finance and Governance PFH

Besponsible Cabinet member(s) - Corporate Finance and Governance PEH

Scrutiny Committee(s) - Resources and Services Committee

RISK 2a - Coastal Defence - The Council has a coastline of 60km and maintains the sea defence structures along 18.5km of this frontage. These defences protect the towns of Harwich, Dovercourt, and Walton on the Naze, Frinton on Sea, Holland on Sea, Clacton and Brightlingsea. Unforeseen expenditure may be required on sea defences, which if left to deteriorate could cause catastrophic cliff failure and impact safety of residents/visitors nearby. The East Coast of the UK is vulnerable to a phenomenon called a North Sea Tidal Surge.

Assessment date	Inherent risk score	Present score breakdown		Direction of Risk	Residual Risk	Review date
		Probability	Impact		rating	
October 2020	15	3	5			
		High Probability	Critical	Unchanged	5	March 2023
May 2021	15					
September 2021	15				LOW	
March 2022	15					
September 2022	15					
					164 4 1 1 1 4	

Current Action Status/ Control Strategy

Carrying out annual inspections of coast protection structures and responding swiftly to public reporting of faults. An annual maintenance programme for the coastal frontage is set each year with an appropriate budget to cover the works. Each year sections of the sea defences are improved as part of a rolling programme of special maintenance schemes funded from the Council's Revenue Budgets. Works undertaken range from day-to-day maintenance of promenades and seawalls to schemes costing millions of pounds. Larger capital schemes attracting grant in aid are produced to comply with Defra guidelines and their High-Level Targets for coast protection.

Responsible Officer: Damian Williams

Responsible Cabinet member(s) - Cllr. A. Porter – Portfolio Holder for Leisure and Tourism

Scrutiny Committee(s) - Resources and Services

RISK 2b - Community Leadership Projects - Potential for impact to the reputation of the Council and impact on Communities, through failure to deliver key projects with partners

Assessment date	Inherent risk score	Present score b	Present score breakdown		Residual Risk	Review date
		Probability	Impact		rating	
October 2020	12	3	4			
May 2021	12	Medium	Major	Unchanged	8	March 2023
September 2021	12					
March 2022	12				MEDIUM	
September 2022	12					

Current Action Status/ Control Strategy

Clearly defined Terms of Reference agreed between partners & TDC. Action plans agreed as appropriate for each project and reviewed on a regular basis.

Action plan delivery (regular monitoring and feedback to Community Leadership Committee, Portfolio Holder, and external partners

A Community Asset Map has been produced via the Northeast Essex Alliance, this provides a useful tool to identify where to focus resources to strengthen and build more resilient communities. The Council is now working within the new health structure and has representatives that attend the Integrated Care Partnership Board and the Alliance Board, following the termination of CCGs in July 2022.

Responsible Officer - Anastasia Simpson / John Fox/ Rebecca Morton

Responsible Cabinet member(s) - Partnerships PFH

Scrutiny Committee(s) - Community Leadership

RISK 2c - Building Council Homes - Continuing uncertainty over Business plan capacity due to lack of clarity from the government

Assessment date	Inherent	Present score b	Present score breakdown		Residual Risk	Review date
	risk score	Probability	Impact		rating	
October 2020	8	2	4			
May 2021	8	Low	Major	Unchanged	4	March 2023
September 2021	8					
March 2022	8				LOW	
September 2022	8					

Current Action Status/ Control Strategy

Government has removed the HRA borrowing cap but prudential borrowing rules still apply. Modelling has been undertaken within the business plan and we are comfortable that 200 new homes could be built over the next 8 – 10 years dependent upon build costs and land availability. The Government has signalled a potential continuation and extension of the PRP RTB pilot but has given no firm commitment as to how it will be funded. This is a concern as it could signal a revival of the forced sale of high value assets policy, which had been suspended. This would have a significant and detrimental impact on our business plan and capacity to build.

Responsible Officer – D Williams

Responsible Cabinet member(s) - Housing PFH

Scrutiny Committee(s) – Resources and Services

		y of Transforming Tendring			nge management and	the coordination
•		adverse impact on organisati				
Assessment	Inherent	Present score bro	eakdown	Direction of Risk	Residual Risk	Review date
date	risk score	Probability	Impact		rating	
October 2020	15	3	5			
May 2021	15	Medium	Critical	Unchanged	3	
September 2021	15					
March 2022	15				LOW	March 2023
September 2022	15					
Current Action Status/ Control Strategy	communic Physical, basis. Technolo complete		ation and empoweri	ng staff. bstantially complete. P	roject Board monitor	s on an ongoing
Responsible Office	r – Andy W	hite //				
·		(s) - Cllr G Guglielmi - Corpora	ate Finance and Go	vernance FH		
	z(s) - Reso	dices and Services				

RISK 2e - Essex Family / Family Solutions - A TDC appointed Family Support Worker working within Tendring Family Solutions Team. Risks of the project include potential breaches of data protection, Council reputation and professional liability (working with vulnerable families)

Assessment date	Inherent risk score	Present score	Present score breakdown		Residual Risk	Review date
		Probability	Impact		rating	
October 2020	8	2	4			
May 2021	8	Low	Major	Unchanged	8	March 2023
September 2021	8					
March 2022	8				MEDIUM	
September 2022	8					

Current Action Status/ Control Strategy

Matrix management arrangements in place between TDC and ECC with clear workload management. The TDC FSW will be subject to the same control environment as other team members within Family Solutions. TDC has increased management capacity to oversee the FSW position.

Funding has now been secured to move the post onto the Council establishment, so there is less risk to families. An additional Family Solutions post for Harwich is being funded for one year with CCG funding to support health inequalities projects across the District.

Responsible Officer - Anastasia Simpson

Responsible Cabinet member(s) - Partnership PFH

Scrutiny Committee(s) - Community Leadership

RISK 2f - Garden Communities - The project fails to come to fruition due to land control, planning or political issues

Assessment date	Inherent			Direction of Risk		Review date
	risk score	Probability	Impact		rating	
October 2020	12	4	3			
May 2021	12	High	Sizeable	Unchanged	1	
September 2021	12	_				March 2023
March 2022	12				LOW	
September 2022	12					

Current Action Status/ Control Strategy

Garden Community formally allocated for development in the jointly adopted Local Plan for North Essex following independent examination by a government-appointed Planning Inspector.

Planning permission granted by Essex County Council for A120/A133 link road – a key piece of infrastructure that will unlock land for development.

The lead developer has control over most of the land and is keen to work positively with the Council to deliver the development following a 'planning-led' process rather than through a Development Corporation approach.

Joint Committee has been formed between Tendring, Colchester and Essex to ensure a coordinated approach to decision making with an initial focus on agreeing a planning framework and looking forward to the determination of planning applications. Recent change in membership at Colchester following local elections which may or may not have implications for decision making going forward.

A development plan document is being created through partnership between Tendring, Colchester and Essex to set out more detailed framework for the layout and delivery of the proposed garden community. This has been the subject of an initial round of public consultation. There will be a need to reconcile the different views of the lead developer, the University of Essex, and residents in the affected area. A dedicated planning team is being formed between Tendring, Colchester and Essex to resource the planning process going forward — expected to be in place from September 2022.

Responsible Officer: Gary Guiver

Responsible Cabinet member(s) - Leader

Scrutiny Committee(s) - Resources and Services

RISK 3a - Member Conduct - The Localism Act 2011 places a statutory duty upon Councils to promote and maintain high standards of conduct amongst its own Elected Members and any co-opted Members. Upheld Code of Conduct complaints risk damaging the Council's reputation and adverse implications on its ethical governance arrangements, *together with an increase in Council resources to assess and investigate complaints.*

Assessment date	Inherent risk score	Present sco	ore breakdown	Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
October 2020	12	3	4			
May 2021	12	Medium	Major	Unchanged	4	
September 2021	12		•			March 2023
March 2022	12				LOW	
September 2022	12					
	D 1		10 1 12 1		1 '1'	6 1 6

Current Action Status/ Control Strategy

Regular reports to Standards Committee and discussions with Group Leaders and providing regular refresher training for Members on the Code of Conduct requirements.

Responsible Officer: Management Team (Lisa Hastings, Monitoring Officer)

Responsible Cabinet member(s) - Code of Conduct matters are reported to the Standards Committee, as a Non-Executive function.

Scrutiny Committee(s) - N/A

CORPORATE RISK REGISTER – September 2022

RISK 3b - Failure to comply with legislative requirements - Risk of judicial reviews *court claims for damages* or injunctions being sought against the Council, causing delay in service delivery and financial loss to defend actions.

Assessment date	Inherent risk score	Present score b	Present score breakdown		Residual Risk	Review date
		Probability	Impact		rating	
October 2020	16	4	4			
May 2021	16	High	Major	Unchanged	2	
September 2021	16	-				March 2023
March 2022	16				LOW	
September 2022	16					

Current Action Status/ Control Strategy

Ensuring that communication between the Directors and Service Managers with the Legal Team is kept up to date with regards to *resourcing* priorities and project planning. Regular discussions to be held between Services. Head of Governance and *Head of* Legal Services to be kept informed of new developments through *regular discussions to be held between Services*, Management Team and Cabinet agendas.

Briefing Notes to Management Team to be prepared by Legal Services, where cases are on the increase or themes emerge.

Responsible Officer - Lisa Hastings

Responsible Cabinet member(s) - Leader and Finance and Governance Portfolio Holder

Scrutiny Committee(s) - Resources and Services

RISK 3c - Health and Safety - Failure to have effective Health and Safety processes in place exposing public and staff to increased risk of injury or illness.

date risk	Inherent	Present score b	reakdown	Direction of Risk	Residual Risk	Review date
	score	Probability	Impact		rating	
October 2020	20	4	5			
May 2021	20	High	Critical	Unchanged	10	
September 2021	20	-				March 2023
March 2022	20				MEDIUM	
September 2022	20					
Current Action	Identifying a	n officer with overall respo	onsibility for ensuring	g that effective health a	nd safety processe	es in place.
Status/ Control Strategy	Providing re	gular Health and Safety u	pdates to Managem	ent Team		
Strategy	Risk Assess	ment review being undert	aken now completed	d. Review of lone worke	er devices complet	ed.
	Review of H	ealth and Safety policy be	ing undertaken.			

Responsible Officer: Richard Barrett

Responsible Cabinet member(s) Corporate Finance and Governance PFH / HR and Council Tax Committee

Scrutiny Committee(s) n/a

CORPORATE RISK REGISTER – September 2022

date	Inherent	Present score b	reakdown	Direction of Risk	Residual Risk	Review date
	risk score	Probability	Impact		rating	
October 2020	15	5	3			
May 2021	15	High	Sizeable	Unchanged	10	
September 2021	15	5				March 2023
March 2022	15				MEDIUM	
September 2022	15					
Current Action Status/ Control Strategy	Internal Audit	Team providing advice /	recommendations t	o improve control envir	onment and mitigat	e exposure to frac
Status/ Control	risks Rules and pro	Team providing advice / ccedures as laid down in nd Corruption Strategy re ness training being carrie	the Constitution	to the Audit Committed	e annually.	e exposure to fra
Status/ Control	risks Rules and pro Anti-Fraud ar Fraud awaren	ocedures as laid down in and Corruption Strategy re	the Constitution	to the Audit Committed	e annually.	e exposure to fra

RISK 4a - Loss of Key Staff - Loss of key staff either through service changes or natural turnover impacting on delivery and /or reputational risk e.g, managing elections

Assessment	Inherent	Present score b	reakdown	Direction of Risk		Review date
date	risk score	Probability	Impact		rating	
October 2020	12	4	4			
May 2021	12	Medium	Major	Increased	16	
September 2021	12					March 2023
March 2022	12				HIGH	
September 2022	16					

Current Action Status/ Control Strategy

Effective HR processes in place to identify early signs of workforce issues (including age profile). Skills focus and flexible approach across Council.

"Grow your own approach to talent management"

Daily monitoring of staff absence takes place during periods of long-term disruption, such as during an emergency / pandemic to identify any areas requiring access to additional capacity and Management Team have access to a weekly update. Although the Council is now in a position of 'living with Covid' the daily absence recording is still taking place and any exceptions are being reported to Management Team.

The Council are finding some hard to recruit areas developing across the Council. To address this EELGA have been commissioned to review pay bands across the Council. The feedback from this work will be presented to the HR Committee.

Responsible Officer - Management Team (Anastasia Simpson)

Responsible Cabinet member(s) - HR and Council Tax Committee

Scrutiny Committee(s) N/A

Assessment	Inherent	Present score breakdown		Direction of Risk		Review date
date	risk score	Probability	Impact		rating	
October 2020	12	4	4			
May 2021	12	Medium	Major	Increased	16	
September 2021	12					March 202
March 2022	12			4	HIGH	
September 2022	16					
September 2022	16					

PISK 4h - Lack of canacity to deliver core corvices - not retaining / having access to staff canacity to deliver corvices and priorities

Current Action Status/ Control Strategy

Identification of areas of key person dependency, skills and competency matching and corporate approach to the delivery of key services and projects through secondments / cross service working.

Effective succession planning information sharing through Management Team.

The Council is starting to experience some recruitment challenges and filling posts in several different service areas. EELGA have been commissioned to review pay bands and provide advice and feedback will be presented to the HR Committee.

Responsible Officer - Management Team (Anastasia Simpson)

Responsible Cabinet member(s) - Human Resources Committee and Council Tax Committee

Scrutiny Committee(s) - N/A

RISK 5A - Financial Strategy - The impact of achieving a balanced budget in an ever-tightening financial environment on service delivery objectives.

	Inherent	Present score breakdown		Direction of Risk		Review date
date	risk score	Probability	Impact		rating	
October 2020	20	4	5			
May 2021	20	High	Critical	Unchanged	15	
						March 2023
March 2022	20				HIGH	
September 2022	20					

Current Action Status/ Control Strategy

Long Term Financial Plan updated on an ongoing basis.

- Financial Strategy / Forecast Preparation including identifying and capturing significant risks such as changes to government funding, and the identification of savings which will require some challenging decisions.
- Robust and timely Budget Monitoring Processes.
- Engagement with key stakeholders, members, and senior management as early as possible.
- Responding to and implementing recommendations and advice issued by the Council's External Auditor.
- · Material savings options to be individually risk assessed

If the event that the long-term approach does not deliver the intended outcomes, then the Council can revert to the more traditional / short term approach to setting the budget.

In addition to the above a zero-based approach to budget setting will be further developed in 2022/23 along with the corporate investment plan approach to prioritise resource allocation.

Responsible Officer: Richard Barrett

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) – Resources and Services

RISK 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking.

Assessment		Present score breakdown		Direction of Risk	Residual Risk rating	Review date
uate	risk score	Probability	Probability Impact			
October 2020	20	5	4			
May 2021	20	High	Major	Unchanged	15	
September 2021	20	_	-			March 2023
March 2022	20				HIGH	
September 2022	20					

Current Action Status/ Control Strategy

Multi-firewall network segregation implemented with role-based access to systems necessary for work. Governance procedures/ policies/ responsibilities quarterly reviewed by the Information Governance Policy Unit. All remote working is protectively 'tunnelled' utilising Microsoft VPN technology.

All officer mobile devices (laptops, tablet, and phones) are encrypted with complex passwords and are managed using Microsoft Mobile device Management (MDM) to further protect data. Enhanced monitoring of the Council's internal network data flows focusses on early detection/ isolation of cyber-attack. The Council maintains an ongoing campaign to educate staff and members as to a range of cyber-attacks/ techniques.

However, cyber-attacks have significantly increased during the COVID-19 global pandemic

To-date all information breaches have been down to human-error. We have robust security breach reporting arrangements, and each such breach is investigated and lessons-learned in terms of reducing the operating risk or providing additional staff training etc.

Responsible Officer - John Higgins - Senior Information Risk Owner (SIRO)

Judy Barker - Council's named Data Protection Officer

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services Committee

CORPORATE RISK REGISTER – September 2022

RISK 6b - Disconnection from PSN Network - Failure to achieve PSN recertification resulting in disconnection from PSN services, e.g., DWP, IER etc. and urgent alternative arrangements to continue providing statutory service.

Assessment date	Inherent	Present score bi	Present score breakdown		Residual Risk rating	Review date
date	risk score	Probability	Impact		raung	
October 2020	20	3	4			
May 2021	20	Medium	Major	Unchanged	5	
September 2021	20		•			March 2023
March 2022	12				LOW	
September 2022	12					

Current Action Status/ Control Strategy

This risk constitutes an annual cycle of IT security Health Check using a registered consultant, remediation/ resolution of any security issues identified then completion and submission of compliance documentation to central government national Cyber Security Centre (NCSC) for PSN recertification.

PSN re-certification was last achieved 23 November 2019. Both the Public Services network (PSN) itself and the PSN IT Security Health Check regime is nearing the end of its lifecycle.

Over the past two years in readiness for the PSN closure the council has been steadily undertaking a range of cybersecurity improvements to achieve compliance with new National Cyber Security Centre security standards. These give Tendring District Council emails trusted status within the public sector and the robust security to enable us to exchange 'official' and 'official sensitive' information securely with other partners (which was the previous Role of the PSN).

From a cybersecurity external health check and challenge perspective the council is working with the DLUHC cyber team. DLUHC have performed a full audit across our estate and the resultant DLUHC improvement actions (with £150,000 one-off funding) are being remediated through our DLUHC Cybersecurity Action Plan over the next 12 months.

The council is working with the Department for Levelling Up, Housing and Communities (DLUHC) cyber team who have performed a full audit across our estate with a resultant Improvement Plan now 90% completed.

This DLUHC regime will become the 'status quo' in replacing the annual PSN IT local government security Health Check.

Responsible Officer: John Higgins

Responsible Cabinet member(s) - Corporate Services Portfolio Holder Cllr. Guglielmi

Scrutiny Committee(s) - Resources and Services Committee

Assessment Inherent risk score	Inherent	Present score b	reakdown	Direction of Risk	Residual Risk	Review date
	Probability	Impact		rating		
October 2020	12	4	4			
May 2021	12	High	Major	Unchanged	12	March 2023
September 2021	12	•				
March 2022	12				MEDIUM	
September 2022	12					
		orked closely with the other			d have taken advice	as necessary to
Current Action Status/ Control Strategy	submit a r	orked closely with the other obust Local Plan to prepare a local plan has now been a give further consideration to	for the examination dopted the planned	in public. review of the risk regist	er as set out in the	·
Status/ Control	submit a r	obust Local Plan to prepare a local plan has now been a give further consideration to	for the examination dopted the planned	in public. review of the risk regist	er as set out in the	·

Assessment Inherent risk score		Present score breakdown		Direction of Risk		Review date
	Probability	Impact	rating			
October 2020	20	4	5			
May 2021	20	High	Critical	Unchanged	10	
September 2021	20	-				March 2023
March 2022	20				MEDIUM	
September 2022	20					
Current Action Status/ Control Strategy	Regular budg as necessary	get monitoring including r	 eports to Cabinet, w	hich will also set out op	tions to respond to	any adverse issu
Status/ Control	•		 eports to Cabinet, w	hich will also set out op	tions to respond to	any adverse issu

Failure of income streams to meet Councils financial requirements and obligations to other bodies d

RISK – 8b - Failure to collect levels of income required from Non-Domestic Rates in order to meet the shares between the Government, Essex County Council, Essex Fire Authority and Tendring District Council.

	Inherent	Present score br	eakdown	Direction of Risk	Residual Risk	Review date
date	risk score	Probability	Impact		rating	
October 2020	20	4	5			
May 2021	20	High	Critical	Unchanged	10	
September 2021	20	-				March 2023
March 2022	20				MEDIUM	
September 2022	20					
	Regular bu	dget monitoring including rep	ports to Cabinet, wh	ich will also set out op	tions to respond to	anv adverse issue

Current Action Status/ Control Strategy Regular budget monitoring including reports to Cabinet, which will also set out options to respond to any adverse issues as necessary.

Responsible Officer: Richard Barrett

Responsible Cabinet member(s) - Corporate Finance and Governance PFH

Scrutiny Committee(s) - Resources and Services

RISK 9a - Ineffective Emergency Planning - The Council fails to effectively respond to an emergency and the community is adversely

Assessment	Inherent	Present score	breakdown	Direction of Risk		Review date
date	risk score	Probability	Impact		rating	
October 2020	12	2	4			
May 2021	12	Moderate	Major	Unchanged	4	
September 2021	12		-			March 2023
March 2022	12				LOW	
September 2022	12					
Strategy	Tendring	<i>continues to lead the</i> Pan-E	ssex Vulnerable Inte	ligent Persons Emerge	ncy Response (VIF	PFR) system
	initiative. emergence vulnerable The Court particular Emergence most emp	This new (VIPER) system is by 'area of effect' on a map are residents who may required an unpay due to the hot weather and by Planning event, however loyees undertake this work	s now live across Ess and VIPER will gener e specialist assistance recedented number of d fires. Systems, stru this does require con	ex. The system allows ate details of all resider e/support. If Emergency Planning actures, and processes asiderable capacity across	Emergency Planne nts affected in seco incidents during Jurare in place to resposs the Council. It s	rs to draw an nds and supports ly/August 2022, ond to any hould be noted the

CORPORATE RISK REGISTER – September 2022

RISK 9a - Ineffective Business Continuity Planning - The Council fails to effectively respond to an emergency / adverse event with an adverse impact on the delivery of services.

Assessment		Present score breakdown		Direction of Risk		Review date
	risk score	Probability	Impact		rating	
October 2020	10	2	5			
May 2021	10	Medium	Critical	Unchanged	4	
September 2021	10					March 2023
March 2022	8				Low	
September 2022	8					

Current Action Status/ Control Strategy

Ongoing development and testing of Business Continuity plans by services.

Significant digital investment and improved resilience in information storage, applications, Cloud migration, and reduced reliance upon office premises through flexible / remote working have all reduced this ongoing operational risk.

Responsibility for Business Continuity now resides within the Digital Services and Assurance team with the Assurance and Resilience manager continuing to provide support to services to ensure that their plans remain current. A current review of all Business Continuity Plans are underway.

Our new public cloud-based infrastructure provides significantly improved resilience in information storage, applications, and reduced reliance upon office premises through flexible / remote working.

Use of IT to record and support the development of service risk assessments and business continuity impact assessments – *will be implemented during 2022 along with specialist certificated training for key staff.*

Responsible Officer - John Higgins

Responsible Cabinet member(s) - Partnerships PFH

Scrutiny Committee(s) - Community Leadership

APPENDIX – METHODOLOGY FOR CALCULATING RISK

RISK RATING ELEMENTS - IMPACT

Risk level	Impact				
Misk level	Level	Financial	Service Delivery	Safety	Reputation
5	Critical	Loss of more than £1m	Effective service delivery is unachievable.	Fatality (Single or Multiple)	Reputation damage is severe and widespread i.e. body intervention
Page (Major	Loss above 250K but below £1m	Effective service delivery is severely disrupted in one or more areas	Multiple serious injuries requiring professional medical treatment	Reputation damage occurs with key partners.
9 4 3	Sizeable	Loss above £25K below £250K	Effective service delivery is disrupted in specific areas of the Council.	Injury to an individual(s) requiring professional medical treatment	Reputation damage is localised and/or relatively minor for the Council as a whole
2	Moderate	Loss above £5K below £25K	Delays in effective service delivery	Minor injury - no professional medical treatment	Slight reputation damage
1	Minor	Loss of up to £5K	Minor disruption to effective service delivery i.e., Staff in unplanned absence for up to one week	No treatment required	Reputation damage only on personal level

Timescale	Up to 6	To 12	To 24	To 60	60+
	months	months	months	months	months
Probability					
Over 80%	5	4	3	2	1
65%-80%	4	4	3	2	1
50 – 64%	3	3	3	2	1
30 – 49%	2	2	2	2	1
Under 30%	1	1	1	1	1

5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5
1	2	3	4	5

Probability

Impact x Probability = Overall Risk Rating
RISK CALCULATION MATRIX

RISK RATING ELEMENTS - PROBABILITY

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AUDIT COMMITTEE

29 SEPTEMBER 2022

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.4 AUDIT COMMITTEE - TABLE OF OUTSTANDING ISSUES

(Report prepared by Richard Barrett and Karen Townshend)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee:

• The progress on outstanding actions identified by the Committee along with general updates on other issues that fall within the responsibilities of the Committee.

EXECUTIVE SUMMARY

- A Table of Outstanding Issues is maintained and reported to each meeting of the Committee. This approach enables the Committee to effectively monitor progress on issues and items that form part of its governance responsibilities.
- Updates are set out against general items and the Annual Governance statement within **Appendix A and B** respectively.
- To date there are no significant issues arising from the above, with work remaining in progress or updates provided elsewhere on the agenda where appropriate.

RECOMMENDATION(S)

That the Committee notes and endorses the progress against the actions set out in Appendices A and B.

PART 2 - IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within this overall framework.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

There are no significant financial implications associated with monitoring of the agreed actions or responses. If additional resources are required then appropriate steps will be taken including any necessary reporting requirements.

Risk

The Table of Outstanding Issues is in itself a response to potential risk exposure with further activity highlighted to address matters raised by the Audit Committee.

LEGAL

There are no direct legal implications associated with this report.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

This report does not have a direct impact although such issues could feature in future recommendations and actions. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.

PART 3 – SUPPORTING INFORMATION

TABLE OF OUTSTANDING ISSUES

The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in June 2022.

There are currently 3 main elements to this report as follows:

- 1) Updates against general items raised by the Committee **APPENDIX A**.
- 2) Updates against recommendations made by the Council's External Auditor there are no outstanding items.
- 3) Updates against the 2021/22 Annual Governance Statement Action Plan **APPENDIX B**

In terms of item 1) above, there are no significant issues to raise, with actions remaining in progress. In terms of item 3), this sets out the latest Annual Governance Statement agreed by the Leader and Chief Executive at the end of July 2022, and includes any outstanding actions from the previous statement along with a number of new items identified. Activity will remain in progress against the various items which will be reported to Members as part of this report going forward.

Other issues

The Statement of Accounts 2020/21 remains subject to the conclusion of the work of the External Auditor. At the time of this Committee, the associated report of the External Auditor is yet to be received as they continue their necessary audit work.

At the last meeting of the Committee, the External Auditor provided a report which detailed reasons for the aforementioned awaiting conclusion and states that the audit is not sufficiently progressed to enable to present the Audit Completion Report, citing increasing pressures on the sector and unrealistic target dates. It is currently planned to provide an update directly at the Committee meeting.

RIPA - Regulatory Investigatory Powers Act 2000

This Authority has not conducted any RIPA activity in the last quarter and it is rare that it will be required to do so.

Redmond Review

At its June meeting, the Committee was provided with a further Government response to

'Local Audit Framework: technical consultation as detailed in the Redmond Review on 31 May 22', which was a culmination of the government's response into the effectiveness of external audit and transparency of financial reporting in local authorities and details the first steps taken towards a more coordinated local audit system, in which key players work together to address challenges as they arise.

As further progress is announced by the Government, updates will be provided to future meetings of this Committee, which will hopefully set out the necessary practical steps to implement the recommendations made as part of this review.

Planning Enforcement Policy

The draft Planning Enforcement Policy was presented to the Planning Committee on 1 September 2022 and was subsequently adopted; subject to some minor amendments, the authority of which to amend was delegated to the Assistant Director (Planning). The Planning Committee also resolved that performance against the Planning Enforcement Policy be reported to the Planning Committee regularly.

APPENDICES

Appendix A – Table of Outstanding Issues (September 2022) – General.

Appendix B - Table of Outstanding Issues – (September 2022) - Update against 2021/22 Annual Governance Statement Actions

Appendix C – Careline Board update



<u>AUDIT COMMITTEE - Table of Outstanding Issues (September 2022) - GENERAL</u>

Governance Principle and Issue	Recommendation / Issue	Lead / Service	Progress / Comments	Status – Target Date
	Following the consideration of the Anti-Fraud and Corruption Strategy last year, it was resolved that: The Head of Democratic Services & Elections be requested to consider including training for Members on anti-fraud and corruption measures as part of the Councillor Development Scheme.		The development of a Formal Training Programme remains ongoing which will include: 1. Joint general training with other Essex Authorities. 2. Statement of Accounts training, timing of which remains subject to the reporting of the accounts to the Committee. Dedicated sessions for Audit Committee Members are currently being arranged to cover the following topics: The role of Internal Audit Anti-Fraud and Corruption Strategy Corporate Governance and Assurance in a Local Authority setting Role and appointment of External Audit	
			Risk Management	

			The above are subject to external training providers' availability	
Response to report of Ofsted following inspection of Career Track	The full Ofsted report following the November 22 inspection was published on 24 December 22, grading Career Track as 'Requiring Improvement', which was subject to a separate report to this Committee at its 31 March 22 meeting.	Assistant Director Partnerships	The development plan referred to at the last meeting continues to progress and nears completion. The Development Group has monitored this progress to ensure the targets set against the Ofsted report can be met.	An update report will be presented to this Committee by the Assistant Director, Partnerships, on 29 Sep 22.
Careline update ໝ	At its meeting in June 2022, the Committee requested responses to a	Assistant Director	The Careline Board considered the Audit Committee's enquiries at a	An update is set out in Appendix C.
age ,	number of questions to be submitted to the Careline Board.	Partnerships	recent meeting along with agreeing the associated responses.	

<u>AUDIT COMMITTEE - Table of Outstanding Issues (September 2022) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2021/22</u>

Governance Principle & Issue	Required Action(s)	Update / Additional Comments
Implementing good practices in transparency, reporting and audit to deliver effective accountability. Ensuring compliance of the Council's governance arrangements through project board reviews. Ditilising the Council's systems to complement best practice for drafting, reporting and decision making.	 Review of project outcomes being undertaken by the Project Board to support future decision making and delivery. Continuation of the roll out of the functionality of Modern.gov over a phased approach in 2021/22. 	ON-GOING in 2022/23 - The outcome from key projects will be reported to the Project Board / Members following completion of the associated project. ON-GOING in 2022/23 - Modern.gov remains an on-going and live project with additional functionality planned to be rolled out during 2022/23. The delivery team have received updated training to support the future roll out of this system.
Developing the entity's capacity, including the capacity of its leadership and the individuals within it. Ensuring the Council has the appropriate structures in place to support delivery of the Corporate Plan following the Senior Management restructure.	Finalise the operational capacity review and implement any recommended and approved staffing structures.	ON-GOING in 2022/23 - This action is included as a standing agenda item on the regular Assistant Director meetings with actions underway in collaboration with HR, to continue to deliver a prioritised/phased approach to this key activity during 2022/23.
Determining the interventions necessary to optimise the	As part of the Back to Business and Recovery Plan:	Completed – associated actions now form part of alternative processes underway in the Council.

achievement of the intended outcomes. Managing risks and performance through robust internal control and strong public financial management. By strengthening the linkages between the Corporate Plan priorities and the Council's investment plans along with review of the longer term impact of COVID-19.	 Undertake a corporate review of the Council's operational assets to prioritise spending from an associated reserve over the next few years; To develop an investment plan during 2020/21 which will be directly linked to the Council's budget and evolving financial position and supported by the reprioritisation of budgets / existing funding and / or as part of the long term forecast; Conduct an audit review in relation to the effectiveness of the Council's response to COVID-19, including a review of the lessons learnt from the Council's response and longer term consequences. 	As discussed at the Committee's meeting on 31 March 2022, this will form part of the planned work of Internal Audit during the year with an overall report bringing individual elements together planned for later in the year and this work continues.
Defining outcomes in terms of sustainable economic, social and environmental benefits. Determining the interventions necessary to optimise the achievement of the intended outcomes. To set out the Council's vision following the Council's Climate Emergency declaration of the Council's activities being 'carbon neutral' by 2030.	Prepare an Action Plan for approval by both the Cabinet and Council to form part of the Council's Policy Framework.	COMPETED - A Climate Change Action Plan was agreed by Full Council on 24 November 2020 and included within its priority actions from 2021/22, which forms the background against which performance is being formally reported via the revised monitoring arrangements. At its June meeting, the Committee required that the relevant Corporate Director attend a meeting of the Committee in early 2023 to present to Members a two year progress report on the Council's Climate Change Action Plan.
Behaving with integrity, demonstrating strong commitment	Review of the Council's Equality and Diversity strategy, policies and procedures	ON-GOING in 2022/23 - Both of these actions will be considered as part of the respective Service's key priorities and actions during 2022/23 and are included within the revised

to ethical values and respecting the rule of law.	Developing the Council's approach and adopting principles for community engagement	performance monitoring arrangements, with updates being reported to Management team during the year.
Ensure the Local Code of Corporate Governance and key policies and procedures are up to date.		during the year.
Ensuring openness and comprehensive stakeholder engagement.		
Establishing a corporate framework to support community engagement.		
Implementing good practices in ansparency, reporting and audit to deliver effective accountability.	Awareness and further strengthen good decision making incorporating the Council's policies and framework.	ON-GOING in 2022/23 - Increase the understanding of key principles including consultation, business planning, budget, and procurement, legal. Concept paper and PIDs to completed comprehensively to ensure successful delivery within the governance framework.
Managing risks and performance through robust internal control and strong public financial management In terms of business continuity this is especially important given the current global/economic climate	The relaunch of the Governance Checklist monitored quarterly and development of service area plans for 2023, both of these will cover risks and business continuity, these should cover the 3 headings under Use of Resources, to include project based risks.	New for 2022/23

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Defining outcomes in terms of sustainable economic, social and environmental benefits.	Develop and implement a Corporate policy and strategy 'register' to ensure that these are reviewed and updated in a timely manner and to support decision making.	New for 2022/23
Determining the interventions necessary to optimise the achievement of the intended outcomes.		

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Audit Committee 29 September 2022 Response of the Assistant Director, Partnerships

(b) in relation to the Careline update, the Assistant Director (Finance & IT) be requested to submit, on behalf of the Audit Committee, the following questions and comments to the Careline Board:-

(1) Are the approved new plans for Careline realistic ambitions for the structure and staffing levels in Careline?

Yes. Careline has already begun to recruit to the new structure. The Control Centre and Administrative function is stable. The Response function still has three vacancies but interest in the roles is good. The service expects to be able to fill the roles. The service also has a small bank of Casual staff which it is actively looking to enhance.

The service will always need bank staff to cover holidays and ad hoc sickness.

(2) The Audit Committee want a reassurance that the agreed new plans for Careline do not compromise the recovery of the service and its delivery to customers;

Management Team have stressed that any future growth must be sustainable. This means that the service must be able to safely manage the number of customers it has whilst retaining the Tec Services Association (TSA) accreditation.

The finances that have been agreed by Cabinet allow sufficient staffing for modest, sustainable growth to take place. The priority for this year is the TSA re-accreditation audit (September) and the recruitment of sufficient officers. However, a marketing plan has been drawn up which can be implemented once the service is stable.

(3) Will the ability to deliver a sustained and deliverable service match the potential interest resulting from the marketing campaign?

The marketing that shall be undertaken will be a mix of traditional methods, such as talks and demonstrations at suitable groups, newspaper advertising, and digital advertising through Google Ads and Facebook.

Each campaign will have a specific 'call to action' that can be used to monitor its effectiveness. These types of campaigns can be stopped and started very quickly so that the Council has control.

Careline also monitors any service user cancellations. Currently we lose circa 40 service users every month due to the resident going into residential care, moving in with family, or because the service user has passed away.

(4) Will Careline provide a sustainable and cost effective service, which mitigates the financial and reputational risk to the Council?

Careline mitigates the reputational risk to the Council by employing the right number of properly trained staff. Attaining the TSA accreditation gives an assurance to the Council that Careline delivers a safe, quality service to residents.

As Careline is a non-statutory service, the management team aim to ensure that income covers expenditure. The plan that has been agreed by Cabinet is that, once the service is stable and the TSA audit undertaken, the marketing plan will begin in order to increase the number of private payers that are attracted to the service. The contract with Personal Alarm watch is already showing growth in this financial year.

As we get towards the end of 2023, and into the normal fee setting cycle, an assessment will be taken of the level of fees that the service needs to charge in order to be self-sufficient. It should be pointed out that Tendring Careline costs less than any other comparable local telecare provider but that cost is very rarely cited as a purchasing driver.

In the meantime, Careline reserves of £221,000 may be used to support the service to become self-financing. Together with colleagues from the Finance team, budgets will be monitored closely and any shortfall in income reported quickly in order that contingencies can be made. The service has recently become aware of a potential VAT issue that may need to be financed.

(5) What is the current and proposed staffing levels and does the business case support the employment and training of additional new staff?

Careline uses the Erlang-C formula to forecast the number of call handlers required to answer the incoming calls in a timely manner. Erlang-C is used by the call centre industry worldwide and is the standard for assessing whether or not a call will be answered within a given time-frame by a given number of call handlers. It relies on information such as how many calls are averagely received in a given period, averagely how long each call takes, and whether the call handlers need any extra time to wrap up the calls (administration).

The recovery plan that has been accepted by Cabinet includes the financial support for the service to be able to recruit sufficient numbers of people to operate safely and attain the TSA KPI's. Incoming call volumes and length are monitored regularly. The Control Centre structure has four call handlers during the busiest part of the day (8am to 4pm) and three call handlers at all other times. This is sufficient for current call volumes and will also allow capacity for some growth.

The structure has two Mobile Responders from 8am to 8pm and one Responder overnight when the service usually receives fewer calls. The service also has a small bank of casual staff that are trained to call handle or Respond to cover sickness and holidays. It is usually a casual team member that is appointed to any permanent vacancies that we have.

(6) Has the Business Continuity Plan for Careline been updated, to mitigate the previous risks and failings?

Yes the Business Continuity Plan has been updated and can be viewed if required.

(7) Is there still outstanding unrecovered debt?

Much work has been done around the outstanding debt and the private payer accounts are much tidier.

- Circa £7,000 has been recovered from private payers.
- £4,500 has been written off (12 private payer accounts) for service users that are either deceased or cannot afford to pay and the monies are uneconomic to chase.
- £1,400 has been credited as invoiced in error.

- A total of 52 private payer accounts have been cleared.
- £44,000 was received recently from and external company with whom we had a contract and we have received assurances that the outstanding £15,000 has been added to the next payment run.

There are still a number of private pay accounts with unrecovered debt. 22 accounts totalling £12,400. Of these, 4 have had payment plans set up so they will pay off the debt slowly. The others are the more difficult cases which are being dealt with by the Head of Service due to their sensitive nature. We are dealing with instances where the service user cannot afford to pay, cases where the service user now has dementia but no power of attorney is in

existence, and cases where it was the family members that were paying but they have moved. Finally, we have some service users that insist they are paying every month but we don't receive the money.

With a service of this nature it is always likely that a small amount of outstanding debt has to be written off, nevertheless the Careline team do always try to ensure that all outstanding debts are recovered.

Invoice and Debt Recovery Process (if no direct debit)

Service User invoiced in advance, either monthly or quarterly.

Day 28 reminder sent.

Day 35 second and final reminder sent.

Day 56 third reminder sent and debt passed to Responsible Office within Careline service to chase.

