



AUDIT COMMITTEE

DATE:	Thursday, 13 July 2023
TIME:	10.30 am
VENUE:	Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor Sudra (Chairman)
Councillor Lennard (Vice Chairman)
Councillor Fairley

Councillor Platt
Councillor Steady

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DATE OF PUBLICATION: Wednesday, 5 July 2023

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 - 4)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Thursday 30 March 2023.

3 Declarations of Interest

Councillors are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests of Non-Registerable Interests, 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 Tendring District **and** which falls within the terms of reference of the Committee.

5 Report of the Internal Audit Manager - A.1 - Report on Internal Audit (Pages 5 - 26)

To provide the Committee with a periodic report on the Internal Audit function for the period March 2023 – May 2023, as required by the professional standards.

6 Report of the Assurance and Resilience Manager - A.2 - Corporate Risk Update (Pages 27 - 64)

To present to the Audit Committee the updated Corporate Risk Register.

7 External Auditors Update

The Committee will receive an oral update from our External Auditors.

8 Report of the Assistant Director (Finance & IT) - A.3 - Table of Outstanding Issues (Pages 65 - 78)

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, 28 September 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.

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Please do not re-enter the building until you are advised it is safe to do so by the relevant member of staff.

Your calmness and assistance is greatly appreciated.

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,
HELD ON THURSDAY, 30TH MARCH, 2023 AT 10.30 AM
IN THE COMMITTEE ROOM - TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present:	Councillors Alexander (Vice-Chairman), Fairley, C Guglielmi and Miles
In Attendance:	Damian Williams (Corporate Director (Operations and Delivery)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Craig Clawson (Internal Audit Manager), Karen Townshend (Executive Projects Manager (Governance)) and Keith Durran (Committee Services Officer)
Also in Attendance:	Tharshiha Vosper of BDO LLP (the Council's External Auditors)

27. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillors Coley (with Councillor C Guglielmi substituting) and Councillor Steady (with no substitution).

Councillor Alexander (as the Committees Vice-Chairman) chaired the meeting.

28. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Thursday 26 January 2023 were approved as a correct record.

29. DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

30. 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.

31. UPDATE FROM THE COUNCILS EXTERNAL AUDITORS

Tharshiha Vosper, on behalf the Council's external Auditors, introduced their updated Audit Results Report for 2020/21 and highlighted a number of key issues included in that report that remained subject to discussion with Officers. The report also set out an updated position against their earlier report considered by the Committee in December 2022. It also highlighted a number of outstanding pieces of work that they needed to finalise in order to enable them to provide their overall opinion on the Council's Accounts and Annual Governance Statement.

The Committee noted the contents of the foregoing update.

32. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - REPORT ON INTERNAL AUDIT

The Committee had before it a report that informed them that a total of four audits had been completed since the previous update in January 2023. However, at the time of writing, the overall assurance opinion on two of them was still being negotiated. Nine audits were still in fieldwork, four of which were expected to be completed before the Audit Committee next met, for which a verbal update was provided.

Members heard that four audits had been deferred to the 2023/24 Internal Audit Plan. Two of which were allocated to the Internal Audit Manager and competing priorities had limited his capacity to complete in 2022/23. A further two audits had been delayed due to service changes and capacity issues. Based on the audits completed to date and those yet to be completed, the Internal Audit Manager was on course to provide an unqualified annual assurance opinion if no further significant issues were identified prior to the June 2023 Audit Committee.

The Members also heard that a 2023/24 Audit Plan had been developed using a risk-based approach, taking account of the Council's Corporate Objectives, Corporate Risks and Emerging Risks. The plan had been collated based on the information gained from liaising with Directors, Heads of Service and departments in order to target areas that might benefit from an independent review of processes and procedures to determine potential efficiency gains, improved technology / software requirements or if the function had not been audited for a substantial period of time due to it being considered of lower risk historically.

It was reported to the Committee that the establishment for the Internal Audit function was currently four full time equivalents (fte). A recent restructure meant that the Audit team had four full time members of staff with the part time Audit Technician being changed to full time. That post was yet to be advertised and appointed to. The level and range of coverage was considered sufficient for the Internal Audit Manager to be able to provide an annual opinion on the Council's assurance framework.

The Corporate Director (Operations and Delivery) then gave an update to the Committee in which he explained that the Council was working with a new piece of software called One Serve, that would optimise how the Council managed its housing repairs and at that time of the meeting there was a lot of data mapping going on in the background. The current system in place was called Northgate and there would be a solution for the two systems to share data by April 2023 with the expectation of going live with One Serve in May 2023.

After a detailed discussion it was **RESOLVED** that:

- (a) the periodic update and the Internal Audit Plan 2022/23 be approved; and
- (b) the existing arrangements for updating the plan during the year, where necessary to reflect changing Authority activity and operational needs and to provide flexibility of service delivery, be continued, with significant amendments reported to this Committee as part of the periodic Internal Audit reporting arrangements.

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

The Committee heard that the Table of Outstanding Issues had been reviewed and updated since it had last been considered by the Committee in January 2023.

There were currently two main elements to this report as follows:

- 1) Updates against general items raised by the Committee; and
- 2) Updates against the 2021/22 and 2022/23 Annual Governance Statement Action Plan.

It was reported to Members that in terms of item 1) above, there were no significant issues to raise, with actions remaining in progress or further details set out in the report. In terms of item 2), this set out the latest Annual Governance Statement agreed by the Leader of the Council and the Chief Executive at the end of July 2022, and included any outstanding actions from the previous statement along with several new items identified. Activity would remain in progress against the various items, which would be reported to Members as part of this report going forward.

Members were aware that the Statement of Accounts 2020/21 remained subject to the conclusion of the work of the External Auditor.

Members also heard 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.

Redmond Review

The latest available update was before Members. As further progress was announced by the Government, updates would be provided to future meetings of this Committee, which would hopefully set out the necessary practical steps to implement the recommendations made as part of this review.

After a brief discussion it was **RESOLVED** that the Committee notes the progress against the actions set out in Appendices A and B to report A.2.

34. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - A.3 - A.3 - AUDIT COMMITTEE WORK PROGRAMME 2023/24

The Committee looked at the proposed work programme, covering the period April 2023 to March 2024, which continued to reflect the significant element of regulatory / statutory activity required, along with other associated work, which fell within the responsibilities of the Audit Committee.

After a short discussion the Committee **RESOLVED** that the Work Programme for 2023/24 be approved.

35. EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and :-

RESOLVED - That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of Agenda Item 10 on

the grounds that it involves the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A, as amended, of the Act.

36. REPORT OF THE ASSISTANT DIRECTOR (FINANCE & IT) - B.1 - RISK BASED VERIFICATION POLICY

It was moved, seconded, and **RESOLVED** that the Risk Based Verification Policy, as set out in the Appendix to report B.1, be approved.

The meeting was declared closed at 12.10 pm

Chairman

AUDIT COMMITTEE

13 JULY 2023

REPORT OF INTERNAL AUDIT MANAGER

A.1 REPORT ON INTERNAL AUDIT – MARCH 2023 - MAY 2023 AND THE ANNUAL REPORT OF THE INTERNAL AUDIT MANAGER

(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 March 2023 – May 2023 and the Internal Audit Managers Annual Report for 2022/23 as required by the professional standards.

EXECUTIVE SUMMARY

This report is split into three sections with a summary as follows:

1) Internal Audit Plan Progress 2022/23

- A satisfactory level of work had been carried out on the 2022/23 Internal Audit Plan in order for the Internal Audit Manager to provide an opinion in the Annual Head of Internal Audit Report.
- In the last quarter, one audit (Housing Allocations) received an overall audit opinion of 'Improvement Required'. All other audits within the plan received a satisfactory level of assurance.
- Although recycling and waste received an overall opinion of adequate assurance, a significant issue relating to green waste collection was identified during the audit that needs to be brought to the Audit Committees attention.

2) Annual Report of Internal Audit Manager

- The Annual Report of the Internal Audit Manager concludes that an unqualified opinion of Adequate Assurance is provided.
- Work carried out throughout the year by the Audit Committee, Senior Management and the Internal Audit Team is in line with Public Sector Internal Audit Standards and CIPFA Application Notes (Latest release November 2020)
- Two audits from a total of 26 completed received a less than satisfactory opinion of 'Improvement Required'. Those audits were Housing Repairs and Maintenance and Housing Allocations.

3) Internal Audit Plan Progress 2023/24

- Six audits within the 2023/24 Internal Audit Plan are currently in fieldwork.
- After the second attempt of trying to recruit an apprentice for the Internal Audit Team we have been unsuccessful due to the candidate finding an alternative apprenticeship just before they were due to start in July.

RECOMMENDATION(S)

Members are requested to note the reports and consider whether they have been informed on the following;

- The annual opinion statement within this report
- The completion of audit work against the 2022/23 and 2023/24 Internal Audit Plans
- Any audit findings provided; and
- The overall performance and customer satisfaction on audit delivery

REASON(S) FOR THE RECOMMENDATION(S)

The above recommendations are required to ensure that the Audit Committee agree and accept the contents of the report.

ALTERNATIVE OPTIONS CONSIDERED

The reports are for information and consideration of the Audit Committee.

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. It also links in with the Council's key priorities of 'Delivering high quality services' and having 'Strong finances and governance'.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

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.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

The Internal Audit function is operating within the budget set. Recruitment and retention remains to be the biggest risk of not being able to deliver the Internal Audit Plan. This is continuously monitored and the Audit Committee are updated with any issues accordingly.

USE OF RESOURCES AND VALUE FOR MONEY

External Audit expect the following matters to be demonstrated in the Council's decision making:

- A) *Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;*
- B) *Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and*
- C) *Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.*

As such, set out in this section the relevant facts for the proposal set out in this report.

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Budgets are reported to the Audit Committee annually to review. The Internal Audit Manager regularly monitors those budgets throughout the year to ensure that they remain adequate and do not overspend.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The Internal Audit Charter sets out the roles and responsibilities of both the Audit Committee and the Internal Audit function. The powers of the Audit Committee and the role of Internal Audit is also set out within the Councils Constitution.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Internal Audit continues to monitor new working practices in order to streamline processes and improve performance and potentially reduce costs. Internal Audits undertaken may support services in doing the same and potential reduce overall costs to the Council.

MILESTONES AND DELIVERY

Review of recommendations and decision to be made on 13th July 2023 by the Audit Committee

ASSOCIATED RISKS AND MITIGATION

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

As this report is a periodic update report, there is no exposure to strategic risks within the Councils Risk Management Framework. There is however an operational risk of being unable to complete and deliver the internal audit plan and be unable to provide the Head of Internal Audit Annual Opinion.

OUTCOME OF CONSULTATION AND 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.

EQUALITIES

There are no equality impacts directly associated with this progress report. However they will need to be considered as part of any improvement / remedial actions undertaken by the relevant Service where necessary.

SOCIAL VALUE CONSIDERATIONS

The following report is for information only and does not have a social value impact as set out within the template guidance.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

The following report is for information only and does not have an environmental impact as set out within the template guidance.

OTHER RELEVANT IMPLICATIONS

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

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	N/A
Health Inequalities	N/A
Area or Ward affected	N/A

ANY OTHER RELEVANT INFORMATION

N/A

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Public Sector Internal Audit Standards require the Chief Internal Auditor (Internal Audit Manager) to make arrangements for reporting to senior management (Management Team) 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.

The Accounts and Audit Regulations 2015 require that “a relevant authority 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”.

In respect of the Internal Audit Plan the Public Sector Internal Audit Standards require the Internal Audit Manager to: -

- Establish a risk based Internal Audit Plan, at least annually, to determine the priorities of the Internal Audit function, consistent with the Council’s goals.
- Has in place a mechanism to review and adjust the plan, as necessary, in response to changes to the Council’s business, risks, operations, programmes, systems and controls.
- Produces a plan that takes into account the need to produce an annual Internal Audit opinion.
- Considers the input of senior management and the Audit Committee in producing the plan.
- Assesses the Internal Audit resource requirements.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.

N/A

INTERNAL AUDIT PROGRESS 2022/23

All expected audits for the 2022/23 Internal Audit Plan have been completed.

A total number of eight audits were completed during April 2023 to May 2023. Two audits in this period received an overall opinion of 'Improvement Required' (Housing Repairs and Maintenance and Housing Allocations) with the other six receiving satisfactory assurance opinions with no significant issues being identified.

The audits receiving an overall opinion of 'Adequate' or 'Substantial' in this period were Risk Management, Health and Safety, Recycling and Waste, IT Governance, Freedom of Information / Subject Access Requests and Procurement.

Internal Audit continues to provide advice on internal control, risk management and governance arrangements on a consultative basis.

All audits completed in the year have been assessed against the following risk;

"The department has not managed or adapted to post Covid-19 working arrangements therefore current processes do not align with service demand potentially leading to process inefficiencies and gaps in internal control"

All procedural changes have been recorded and recommendations will have been made throughout the year if procedural changes were needed; however, all departments reviewed to date have adapted well to the challenges brought by the Covid-19 pandemic and no significant issues specifically relating to the above risk have been identified.

We remain focussed on delivering the message that we are here to support services and by letting us know about policy and procedural changes, difficult circumstances or just the unknown due to working on new projects / initiatives, we can advise and support at an early stage rather than create additional work at a later date if governance or internal control issues are identified during an audit at a later date.

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 has an establishment of 4 fte posts with access to a third party provider of Internal Audit Services for specialist audit days as and when required. We currently have an Audit Technician post vacant.

The team recently advertised and interviewed for an Internal Audit Apprentice with one successful applicant due to start early July. Unfortunately the candidate will now no longer be joining us as they have found alternative employment. We will need to advertise and recruit again; however, this will be the third attempt to recruit with not many people applying for the vacancy. We may need to explore where we advertise the apprenticeship to try and maximise the number of applicants we receive.

Outcomes of Internal Audit Work

The standards require the Internal Audit manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report four 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	Green	3	9	
Adequate	Light Green	3	12	
Improvement Required	Yellow	2	2	
Significant Improvement Required	Red	0	0	
No Opinion Required	Grey	0	3	Two consultative engagements 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: -

Housing Allocations

Semi-automation of the Housing Register

Finding

Shortlists to determine allocation of tenancies should be automated, recorded and reflect preferences and bandings of applicants.

Previously, this was a manual process, and flaws in this were highlighted in previous audit reports.

A new system was implemented and while the system is a large improvement on the previous method, the shortlisting still requires some manual input to bypass unsuitable candidates and officer time to sift through these.

Reasons for manual bypass could include an unrequested area, only accepting sheltered housing or a property unable to be adapted for a disabled applicant.

Risk

Without fully evidencing why certain applicants were bypassed, it is problematic to evidence why one applicant was awarded the property over another with an apparently higher claim. There is also the risk of an applicant being unfairly awarded accommodation if a higher placed applicant can be bypassed without authorisation or in error manually by an officer.

Agreed Action

At the conclusion of the Post Live Update software upgrade, it is expected that the shortlisting process should be fully automated due to including more factors (such as location) in the filtering to determine eligibility and offer. There shouldn't be any manual input which should make the process both less prone to manual error and manipulation as well as faster to process.

The process should still have a manual check to ensure the system is correct and all documentation is present and correct before any offer is made.

Housing Repairs and Maintenance

The issues identified within the Housing Repairs and Maintenance review remain the same as the previous years audit. The reason for the overall 'Improvement Required' opinion is because the new management system has not yet been fully implemented which is expected because it is a long term solution to the issues previously identified. However, because temporary processes are still being used until the system is fully implemented we were unable to provide an improved audit opinion from the previous year.

Recycling and Waste

Although the overall opinion for recycling and waste was 'Adequate Assurance' there is one finding that needs to be raised with the Audit Committee because it is significant to green waste. In terms of recycling and waste generally, green waste collection is a small part of the service and its financial impact in comparison to the overall contract is low. However, the issue identified has a significant impact on the management of the green waste collection service.

Finding

The Garden Waste service has significantly grown since the introduction of the function.

In order to effectively manage and monitor the service, several operational controls should be place.

Currently, there is no master list to confirm total number of garden waste customers. This has lead to a lack of reconciliations, which essentially, prevents the team from checking income against customer figures.

In line with the above, invoices are unclear which has made it challenging to establish charges for individual bin collections. Therefore, the team are uncertain whether the Council are being correctly charged, per bin.

The use of two systems has also made it difficult to provide an accurate database.

Risk

Failure to implement suggested changes, could result in the following;

- *Customers receiving a service which they have not paid for*
- *The Council being over charged for garden waste bin collections*
- *Associated debt through lack of house keeping*
- *Financial loss and Reputational Damage*

Agreed Action

Garden waste data to be transferred to Firmsteps, in order to verify total number of customers.

Transparency of garden waste invoices also to be sought, to enable confirmation of charges.

Once complete, full monthly reconciliations to be carried out and checks by management to be evidenced.

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	1	
Not yet due	0	

Update on previous significant issues reported

Depot Operations

Issues have previously been reported to the audit committee relating to Housing Repairs and Maintenance and Depot Operations remain ongoing however a further update can be provided relating specifically to stock taking.

The service have a designated Officer to manage stores who records and issues stock upon management approval to keep a better record of all assets and stock. A weekly stock take is undertaken based on categories due to the variety of stock e.g. timber, tools, etc.

As this information is held and updated on a spreadsheet it could be prone to error or manipulation and has a big impact on staff time to update the records. However, it is a huge improvement on the fact there was no process previously. The current process is a temporary fix until a full stock control and barcoding system can be implemented. The IT Department have agreed to create this system, a first version has already been created but some changes need to be made in order to implement fully.

ANNUAL AUDIT REPORT OF INTERNAL AUDIT MANAGER

All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the Council undertakes an effective Internal Audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS).

The Public Sector Internal Audit Standards (PSIAS) state that a professional, independent and objective internal audit service is 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, is 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 Public Sector Internal Audit Standards (PSIAS) there is 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 is accountable collectively for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

Because of this, the Council continues to adopt a 'Three Lines of Defence' assurance model which is taken from the following sources;

1. Senior Management and Departmental Leadership

Under the first line of defence, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

2. Internal Governance

The second line of defence consists 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 monitors and facilitates the implementation of effective risk management practices by operational management and assists 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 is detailed within the Accounts and Audit Regulations 2015, which states that a relevant body must:

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

Internal Audit Approach

The Internal Audit function undertakes 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 incorporates a number of independent reviews of the Councils activities to be able to give an overall opinion on the areas mentioned above.

Over the past few years there has been a rapid shift in the risk landscape leading to changing expectations from stakeholders for more value driven outcomes from Internal Audit work. This can be broken down into the following four categories that the Internal Audit function has tried to adopt in its approach to auditing within Tendring District Council;

- Flexibility – Utilising different options to build engagement that allow varied deliverables
- Value creation – Enhancing or improving deliverables while considering culture, organisation maturity and stakeholder needs
- Innovation – Considering new and different ways of delivering audit efficiency, risk coverage and overall value
- Systematic approach – Considering options and making decisions in an orderly way

The COVID-19 pandemic was a major contributor to the ever changing risk landscape which lead to the impact of COVID-19 becoming a section of every audit undertaken and will continue to be going forwards. The Internal Audit Team record changes to procedures and effectiveness and efficiency issues due to COVID-19 and report any significant issues to the Councils Management Team and Audit Committee as required. Departments have adapted well making permanent and temporary changes to procedures, recommendations have been made to a number of service areas throughout the year to reassess what were meant to be temporary process changes; However, none were significant enough to warrant reporting to the Audit Committee as they were minor operational issues managed by departments without significant resource impacts.

Communication between Internal Audit, Leadership and the Audit Committee has been effective and remain consistent which provides reasonable assurance around the effectiveness and transparency of reporting arrangements.

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

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

In 2022/23, only two audits from a total of 26 reviews undertaken received an overall audit opinion of “Improvement Required” where high severity issues were identified. The audits were Housing Allocations and Housing Repairs and Maintenance. The issues raised in both areas relate specifically around system implementation and the need to ensure that the IT systems used to manage the records and monitor progress need further development.

Improvement actions are in place for the mentioned audit areas which are followed up by the Internal Audit function to assess the progress of implementation. All significant issues are reported to the Audit Committee with required improvement actions throughout the year to provide a continuous update on the councils control environment, governance arrangements and material issues identified.

Annual Opinion 2022/23

The Head of Internal Audit annual assurance opinion is 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

Limitations to the Annual Opinion

There are 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 were changes to the audit plan throughout the year due to emerging risks and changes to service provision. The changes to the audit plan were in consultation with the Audit Committee and Management Team to fit with the resources available at the time.

The Head of Internal Audit Annual Opinion

The overall direction of travel regarding the internal control environment since 2022/23 has improved. In 2021/22 it was noted that an unqualified opinion could be difficult due to the wider governance issues raised in that year. However, it is pleasing to note that based on the work completed in 2022/23 there was evidence of improvements to processes and procedures throughout the Council meaning that a qualified opinion is not necessary for the 2022/23 financial year. A total of 39 moderate issues and 1 major issue were identified with actions agreed with operational management throughout the year. All major actions due have been reported to the Audit Committee and all moderate actions are managed through the audit follow-up process with the service area.

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

The Internal Audit Manager has considered assurances obtained through:

- All of the information reported above
- Internal Audit outcomes
- Annual Risk Management Review
- The Council's assurance framework
- Management assurance through the Annual Governance Statement process
- External inspections
- Ongoing engagement with the business
- Monitoring and reporting the implementation of agreed management actions

The Internal Audit Manager is satisfied that sufficient work was completed in 2022/23 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's activities. The internal control environment continues to remain stable with some significant changes in specific service areas which have been reported to the Audit Committee throughout the year as part of the periodic reporting arrangements. An open dialogue with Senior Management on risk remains in place and a generally sound system of internal control has been assessed across the majority of the Councils operational areas. Therefore, an overall unqualified opinion of '**Adequate Assurance**' can be provided.

In noting this opinion, it should be acknowledged that Internal Audit has not reviewed all risks and assurances and cannot provide absolute assurance on the internal control environment.

The above report will be included within the Councils Annual Governance Statement (AGS) as part of its statutory responsibilities.

INTERNAL AUDIT PROGRESS 2023/24

We are yet to finalise an audit within the 2023/24 Internal Audit Plan. A total of 6 audits are in fieldwork phase.

The Internal Audit Team have been monitoring outstanding actions and working hard to ensure that services work with us to confirm that agreed actions are completed in a timely manner.

Work has begun in areas such as Corporate Governance, Planning Development, Leisure Estate – Efficiencies and Cost Pressures, Building Control, Treasury Management and Contact Centre - Digitalisation.

Appendix B – 2023/24 Internal Audit Plan progress report; provides an update on the status of each audit to date.

There are no significant issues or particular areas of concern to report at this time.

APPENDICES

Appendix A – Internal Audit Progress Report 2022/23
Appendix B - 2023/24 Internal Audit Progress Report

REPORT CONTACT OFFICER(S)

Include here the Name, Job Title and Email/Telephone details of the person(s) who wrote the report and who can answer questions on the content.

Name	Craig Clawson
Job Title	Internal Audit Manager
Email/Telephone	cclawson@tendringdc.gov.uk 01255 686531

Tendring District Council Internal Audit			
2022/23 Internal Audit Plan Progress Report			
Audit Title	Status May 2023	Audit Type	Audit Opinion
Key Systems / Key Financial Risk Areas			
Procurement	Complete	To review the Councils compliance with procurement rules for works or services of value which require a tender exercise	Adequate Assurance
Housing Benefits	Complete	Different Techniques involved. Likely to include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises until Universal Credit is adopted.	Substantial Assurance
National Non Domestic Rates	Complete	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	Substantial Assurance
Accounts Payable	Complete	To review the mechanisms for making payments and ensure that all required controls are in place and followed as expected.	Adequate Assurance
Corporate Governance	Complete	Assurance Mapping and Self-Assessments to be used within this audit. Interviews with Senior Management required to ascertain the culture of the organisation	Substantial Assurance
Council Tax	Complete	Different Techniques involved. To include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises.	Adequate Assurance
Payroll	Complete	Data Analytics is the main audit technique used within this audit	Substantial Assurance

Treasury Management	Complete	Assurance Mapping, Self-Assessments and Data Analytics are the main techniques used	Substantial Assurance
Housing Rents	Complete	Root cause analysis / Data Analytics	Adequate Assurance
Cash and Bank	Complete	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	Substantial Assurance
Health and Safety	Complete	Spot checks on service area's to ascertain compliance with H & S recommendations	Substantial Assurance

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Other Services / Systems			
Risk Management	Complete	Required annually under PSIAS and Cipfa guidance	Substantial Assurance
Emerging Risks from Legislative Changes	Delayed	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
Housing Repairs and Maintenance	Complete	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works	Improvement Required
Recycling and Waste	Complete	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	Adequate Assurance

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	Complete	To review the management of the service and compare delivery against departmental objectives. Ensure that all relevant internal controls are followed	Adequate Assurance
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
Freeport East	Delayed	Allocated days to support any required reviews relating to Freeport East. Likely to involve governance or financial assessments	To be confirmed
Licensing	Complete	Licensing processes to be assessed and ensure that the Council are complying with all relevant legislative and regulatory requirements while managing licensing revenue	Adequate Assurance
Beach Huts	Complete	Review the management of Beach Huts including fee income and assurance of owner compliance with relevant regulations	Adequate Assurance
Coastal Protection	Deferred	To assess the management of Coastal Protection processes within the Council. This includes strategic planning, programme delivery and safety requirements	To be confirmed
Career Track	Complete	Allocated days to support the Career Track service in implementing their improvement action plan for the coming year	Consultancy

Housing Allocations	Complete	Assess the management of housing allocations and ensure compliance with relevant legislation and regulations as well as internal controls in place	Improvement Required
Seafront Management	Complete	To review all activities relating to the management of services on Tendring seafronts	Adequate Assurance
Jaywick Sands Market Project	Fieldwork	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	Consultancy
Computer Audit			
IT Governance	Complete	PSIAS expectation that this will be covered each year.	Adequate Assurance
Freedom of Information Requests / Subject Access Requests	Fieldwork	To assess the processes and procedures in place for managing FOI and SAR requests	Substantial Assurance

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

Tendring District Council Internal Audit			
2023/24 Internal Audit Plan Progress Report			
Audit Title	Status July 2023	Audit Type	Audit Opinion
Key Systems / Key Financial Risk Areas			
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	Unallocated	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	Unallocated	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
Main Accounting System Budgetary Control	Unallocated	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
Corporate Governance	Unallocated	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	Unallocated	Different Techniques involved. To include self-assessment, Root cause analysis / Data Analytics and Assurance Mapping exercises.	To be confirmed

Payroll	Unallocated	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
Project Management	Unallocated	To review the agreed strategic process for project management and ensure that it is followed within a sample of key projects	To be confirmed
Contract Management	Unallocated	To ensure that contract management processes are followed within each department of the Council in order to determine the efficiency and quality in service delivery. This will be undertaken at the same time as Project Management as there synergies between the two audits	To be confirmed
Financial Resilience – Use of Resources	Unallocated	To assess the resilience of the Councils agreed budget and ensure resources are being used as efficiently as possible in order to mitigate and plan for the agreed budget pressures	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			
Housing Peer Review	Unallocated	To identify the outcomes from the Housing Peer Review and support the service in implementing any recommendations / agreed actions from it.	To be confirmed
Social Housing Regulation Bill – Implementation Plan	Unallocated	To support the service in implementing any new requirements from the bill and to help reinforce any processes that should already be in place.	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
	Fieldwork	To identify and assess inefficiencies and costs within the leisure service and determine what options are available to improve, resolve or do things	To be confirmed

Leisure Estate – Efficiencies and Cost Pressures		differently	
Levelling Up Fund	Allocated	To provide support and advice during all projects / initiatives related to the Levelling Up Fund.	To be confirmed
Building Control	Fieldwork	To review the effectiveness of the Building Control service and the management of operational services, strategic priorities and income management	To be confirmed
Careline Service – Follow Up	Unallocated	Follow Up on recommendations made from the previous audit and reassess key areas of the business.	To be confirmed
Contact Centre - Digitalisation	Fieldwork	To support the service in implementing digital solutions within the business area	To be confirmed
Planning Development – Decision Making	Fieldwork	To evaluate specific processes relating to decision making within the service area and determine whether any procedural improvements can be made	To be confirmed
Housing Allocations – Follow Up	Unallocated	Follow Up on recommendations made from the previous audit and reassess key areas of the business.	To be confirmed
Asset Management	Unallocated	To review the internal controls and procedures related to asset management within the organisation	To be confirmed
Freeport East	Allocated	Days allocated to support the Council in meeting the objectives related to Freeport East. The Heads of Internal Audit for all areas across the country where a Freeport has been agreed are due to meet later in the year	To be confirmed

Emerging Risks from Legislative Changes	Fieldwork	Deferred from 2022/23 plan	To be confirmed
Emerging Key Projects	Unallocated	To support the Council in any projects when required. Some examples could be Spendells, Starlings and Honeycroft	To be confirmed
Risk Management	Unallocated	Required annually under PSIAS and Cipfa guidance	To be confirmed
External Funding	Unallocated	To assess procedures relating to receiving external funding and the distribution of funds aligned to constitutional requirements	To be confirmed
IT Audit			
Cyber Security	Unallocated	IT continues to be one of the biggest risk areas to all organisations. Governance arrangements and project delivery to be within scope Consultative review as the programme progresses.	To be confirmed
IT Governance	Unallocated	PSIAS expectation that this will be covered each year	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

AUDIT COMMITTEE

13 JULY 2023

REPORT OF ASSURANCE AND RESILIENCE MANAGER

A.2 CORPORATE RISK UPDATE

(Report prepared by Claire Lewis)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Audit Committee the updated Corporate Risk Register.

EXECUTIVE SUMMARY

- The Corporate Risk Register is normally updated and presented to the Audit Committee every 6 months. The report was last presented in September 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	5
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 September 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.

Corporate Risk Register

Then register has been subject to the review process with some highlights as follows.

A Covid 19 element continues to form part of all ongoing audits. Any significant findings identified will be provided at a later meeting by the Internal Audit Manager.

The Assurance and Resilience Manger continues to review the council's Business Impact Assessments (BIA) to ensure the council is able to identify the operational and financial impacts resulting from any potential disruption of business functions and processes. The purpose of the review is to consider how the council can recover and continue to provide a service to our residents should a significant disruption occur. A more in-depth update will be provided to Audit Committee once the review has something to report.

The Council continues to deal with issues relating to Corporate IT and are committed to ensuring users are not put at risk of cyber-attack. On-line training is provided which is tailored towards identifying the weaknesses throughout the authority which could make the council vulnerable to cyber-attacks and reduce the risk of the council being held to ransom by any attacker.

Recruitment continues to be a challenge, but the Council has recently worked with the East of England Local Government Association to carry out an independent review of some areas of our pay structure and employment offer. This has led to some options to support best use of the National Joint Council pay spine in alignment with the employment market. These included, salary and benefits benchmarking, improved marketing of vacancies and employment offer and expanding our well-established "grow your own" ethos. These options are currently being considered as part of the Assistant Director change programme.

The national and global 'landscape' continues to impact the Council, a full review of the Corporate Risk Register will be carried out during 2023/24. This will be in consultation with Senior Officers and Members/Audit Committee.

The changes to the Corporate Risk Register set out in this report reflect small changes undertaken since the Committee last considered the register in September 2022 and provide updates on changing deadlines.

A review of the Councils Risk Management concept will be carried out and brought back to Audit Committee in the next six months. This work will include a review of the current risks included along with the consideration of any changes or additions to reflect the most up to date position/changes faced by the council. This review will also consider the condition of councils Assets and the risk of ineffective maintenance of all Council owned properties that could have an adverse impact on the organisational focus delivery.

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

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	<p>Item 2a - Coastal Defence – residual risk increased from 5 – 15.</p> <p>Item 2d - Ineffective delivery of Transformation project – inherent risk reduced from 15 – 2. Residual risk reduced from to 3 – 2. (consider removal of this item)</p> <p>Item 4a - Loss of Key staff – inherent risk reduced from to 16 – 12.</p> <p>Item 4b - Lack of capacity to deliver core services – residual risk reduced from 16- 12.</p> <p>Item 7a - Local Plan - residual risk reduced from 12 – 5.</p>
Risk number changed	None
Risks Amended	<p>Item 1a - Failure to effectively manage assets – comment regarding a review of the asset management plan provided. Consideration to review Action Plan.</p> <p>Item 1c - Ineffective communication / management of information – update on main wording relating to cybersecurity and members IT.</p> <p>Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management – updates to main wording relating to cyber security being strengthened.</p> <p>Item 2a - Coastal Defence – Officer responsibility updated from Corporate Director Operations and Delivery to Assistant Director Building and Public Realm. Description updated relating to risk and the stability of the cliffs. Current action updated. Update provided for cabinet member.</p>

Item 2b - Community Leadership Projects – current action updated to include a comment relating to reputational and financial risk in engaging in partnership relationships, ensuring robust agreements are in place.

Item 2d - Ineffective delivery of Transforming Tending project – current action wording updated to reflect that this project is now finalised. Inherent risk score and residual risk score amended to reflect this update. Cabinet member updated.

Item 2f – Garden Communities - current action updated to reflect Housing Infrastructure Funding in place. Planning Performance Agreement in discussion with lead developers and Planning Manager. Updated portfolio holder details.

Item 3c – Health and Safety – Main wording updated regarding succession planning. Responsible officer updated.

Item 3d – Fraud and Corruption – wording updated to reflect changes in fraud awareness training and induction process. Officer responsibility updated.

Item 4a – Loss of Key staff - update provided relating to changes to recruitment buy utilizing ECC recruitment. Inherent risk and residual risk rating reduced to reflect this change.

Item 4b - Lack of capacity to deliver core services - comprehensive update provided relating to considerations of recruitment and the use of East of England Local Government Association. Officer responsibility updated.

Item 5a – Financial Strategy – update provided relating to developing a framework to capture key financial information/savings. A review of financial planning cycle to be reviewed during 2023.

Item 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking. Current action updated relating to precures being in place to manage agreements with partner organizations.

Item 6b - Disconnection from PSN Network – updated current action wording relating to the national cyber security and cyber security framework. Comment provided relating to PSN health check.

Item 7a – Local Plan - current action update provided relating to local plan being adopted in Jann 22 and review due in 2025. Residual risk reduced to reflect this.

Item 9a - Ineffective Emergency Planning – update provided on emergency planning actions.

Item 9b – Ineffective Business Continuity Planning – update to main text relating to planned business continuity actions. Additional responsible officer added.

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 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 on a quarterly basis and provides monthly updates for any urgent matters identified.
Actions to be undertaken to identify and record key operational risks within service areas relating to risk management and business continuity. Support to be provided by Internal Audit manager if required	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 departments across the council	Suitable Risk Management training has been identified; this will be rolled out as part of the members training programme. Dates to be arranged via the Committee Services Team in liaison with the Assurance and Resilience Manager.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Risk Management Framework

Appendix B – Corporate Risk Register

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Corporate Risk Register July 2023

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 then 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

20 **High Risks (Rating of 15-25)**

- 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 colour	Risk Headings	
	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


Failure to deliver key services	RISK 1a - Failure to effectively manage assets - failure to achieve value or benefit from property transactions.						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	9	3	3	Unchanged 	4 LOW	25 January 2024
	September 2021	9	Sizable	Sizable			
	March 2022	9					
	September 22	9					
	July 23	9					
	Current Action 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. <i>Review of the Asset Management Plan is due, and review of the action plan needs to be considered in relation to the priorities of the administration.</i>					
	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 risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	10	2	5	unchanged 	5 LOW	25 January 2024
September 2021	10	Moderate	Critical			
March 2022	10					
September 2022	10					
July 2023	10					
Current Action Status/ Control Strategy	<p>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.</p> <p>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.</p> <p>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.</p> <p>Residual Risk - Catastrophic IT network failure risk is now likely to result from:</p> <ol style="list-style-type: none"> 1) National UK or regional network data infrastructure failure(s) 2) National UK or regional power issue(s). 3) 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						

Failure to deliver key services

CORPORATE RISK REGISTER – July 2023

RISK 1c - Ineffective communication / management of information - Failure to adopt implement and foster effective communication and information systems with an adverse impact on the ability to deliver services or relationship with key stakeholders.

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	15	3	5	Unchanged 	10	25 January 2024
September 2021	15	Sizable	Critical			
March 2022	15					
September 2022	15					
July 2023	15					

Current Action Status/ Control Strategy

Tendring District Council has robust Information Governance policies and practices based upon shared Essex-wide 'best practice' Information Governance policies. We undertake quarterly information governance monitoring through our Information Governance Policy Unit (strategic) and the Information Security Management Group (operational). Our processes are annually audited to ensure they remain fit for purpose.

The Data Controller, the council has a legislative duty to evidence and ensure that official council information is managed in full compliance with legislation, namely that data is stored: lawfully, fairly and transparently, adequate and relevant and limited to what is necessary, accurate and where necessary kept up to date, kept for no longer than is necessary in a form which permits identification of data subjects, ensuring 'integrity and confidentiality' protecting against unauthorised or unlawful processing and against accidental loss/ destruction/ damage through using appropriate security.

- *Following Full Council decisions 2nd March and then following the local elections and roll-out of new laptops to new Councillors all Council access to services is via managed-devices only (security posture-control) which has significantly strengthened information governance. Similarly, nearly all Councillors (see note) have managed-mobile phones.*
- *The Council still periodically experiences information breaches requiring investigation/ resolution. These are predominantly due to human error which is remediated through training and process review/ tightening.*
- *Updated information governance/ cyber security mandatory training for Councillors will be rolled-out this quarter.*

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


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


Scrutiny Committee(s) - Resources and Services Committee


Failure to deliver key services


Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
		May 2021	20			
Sept 2021	20	Major	Critical			
March 2022	20					
September 23	20					
July 2023	20					
Current Action Status/ Control Strategy	<p>Tendring District Council has robust cyber-security including physical devices (Firewalls), network segregation, protective software applications to protect the Council from the daily occurrences of external Cyber-attack. Cyber-security is an essential part of our induction training. In addition, phishing awareness campaigns are also ongoing.</p> <p>With council cyber-attacks growing exponentially in both volume and complexity the council must consider that it is not <u>IF</u> but <u>WHEN</u> a successful cyber-attack is made and we continue to plan, train and exercise accordingly.</p> <p><i>Having implemented an 'immutable backup' regime we have data restoration capabilities from locked-down safe sources. That said, in a restoration scenario we will lose any recent made data changes so an element of recovery will still be necessary.</i></p> <p><i>Following Full Council decision of 2nd March 2023 and adoption of managed-devices by all Councillors we have implemented cyber-security posture control council-wide. This is a significant step-change in minimising the number of attack vectors' (pathways) that a hacker can use to attack and attempt to exploit vulnerabilities to gain access to networks/ computers/ digital devices/ information/ data. We will continue to move towards a Zero trust Network Architecture (ZTNA) as a direction of travel over the next twelve months. ZTNA means that in addition to monitoring infrastructure hardware for security vulnerabilities, every user device connecting to services is routinely checked for access rights and vulnerabilities (in the background).</i></p>					
Responsible Officer - John Higgins						
Responsible Cabinet member(s) - Corporate Finance and Governance PFH						
Scrutiny Committee(s) - Resources and Services Committee						


Failure to deliver key services


Failure to deliver key projects	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. <i>The cliffs are prone to stability issues because of steep slopes in many areas, historical structures, and past shortage of funds for maintenance.</i> 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 inherent risk score breakdown		Direction of risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	15	3	5	Increasing residual risk 	15 High	25 January 2024
	September 2021	15	Sizable	Critical			
	March 2022	15					
	September 2023	15					
	July 2023	15					
Current Action Status/ Control Strategy	<p>Conducting annual inspections of coast protection structures and responding swiftly to public reporting of <i>minor</i> 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.</p> <p><i>At present there are identified areas of current cliff instability where funding to conduct necessary major projects would need to be identified.</i></p>						
Responsible Officer: Damian Williams <i>Andy White</i>							
Responsible Cabinet member(s) - <i>Cllr. M. Bush Portfolio Holder for Environment.</i>							
Scrutiny Committee(s) - Resources and Services							


Failure to deliver key projects	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 inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	12	3	4	Unchanged 	8	25 January 2024
	September 2021	12	Sizable	Major			
	March 2022	12					
	September 2022	12					
	July 2023	12					
	Current Action Status/ Control Strategy	<p>Clearly defined Terms of Reference agreed between partners & TDC. Action plans agreed as appropriate for each project and reviewed on a regular basis.</p> <p>Action plan delivery (regular monitoring and feedback to Community Leadership Committee, Portfolio Holder, and external partners)</p> <p>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.</p> <p><i>The reputational, financial risk of engaging in partnership relationships (e.g. NEEB, Joint Use Agreements) is addressed through robust agreements, to ensure risk to the Council is minimised.</i></p>					
	Responsible Officer - Anastasia Simpson / John Fox/ Rebecca Morton						
Responsible Cabinet member(s) - Partnerships PFH							
Scrutiny Committee(s) - Community Leadership							


Failure to deliver key projects	RISK 2c - Building Council Homes - Continuing uncertainty over Business plan capacity due to lack of clarity from the government.						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	8	2	4	Unchanged 	4 LOW	25 January 2024
	September 2021	8	Moderate	Major			
	March 2022	8					
	September 2022	8					
	July 2023	8					
Current Action Status/ Control Strategy	<p>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.</p>						
Responsible Officer – D Williams							
Responsible Cabinet member(s) - Housing PFH							
Scrutiny Committee(s) – Resources and Services							

Failure to deliver key projects	RISK 2d - Ineffective delivery of Transforming Tending project - Failure to provide effective change management and the coordination of corporate resources with an adverse impact on organisational focus and delivery						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	15	1	2	Inherent Risk Reduced 	2 LOW	25 January 2024
	September 2021	15	Minor	Moderate			
	March 2022	15					
	September 2022	15					
	July 2023	2					
Current Action Status/ Control Strategy	<p>Through the provision of effective organisational leadership through culture, change management, vision, values, communication and encouraging innovation and empowering staff.</p> <p>Physical, technological, and organisational changes are <i>substantially complete</i>. Project Board monitors on an ongoing basis.</p> <p>Technological capacity has been exhaustively tested.</p> <p><i>Completion of physical works relating to this project are now completed, therefore the inherent risk and residual risk have been reduced to reflect this.</i></p> <p><i>Resources used for this project are now concentrating on council property repairs and maintenance activities.</i></p>						
Responsible Officer – Andy White							
Responsible Cabinet member(s) – <i>Cllr Peter Kotz</i> - Corporate Finance and Governance PFH							
Scrutiny Committee(s) – Resources and Services							


Failure to deliver key projects	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 inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	8	2	4	Unchanged 	8 MEDIUM	25 January 2024
	September 2021	8	Moderate	Major			
	March 2022	8					
	September 2022	8					
	July 2023	8					
	Current Action Status/ Control Strategy	<p>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.</p> <p>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.</p>					
	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 risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	12	4	3	Unchanged 	1 LOW	25 January 2024
September 2021	12	Major	Sizeable			
March 2022	12					
September 2022	12					
July 2023	12					
Current Action Status/ Control Strategy	<p>Garden Community formally allocated for development in the jointly adopted Local Plan for North Essex following independent examination by a government-appointed Planning Inspector.</p> <p>Planning permission granted by Essex County Council for A120/A133 link road – a key piece of infrastructure that will unlock land for development. <i>Housing Infrastructure Funding (HIF) in place to deliver the link road and a Rapid Transit System (RTS); however, a review of costs mean that developer funding will be required to complete the link road.</i></p> <p>The lead developer has control over most of the land and is keen to collaborate positively with the Council to deliver the development following a 'planning-led' process rather than through a Development Corporation approach. <i>Memorandum of Understanding in place with the lead developers Latimer to fund completion of the link road.</i></p> <p>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. <i>Membership of the Joint Committee is not proposed to change following the May 2023 local elections.</i></p> <p>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 <i>already</i> been the subject of an initial round of public consultation, <i>and, at the time of writing, the 'submission version' of the plan was out to consultation with the intention to submit to the Secretary of State following consultation.</i></p> <p>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. A dedicated planning team is being formed between Tendring, Colchester and Essex to resource the planning process going forward <i>with the Planning Manager already in place and a contribution towards additional resources being discussed with the lead developers through a Planning Performance Agreement (PPA).</i></p>					
Responsible Officer: Gary Guiver						
Responsible Cabinet member(s) – Leader – <i>Planning and Housing Portfolio Holder</i>						
Scrutiny Committee(s) - Resources and Services						

Reputational damage	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 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 inherent risk score breakdown		Direction of Risk	Residual Risk rating
			Probability	Impact		
	May 2021	12	3	4	Unchanged 	4 LOW
	September 2021	12	Sizable	Major		
	March 2022	12				
	September 2022	12				
	July 2023	12				
						25 January 2024
	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						


Reputational damage	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 inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	16	4	4	Unchanged 	2 LOW	25 January 2024
	September 2021	16	Major	Major			
	March 2022	16					
	September 2022	16					
	July 2023	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. Governance and <i>Head of Legal Services</i> 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							

Reputational damage	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.						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	20	4 Major	5 Critical	Unchanged ↔	10 MEDIUM	25 January 2024
	September 2021	20					
	March 2022	20					
	September 2022	20					
	July 2023	20					
	Current Action Status/ Control Strategy	Identifying an officer with overall responsibility for ensuring that effective Health and Safety processes in place. <i>Administrative officer undertaking NEBOSH Health and Safety training to support current arrangements.</i> Providing regular Health and Safety updates to Management Team					
	Responsible Officer: Richard Barrett/ <i>Clare Lewis</i>						
Responsible Cabinet member(s) Corporate Finance and Governance PFH / HR and Council Tax Committee							
Scrutiny Committee(s) n/a							

RISK 3d - Fraud and Corruption - Failure to deliver effective counter fraud activities.						
Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	15	5	3	Unchanged 	10 MEDIUM	25 January 2024
September 2021	15	Critical	Sizeable			
March 2022	15					
September 2022	15					
July 2023	15					
Current Action Status/ Control Strategy	<p>Established Fraud and Compliance Team undertaking counter fraud role, <i>new compliance officer appointed in March 2023.</i></p> <p>Internal Audit Team providing advice / recommendations to improve control environment and mitigate exposure to fraud risks.</p> <p>Rules and procedures as laid down in the Constitution.</p> <p>Anti-Fraud and Corruption Strategy reviewed and reported to the Audit Committee annually.</p> <p><i>Ongoing</i> fraud awareness training being conducted for all TDC employees, <i>associates</i>, and Members. <i>Now part of the council's induction process.</i></p>					
Responsible Officer: - Richard Barrett/ <i>Clare Lewis</i>						
Responsible Cabinet member(s) - Corporate Finance and Governance PFH						
Scrutiny Committee(s) - Resources and Services / Audit						

CORPORATE RISK REGISTER – July 2023

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 date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	12	4	4	<i>Residual Risk reduced</i> 	12 MEDIUM	25 January 2024
September 2021	12	Major	Major			
March 2022	12					
September 2022	16					
July 2023	16					

Current Action Status/ Control Strategy

Effective HR processes in place to identify early signs of workforce issues. Skills focus and flexible approach across the Council. “Grow our Own” approach to talent management. strategy and Apprentice Sponsorship (s) are in place. Ongoing development and investment into ‘Career Track’ help to upskill existing staff and attract talent.

~~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.~~

Utilisation of ECC recruitment arm to advertise specialist roles, ensuring a much wider reach of candidates. Encouragement of secondment opportunities both internally and externally (with other authorities) to support service delivery in specialist areas. Council involvement in cross-Essex professional development programmes (such as Essex Leaders) to strengthen the authority’s leadership. The Assistant Director change management programme seeks to ensure the Council provides a robust career progression programme for its staff from entry level to senior management. Where there is an urgent need, agency staff can be engaged, however, this will come at additional cost and may be less effective in some specialist areas.


Responsible Officer - Management Team (Anastasia Simpson/Katie Wilkins)

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

Scrutiny Committee(s) N/A

Ineffective workforce management and planning

CORPORATE RISK REGISTER – July 2023


RISK 4b - Lack of capacity to deliver core services - not retaining / having access to staff capacity to deliver services and priorities.						
Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	12	4	4	<i>Residual risk reduced.</i> 	12 MEDIUM	25 January 2024
September 2021	12	Major	Major			
March 2022	12					
September 2022	16					
July 2023	16					
Current Action Status/ Control Strategy	<p>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.</p> <p>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.</p> <p><i>Bi-yearly workforce reporting to MT/Human Resources & Council Tax Committee, includes current vacancy information, Age Profile, Gender Pay Gap, and Sickness Absence data.</i></p> <p><i>The Council worked with the East of England Local Government Association last year to carry out an independent review of its pay structure. This led to some options to support best use of the NJC pay spine in alignment with the employment market. These included, salary and benefits benchmarking, improved marketing of vacancies and employment offer and expanding our well-established “grow our own” ethos. These options are currently being considered as part of the Assistant Director change programme.</i></p> <p><i>Alternative approaches for selection process are being introduced to respond to rapid changes in job market and streamline the process. Increased flexible working arrangements, including increased options for remote working have widened candidate pool and geographic area from which candidates are now drawn.</i></p> <p><u>Considerations (applicable to 4a & 4b):</u></p> <p><i>Staff costs are a significant proportion of the Council’s general budget and therefore, any financial pressures may result in decreased ability to maintain capacity. In that situation, priority for staffing resources will be given in accordance with the corporate plan and associated priorities.</i></p> <p><i>Staff costs are subject to National Pay Award. Current financial pressures e.g., inflation/minimum wage are seeing increasing pressure on the National Employers to raise the annual Pay Award, resulting in increased costs to the Council.</i></p> <p><i>While being part of National Employers brings many benefits, it does reduce the Council’s ability to influence the Pay Award.</i></p> <p><i>Furthermore, national bargaining also carries the risk of localised industrial action. Finally, National Terms of Employment, also mean that the Council has limited flexibility to improve remuneration to attract and retain candidates in a competitive employment market.</i></p>					
Responsible Officer - Management Team (Anastasia Simpson/Katie Wilkins)						
Responsible Cabinet member(s) - Human Resources Committee and Council Tax Committee						

Ineffective workforce management and planning

CORPORATE RISK REGISTER – July 2023

Failure to deliver a balanced and sustainable budget.

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

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	20	4	5	Unchanged 	15 HIGH	25 January 2024
September 2021	20	Major	Critical			
March 2022	20					
September 2022	20					
July 2023	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. *Key financial items discussed at dedicated / regular meetings of Management Team*
- 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.~~


A framework in which to deliver required savings is currently being developed with the aim of capturing key financial information to support the associated decision-making process alongside the corporate plan / priorities process. This will also sit alongside a review of the investment plan approach and the use of key zero based budgeting principles in developing the forecast looking ahead to 2024/25 and beyond.

A review of the length of the financial planning cycle is subject to review during 2023. However, in the event that the long-term approach is unable to support the delivery of the intended outcomes, then the Council can revert to the more traditional / short term approach to setting the budget.

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 date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
May 2021	20	5	4	Unchanged 	15 HIGH	25 January 2024
September 2021	20	Critical	Major			
March 2022	20					
September 2022	20					
July 2023	20					
Current Action Status/ Control Strategy	<p>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.</p> <p>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.</p> <p>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.</p> <p><i>Procedures are in place to manage agreements where appropriate, where partner organisations are managing data on behalf of the Council. Consultation with the Council's Data Protection Officer should be undertaken prior to agreements being formed. This will ensure risk to the organisation is managed effectively.</i></p>					
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						

Ineffective management of information


CORPORATE RISK REGISTER – July 2023

Ineffective management of information	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 risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	20	3	4	Unchanged 	5 LOW	25 January 2024
	September 2021	20	Sizable	Major			
	March 2022	12					
	September 2022	12					
	July 2023	12					
	Current Action Status/ Control Strategy	<p>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.</p> <p>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.</p> <p>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).</p> <p>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.</p> <p><i>In February 2023 Cabinet Office have contacted all local authorities requesting thy renew their certification with PSN for 2023/24 so the threat of disconnection from central government (which facilitates Housing Benefits) remains current. We are in the process of organising a 2023 PSN IT Health Check by 3rd specialist third party as part of our re-certification submission.</i></p>					
	Responsible Officer: John Higgins						
Responsible Cabinet member(s) - Corporate Finance and Governance PFH							
Scrutiny Committee(s) - Resources and Services Committee							


Failure to adopt a sound Local Plan	RISK 7a - Local Plan - Failure to achieve a positive result from the Examination in Public into the Local Plan						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	12	3	4	Residual Risk Reduced 	5 LOW	25 January 2024
	September 2021	12	Sizable	Major			
	March 2022	12					
	September 2022	12					
	July 2023	12					
	Current Action Status/ Control Strategy	<p>Officers worked closely with the other North Essex Authorities, other partners and have taken advice as necessary to submit a robust Local Plan to prepare for the examination in public.</p> <p>Although a local plan has now been adopted the planned review of the risk register as set out in the main body of the report will give further consideration to this risk going forward e.g., future plan periods.</p> <p><i>Local plan adopted in January 2022 current residual risk is therefore reduced to a minimal. The risk to the council of not meeting this will increase when the Local plan is reviewed in 2025.</i></p>					
	Responsible Officer: Gary Guiver						
Responsible Cabinet member(s) – Leader							
Scrutiny Committee(s) – Planning							

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
		May 2021	20			
September 2021	20	Major	Critical			
March 2022	20					
September 2022	20					
July 2023	20					
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						

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

Failure of income streams to meet Councils financial requirements and obligations to other bodies.	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.						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	20	4	5	Unchanged 	10 MEDIUM	25 January 2024
	September 2021	20	Major	Critical			
	March 2022	20					
	September 2022	20					
	July 2023	20					
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							

Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
		May 2021	12			
September 2021	12	Sizable	Major			
March 2022	12					
September 2022	12					
July 2023	12					
Current Action Status/ Control Strategy	<p><i>To continue to develop and regularly test of various aspects of the Council's Emergency Plan including working with multi-agency partner organisations and parish and town councils. This includes significant planning for and delivery of exercises and in addition a wide range of training to help maintain the Council's preparedness.</i></p> <p><i>The Council continues to experience a number of events. Systems, structures, and processes are in place to respond to any Emergency Planning event; however, this does require considerable capacity across the Council.</i></p> <p><i>In a major event Vulnerable Intelligent Persons Emergency Response can be used to identify vulnerable people who may need support.</i></p> <p>Trending continues to lead the Pan-Essex Vulnerable Intelligent Persons Emergency Response (VIPER) system initiative. This new (VIPER) system is now live across Essex. The system allows Emergency Planners to draw an emergency 'area of effect' on a map and VIPER will generate details of all residents affected in seconds and supports vulnerable residents who may require specialist assistance/support.</p> <p>The Council has experienced an unprecedented number of Emergency Planning incidents during July/August 2022, particularly due to the hot weather and fires. Systems, structures, and processes are in place to respond to any Emergency Planning event; however, this does require considerable capacity across the Council. It should be noted that most employees undertake this work on a voluntary basis, and this is currently being reviewed by the HR Team.</p>					
Responsible Officer – John Fox/Catherine Boyer-Besant						
Responsible Cabinet member(s) - Partnerships PFH						
Scrutiny Committee(s) - Community Leadership						

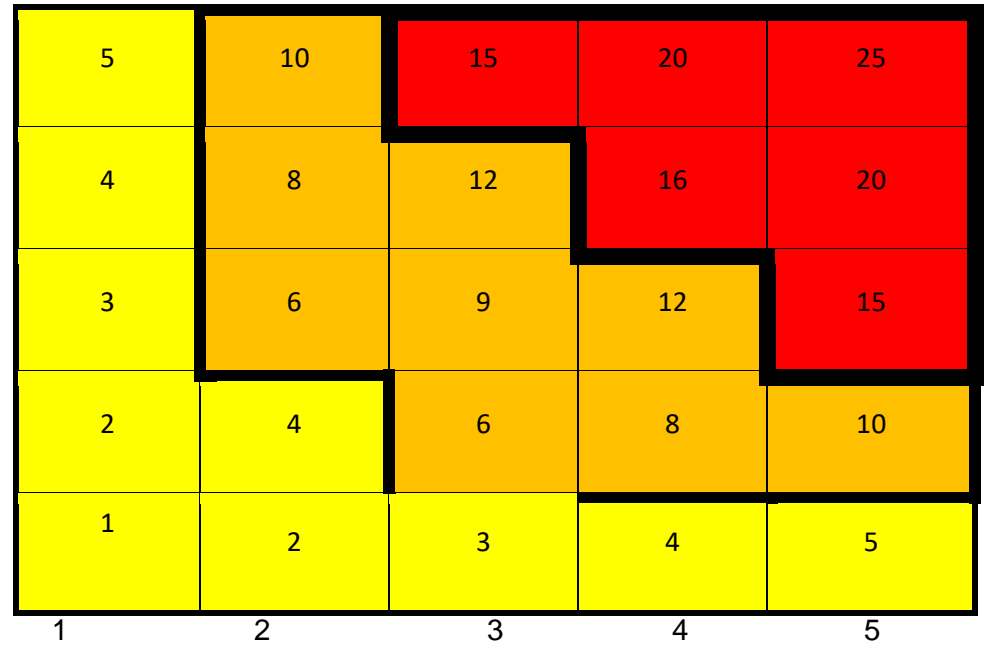
Failure in emergency and Business Continuity Planning	RISK 9b - Ineffective Business Continuity Planning - The Council fails to effectively respond to an emergency / adverse event with an adverse impact on the delivery of services.						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	May 2021	10	2	4	Unchanged 	8 Medium	25 January 2024
	September 2021	10	Moderate	Major			
	March 2022	8					
	September 2022	8					
	July 2023	8					
	Current Action Status/ Control Strategy	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 is 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 – <i>was expected to be implemented during 2022 but has been delayed. Specialist certificated training for key staff has commenced and is expected to be finished the first half of 2023/24. The Council has plans in place to adopt a new corporate Business Continuity Plan (BCP) which will cascade down the service Business Impact Assessments (BIAs).</i>					
	Responsible Officer - John Higgins/ <i>Clare Lewis</i>						
Responsible Cabinet member(s) - Partnerships PFH							
Scrutiny Committee(s) - Community Leadership							

APPENDIX – METHODOLOGY FOR CALCULATING RISK

RISK RATING ELEMENTS - IMPACT

Risk level	Impact				
	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. 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 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 ----- 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 – 49%	2	2	2	2	1
Under 30%	1	1	1	1	1



Probability

Impact x Probability = Overall Risk Rating

RISK CALCULATION MATRIX

RISK RATING ELEMENTS – PROBABILITY

AUDIT COMMITTEE

13 July 2023

REPORT OF ASSISTANT DIRECTOR FINANCE & IT

A.3 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)

It is recommended that:

The Committee notes and considers the progress against the actions set out in Appendices A and B.

REASON(S) FOR THE RECOMMENDATION(S)

To provide a timely update to the Committee along with assurances that actions previously identified are being addressed accordingly.

ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options associated with this report.

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.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

There are no direct legal implications associated with this report.

FINANCE AND OTHER RESOURCE IMPLICATIONS

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.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;

B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and

C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

MILESTONES AND DELIVERY

The Table of Outstanding Issues is presented to the Audit Committee at each of its standard meetings.

ASSOCIATED RISKS AND MITIGATION

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.

The 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.

OUTCOME OF CONSULTATION AND ENGAGEMENT

There is no requirement to seek consultation on this report. This is a public document to be presented to the Audit Committee.

EQUALITIES

The Table of Outstanding Issues aims to deliver fairness, transparency and consistency to all customers and stakeholders.

SOCIAL VALUE CONSIDERATIONS	
The Table of Outstanding Issues is in itself a response to potential risk exposure, including considerations towards social value, with further activity highlighted to address matters raised by the Audit Committee.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
The Council's aim to be net zero by 2030 is considered by the Audit Committee and an update of the progress towards this aim shall be presented by the relevant Corporate Director, to the Committee at one of its future meetings.	
OTHER RELEVANT 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	Not applicable
Health Inequalities	Not applicable
Area or Ward affected	All Wards could be affected
ANY OTHER RELEVANT INFORMATION	
None	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
<p>TABLE OF OUTSTANDING ISSUES</p> <p>The Table of Outstanding Issues has been reviewed and updated since it was last considered by the Committee in March 2023.</p> <p>There are currently two main element to this report as follows:</p> <ol style="list-style-type: none"> 1) Updates against general items raised by the Committee – APPENDIX A 2) Updates against the 2021/22 Annual Governance Statement Action Plan – APPENDIX B. <p>In terms of item 1) above, there are no significant issues to raise, with actions remaining in progress or further details set out below. In terms of item 2), at the time of finalising this report, the Annual Governance Statement for 2023 remains subject to being finalised alongside the Statement of Accounts, where there has been a delay in its publication due to the ongoing impact of the External Auditors delay in completing their necessary work for earlier years (the Statement of Accounts for 2020/21 and 2021/22 remain subject to this ongoing delay). Therefore, updates against the existing Annual Governance Statement have been set out within Appendix B.</p> <p>In terms of the review of the Annual Governance Statement for 2023 mentioned above, the associated action plan set out within that Statement will include the on-going / outstanding items set out within Appendix B along with the consideration of a number of actions that aim to reflect the issues and challenges faced by the Council such as:</p> <ul style="list-style-type: none"> • Review of the Local Code of Corporate Governance and Key Policies and Procedures

- A review of the Council's Corporate Risk Register and business continuity arrangements
- Delivering financial sustainability
- Developing the management of performance and delivery
- Review of the Effectiveness of the Audit Committee
- Review of Departmental Plans in the context of corporate priorities and vision

Outstanding actions – further details along with other issues identified

As highlighted above the Statement of Accounts 2020/21 remains subject to the conclusion of the work of the External Auditor. The External Auditor has indicated a commitment to finalise their work by September 2023 and therefore, subject to the availability of their associated audit completion report, it may be possible to present this to the September meeting of this committee. If this is not possible then it is proposed to arrange a special meeting of the committee in consultation with the Chair as soon as possible after this date.

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.

Whistleblowing Policy

At its meeting on 06 Jul 23 the Human Resources and Council Tax Committee will be presented with a comprehensive review of the Council's Whistleblowing Policy and procedure, in line with identified best practice and employment legislation. The review focuses on the Authority's reporting and investigation mechanisms for dealing with and responding to whistleblowing concerns, and the responsibility of those involved in managing disclosures. The Whistleblowing Policy if approved for adoption by the Human Resources and Council Tax Committee will come into effect immediately.

As part of the monitoring arrangements associated with the effectiveness of this policy, relevant updates will be provided to this Committee during the year.

Redmond Review

A summary of the key Redmond Review recommendations are as follows:

- Formation of a new independent oversight body/system leader
- Extension to external audit timeframes and increase in fees
- Review of associated governance and reporting arrangements (Independent Person to be appointed to the Audit Committee and auditor's annual report to be submitted to a meeting of Full Council)
- Introduction of a standardised statement of service costs

The necessary actions to implement the above remain ongoing via the relevant responsible body and timely updates will continue to be included in future reports.

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.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
The Table of Outstanding Issues is presented to the Committee at each of its meetings.
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
Appendix A – Table of Outstanding Issues (July 2023) – General
Appendix B – Table of Outstanding Issues – (July 2023) – Update against 2022/23 Annual Governance Statement Actions

REPORT CONTACT OFFICER(S)	
Name	Richard Barrett
Job Title	Assistant Director Finance & IT
Email/Telephone	rbarrett@tendringdc.gov.uk
Name	Karen Townshend
Job Title	Executive Projects Manager – Governance
Email/Telephone	ktownshend@tendringdc.gov.uk

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AUDIT COMMITTEE - Table of Outstanding Issues (July 2023) - GENERAL

Governance Principle and Issue	Recommendation / Issue	Lead / Service	Progress / Comments	Status – Target Date
<p>Developing the entity’s capacity, including the capacity of its leadership and the individuals within it.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 71</p>	<p>Following the consideration of the Anti-Fraud and Corruption Strategy last year, it was resolved that:</p> <p>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.</p>	<p>Assistant Director Governance</p>	<p>The development of a Formal Training Programme remains ongoing which will include:</p> <ol style="list-style-type: none"> 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. <p>Dedicated sessions for Audit Committee Members are currently being arranged to cover the following topics:</p> <p>The role of Internal Audit Anti-Fraud and Corruption Strategy</p> <p>Corporate Governance and Assurance in a Local Authority setting</p> <p>Role and appointment of External Audit</p> <p>Risk Management</p>	<p>Given the Local Elections in May 2023, the first training session, ‘Your Role on The Audit Committee’, was delivered in June 23.</p> <p>A further module, ‘Reviewing Audit Committee Reports Effectively’, will be delivered at a later date. Further training opportunities will be explored in response to the items listed.</p>

			The above are subject to external training providers' availability	
Planning Enforcement	<p>At its meeting on 26 January 2023, the Committee resolved:</p> <p>That it will re-examine, in due course, the Planning Enforcement function as regards to its effectiveness and efficiency, once the new Policy is fully implemented and all enforcement staff are in place.</p>	Assistant Director, Strategic Planning and Place	An update will be provided during 2023/24.	Once the new Policy is implemented and all enforcement staff are in place

AUDIT COMMITTEE - Table of Outstanding Issues (July 2023) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2022/23

Governance Principle & Issue	Required Action(s)	Update / Additional Comments
<p>Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p> <p>Ensuring compliance of the Council's governance arrangements through project board reviews.</p> <p>Utilising the Council's systems to implement best practice for drafting, reporting and decision making.</p> <p>Page 74</p>	<ul style="list-style-type: none"> 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 2022/23 – completed areas – training record for Councillors, TDC representatives on outside bodies, E petitions function, automated e mails, submission of final reports for Planning Committee, Cabinet, Council, Committee and Management Team dates published, Environmental Health licensing decisions published, report writing functionality. 	<p>On-Going / Outstanding - The outcome from key projects will be reported to the Project Board / Members following completion of the associated project.</p> <p>On-Going / Outstanding - Modern.gov remains an on-going and live project with additional functionality planned to be rolled out during 2023/24. The delivery team have received updated training to support the future roll out of this system, which includes - development of the report functionality, Planning Committee reports template review, Planning Committee automated emails to Town and Parish Councils.</p>
<p>Developing the entity's capacity, including the capacity of its leadership and the individuals within it.</p> <p>Ensuring the Council has the appropriate structures in place to support delivery of the Corporate Plan following the Senior Management restructure.</p>	<p>Finalise the operational capacity review and implement any recommended and approved staffing structures.</p>	<p>Completed - Building, Public Realm, Housing and Environment implementation date was 01 Mar 23 with the recruitment phase currently being conducted.</p> <p>Partnerships restructure completed with the associated recruitment process underway.</p>
<p>Determining the interventions necessary to optimise the</p>	<p>As part of the Back to Business and Recovery Plan:</p>	<p>Completed – this relates to the first two bullet points with associated actions now forming Part of alternative processes within the Council;</p>

<p>achievement of the intended outcomes.</p> <p>Managing risks and performance through robust internal control and strong public financial management.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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. 	<p>although they have been delayed due to the significant financial challenges that the Council currently faces as set out in the long term financial forecast.</p> <p>On-Going / Outstanding - This will form part of the ongoing work of Internal Audit, which will also reflect any learning points that may emerge from the national public inquiry currently underway.</p>
<p>Defining outcomes in terms of sustainable economic, social and environmental benefits.</p> <p>Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p>To set out the Council's vision following the Council's Climate Emergency declaration of the Council's activities being 'carbon neutral' by 2030.</p>	<ul style="list-style-type: none"> • Prepare an Action Plan for approval by both the Cabinet and Council to form part of the Council's Policy Framework. 	<p>COMPLETED - 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 Council's corporate monitoring arrangements.</p> <p>On-Going / Outstanding - The Corporate Director, Place and Economy, will attend a future scheduled meeting of the Committee in 2023 to present to Members a two year progress report on the Council's Climate Change Action Plan.</p>
<p>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</p>	<ul style="list-style-type: none"> • Review of the Council's Equality and Diversity strategy, policies and procedures • Developing the Council's approach and adopting principles for community engagement 	<p>COMPLETED – The Council's Equality and Inclusion Strategy 2023-27 was agreed by Cabinet on 27 Jan 23.</p>

<p>Ensure the Local Code of Corporate Governance and key policies and procedures are up to date.</p> <p>Ensuring openness and comprehensive stakeholder engagement.</p> <p>Establishing a corporate framework to support community engagement.</p>		<p>COMPLETED – The Council’s Community Engagement Strategy was adopted by Cabinet at its October 22 meeting.</p> <p>As part of the implementation phase an Officer Working Group has been established along with work being undertaken with the various departments across the Council to embed the associated processes</p>
<p>Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p> <p>Delegated decision making.</p>	<ul style="list-style-type: none"> Awareness and further strengthen good decision making incorporating the Council’s policies and framework. 	<p>On-Going / Outstanding - Increase the understanding of key principles including consultation, business planning, budget, and procurement, legal. Concept papers and PIDS to completed comprehensively to ensure successful delivery within the governance framework.</p>
<p>Managing risks and performance through robust internal control and strong public financial management</p> <p>In terms of business continuity this is especially important given the current global/economic climate</p>	<p>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.</p>	<p>COMPLETED - Q3 Service Position Statements, incorporating the Governance Checklist, were completed by all service areas. The results were presented to and considered by Management Team, along with the identification of common themes.</p>

		Q4 Service Position Statements completed by services and presented to Management Team.
<p>Defining outcomes in terms of sustainable economic, social and environmental benefits.</p> <p>Determining the interventions necessary to optimise the achievement of the intended outcomes.</p>	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.	On-Going / Outstanding - This remains under review and subject to securing the additional capacity required to deliver a number of corporate activities and actions.

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