



AUDIT COMMITTEE

DATE:	Thursday, 30 January 2025
TIME:	10.30 am
VENUE:	Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor Sudra (Chairman)
Councillor Steady (Vice-Chairman)
Councillor Fairley

Councillor Morrison
Councillor Platt

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DATE OF PUBLICATION: Wednesday, 22 January 2025

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 5 - 12)**

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Monday 9 December 2024.

3 **Declarations of Interest**

Resources and Services

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: September 2024 - December 2024 (Pages 13 - 26)**

To provide a progress report on the Internal Audit function for the period September 2024 – December 2024.

6 **Report of the Internal Audit Manager - A.2 - Corporate Risk Update (Pages 27 - 74)**

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

7 **Report of the Director (Finance & IT) - A.3 - Table of Outstanding Issues (Pages 75 - 96)**

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 ordinary meeting of the Audit Committee is to be held in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Thursday, 27 March 2025.

Information for Visitors

FIRE EVACUATION PROCEDURE

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**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,
HELD ON MONDAY, 9TH DECEMBER, 2024 AT 10.30 AM
IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-
ON-SEA, CO15 1SE**

Present:	Councillors Sudra (Chairman), Steady (Vice-Chairman), Fairley, Morrison and Platt (item 52 only)
Also Present:	Aphrodite Lefevre (Audit Director, BDO LLP), Tshiamo Hlatshwayo (Audit Manager, BDO LLP) and Jodie Preston (Auditor, KPMG)
In Attendance:	Richard Barrett (Director (Finance and IT) & Section 151 Officer), Ian Ford (Committee Services Manager), Craig Clawson (Internal Audit Manager), Karen Hayes (Executive Projects Manager (Governance)), Bethany Jones (Committee Services Officer) and Debbie West (Finance Officer)

48. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies for absence submitted nor substitutions on this occasion.

49. MINUTES OF THE LAST MEETING

It was moved by Councillor Sudra, seconded by Councillor Morrison and:-

RESOLVED that the Minutes of the meeting of the Committee, held on 26 September 2024, be approved as a correct record and be signed by the Chairman.

50. DECLARATIONS OF INTEREST

There were no declarations of interest by Councillors in relation to any item on the agenda for this meeting.

51. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor had submitted notice of a question pursuant to Council Procedure Rule 38.

52. REPORT OF THE DIRECTOR (FINANCE AND IT) & SECTION 151 OFFICER - A.1 - EXTERNAL AUDITOR'S PLANNING, COMPLETION AND ANNUAL REPORTS RELATING TO 2020/21, 2021/22 AND 2022/23

The Committee considered a report of the Director (Finance & IT) (A.1) which presented for consideration and approval the following, in order to enable final opinions on the accounts and value for money arrangements to be formally issued by the External Auditor:-

- *the External Auditor's Updated Audit Completion Report relating to 2020/21;*
- *the External Auditor's Combined Audit Planning and Audit Completion Reports relating to 2021/22 and 2022/23;*
- *the External Auditor's Combined Annual Report for the years ended 31 March 2021, 31 March 2022 and 31 March 2023; and*

- *the Council's Statement of Accounts (including the Annual Governance Statements) for 2020/21, 2021/22 and 2022/23 for consideration and approval for publication by the backstop date of 13 December 2024.*

Members were reminded that, on 30 July 2024, the Government had set out proposals to tackle the backlog, which included setting a backstop date of December 2024 to clear the backlog of unaudited accounts up to and including the financial year 2022/23. This aimed to enable the system to refocus on recent accounts where assurance was most valuable. There were also five further backstop dates up to, and including, the financial year 2027/28 to allow assurance to be rebuilt over several audit cycles.

The Government had laid before Parliament two pieces of legislation that would give effect to those proposals: the Accounts and Audit (Amendment) Regulations 2024 and, on behalf of the Comptroller & Auditor General of the National Audit Office (NAO), a Code of Audit Practice 2024.

The Committee was made aware that the Accounts and Audit (Amendment) Regulations 2024 had come into force on 30 September 2024, which had removed the current requirement to publish audited accounts for financial year 2023/24 on that date. The deadline for the publication of audited accounts for 2023/24 would, instead, be 28 February 2025 in order to coincide with the second backstop date. The Regulations also amended the date by which bodies should publish draft (unaudited) accounts to 30 June 2025 for financial years 2024/25 – 2027/28. Auditors were now required to produce timely audit opinions (which might result in the issue of a disclaimed or modified opinion).

It had been acknowledged that issuing modified or disclaimed audit opinions where audits could not be completed by a backstop date could be uncomfortable for stakeholders, including Local Authorities themselves. However given the scale of the backlog and the absence of viable alternatives, the Government had taken the difficult decision to proceed with the backstop date approach highlighted above.

It was felt important to highlight that the Government recognised these measures as exceptional in nature and that local bodies should not be unfairly judged based on disclaimed or modified opinions, caused by the introduction of backstop dates that were largely beyond their control.

Auditors were therefore expected to provide clear reasons for the issuing of such opinions in order to mitigate the potential reputational risk that local bodies might face.

It was reported that in-line with the backstop dates previously discussed, the Council's External Auditor had substantially completed the necessary audit work associated with 2020/21, with their associated Audit Completion Report attached, which included a management representation letter for approval by the Committee.

Also, in-line with the backstop dates mentioned above, the Council's External Auditor had also issued their Audit Completion Reports relating to 2021/22 and 2022/23. Those were included together with their audit planning responsibilities / activities, with combined completion and planning reports therefore provided for both those respective years.

As set out elsewhere in the report (A.1), the External Auditor anticipated issuing a modified opinion for 2020/21 and a disclaimer opinion for both 2021/22 and 2022/23.

The reason for the disclaimer opinions in both 2021/22 and 2022/23 related to the back stop dates. The back stops dates had also contributed to some extent to the modified opinion anticipated for 2020/21, as it had not been possible for the External Auditor to undertake any additional assurance work relating to the two unresolved matters.

The Council's Statement of Accounts for 2020/21, 2021/22 and 2022/23 were attached to the report, which reflected any necessary amendments agreed in consultation with the External Auditor.

In respect of 2020/21, the External Auditor had highlighted a number of recommended adjustments. It was not proposed to make the associated changes as they were not deemed to be material.

This report (A.1) also set out the External Auditor's Combined Annual Audit Report, which summarised the above along with providing their value for money commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The outcome provided a very positive view on the Council's arrangements and provided welcomed independent assurance on related matters.

Subject to the Committee's consideration of the various attached reports, and approval of the Statement of Accounts for 2020/21, 2021/22 and 2022/23 (including the Annual Governance Statements) it was proposed by the Director (Finance & IT) to publish the Accounts for all three years by the backstop date of 13 December 2024.

Aphrodite Lefevre, Director of BDO LLP, the Council's outgoing Appointed Auditor, led the Committee through the seven attachments to the Director's report which were:-

Attachment 1 - External Auditor's Updated Audit Completion Report: Year ended 31 March 2021

Attachment 2 - The Council's Statement of Accounts 2020/21 for Publication (Including the Annual Governance Statement)

Attachment 3 - External Auditor's Combined Audit Planning Report and Audit Completion Report: Year ended 31 March 2022

Attachment 4 - The Council's Statement of Accounts 2021/22 for Publication (Including the Annual Governance Statement)

Attachment 5 - External Auditor's Combined Audit Planning Report and Audit Completion Report: Year ended 31 March 2023

Attachment 6 - The Council's Statement of Accounts 2022/23 for Publication (Including the Annual Governance Statement)

Attachment 7 - External Auditor's Audit Annual Report (Covering 2020/21, 2021/22 and 2022/23)

In relation to the 2020/21 Accounts – Valuation of Non-Current Assets – Other Land and Buildings valued at Depreciated Replacement Cost (DRC), Ms Lefevre brought the following matter to the Committee's attention:-

- *For buildings revalued using the DRC method, the Council could not provide the floor plans to substantiate the GIAs used in arriving at the value of the buildings. The existing floor plans were not retained by the Council post-valuation. The GIAs are key inputs to the valuation and without any evidence, the value of the assets could be materially misstated.*
- *Furthermore, we were unable to satisfy ourselves by performing alternative procedures, that the value of the assets were free from any potential misstatements.*
- *Due to the backstop deadline imposing a limitation on the time available to perform any further procedures to resolve the differences, we are unable to form a reliable conclusion on this matter and therefore, have to limit the scope of our opinion on this area.*

– Valuation of Non-Current Assets – Infrastructure Assets, Ms Lefevre brought the following matter to the Committee’s attention:-

- *The Council has applied a blanket wide 20 years useful life for seafront defences which is not based on expert advice but instead a judgement exercised by management without relevant substantive evidence.*
- *During the course of the audit, management sought expert advice from the project manager who was involved in the Clacton & Holland Sea project in 2014 and 2015.*
- *We have been unable to obtain advice from an Auditor's expert due to the backstop deadline imposing a limitation on the time available to seek external expert advice. As such, we are unable to conclude on the reasonableness of judgements made by management's expert on the useful economic life and therefore, have to limit the scope of our opinion on this area.*

In relation to the 2020/21 Accounts – Use of Resources Overview – New Code of Audit Practice, Ms Lefevre brought the following matter to the Committee’s attention:-

“While our work was originally initiated in line with then existing scope, changes brought about by the revised Code of Audit Practice (2024), which became effective on 14 November 2024 but applies retrospectively for local government audits for 2020/21, reduces the scope of work on which auditors are required to perform work and report. This reduces the overall number of arrangements we review from fourteen to seven. In line with this scope reduction, as part of our Auditor’s Annual Report, we have only reported commentary in relation to financial sustainability and governance, and included commentary for the two subsequent years (2021/22 and 2022/23), also performed to this reduced scope, in the same report.”

<u>Summary of Questions Asked by Members</u>	<u>Summary of Answers Received</u>
What was the audit fee for this year [2020/21]?	[Ms Lefevre] Approximately £40-50,000.
Is it the case that other audits e.g. NHS were prioritised over local authority audits such as TDC’s audits due to the lower audit fees for local authority accounts?	[Ms Lefevre] Agreed that the audit fees for that period had not been at the right level.
The issue relating to the floor plans is a long-standing one. Why was this not flagged up earlier?	[Ms Lefevre] BDO has pursued many options in trying to resolve this issue including contacting TDC’s old and new

	valuers. The only realistic remaining option is for TDC to re-measure the floor areas of its buildings.
What is the impact of these Disclaimers on TDC?	[Richard Barrett] This is not a representation of TDC's reputation. Many other local authorities are in the same position. The two issues in question are shown clearly in the Accounts for the sake of transparency and have their context provided. In the coming years it will be the task of Officers working alongside the Audit Committee to build up the level of assurance once more. Having the value for money assurance from the External Auditor was key as it was an independent assessment.

In relation to the 2021/22 and 2022/23 Accounts, Ms Lefevre confirmed that BDO LLP had not identified any material misstatements nor had they identified any audit differences that had not been adjusted for. In respect of the overview of risks, the backstop date had created time constraints that had impeded BDO LLP from completing all necessary risk assessment procedures. Therefore, BDO LLP had not been able to meet the objective of ISA (UK) 315 Identifying and Assessing the Risks of Material Misstatement, which was to identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement and assertion levels thereby providing a basis for designing and implementing responses to the assessed risks of material misstatement. Had BDO LLP met the objective of ISA (UK) 315, it might have identified additional risks to those listed in their report.

In response to a question from a Member, Richard Barrett confirmed by reference to the balance sheet as at 31 March 2022 that the net book value of Property, Plant and equipment at 31 March 2022 had increased by £26.880million to £261.539million compared to the balance at 31 March 2021.

In relation to the Combined Auditor's Annual Report for the years ended 31 March 2021, 31 March 2022 and 31 March 2023, Ms Lefevre highlighted the following matters:-

- (1) Significant deficiencies in controls – year ended 31 March 2021;
- (2) Disclaimed audits for years ended 31 March 2022 and 31 March 2023 due to the backstop date;
- (3) Value for Money: Risk Assessment had identified three risks of significant weakness namely significant amount of carry forward each year from the planned projects of revenue and capital items which indicated an issue of deliverability of planned projects; data security breaches due to practice of auto-forwarding of Councillors' emails to their personal email accounts; and an over-reliance on central government grants that could impact the flexibility of delivering services and capital projects;
- (4) Financial Sustainability;
- (5) Governance; and
- (6) Improving economy, efficiency and effectiveness.

In response to a question from a Member, Ms Lefevre confirmed that she had no specific suggestions to make to the Council in respect of the identified value for money risks.

It was moved by Councillor Sudra, seconded by Councillor Steady and:-

RESOLVED that, in respect of the 2020/21 Statement of Accounts and the associated Updated External Auditor's Audit Completion Report for the year ended 31 March 2021, the Audit Committee:

- (a) notes the contents of the report;
- (b) approves the management representation letter set out on Pages 33 to 35 of the External Auditor's Updated Audit Completion Report for the year ended 31 March 21;
- (c) authorises the Director (Finance & IT) and the Chairman of the Audit Committee to sign the management representation letter for forwarding to the External Auditor; and
- (d) approves for publication the audited Statement of Accounts for 2020/21 as attached, and approves for signing, the Annual Governance Statement set out in within Pages A1 to A18 of the same attachment.

It was moved by Councillor Sudra, seconded by Councillor Morrison and:-

RESOLVED that in respect of the 2021/22 Statement of Accounts and the associated External Auditor's Combined Audit Planning and Completion Report for the year ended 31 March 2022, the Audit Committee:

- (a) notes the contents of the report;
- (b) approves the management representation letter set out on Pages 23 to 25 of the External Auditor's Combined Audit Planning and Completion Report for the year ended 31 March 2022;
- (c) authorises the Director (Finance & IT) and the Chairman of the Audit Committee to sign the management representation letter for forwarding to the External Auditor; and
- (d) approves for publication the audited Statement of Accounts for 2021/22 as attached, and approves for signing, the Annual Governance Statement set out in within Pages A1 to A23 of the same attachment.

It was moved by Councillor Sudra, seconded by Councillor Morrison and:-

RESOLVED that in respect of the 2022/23 Statement of Accounts and the associated External Auditor's Combined Audit Planning and Completion Report for the year ended 31 March 2023, the Audit Committee:

- (a) notes the contents of the report;

- (b) approves the management representation letter set out on Pages 23 to 25 of the External Auditor's Combined Audit Planning and Completion Report 2022/23;
- (c) authorises the Director (Finance & IT) and the Chairman of the Audit Committee to sign the management representation letter for forwarding to the External Auditor; and
- (d) approves for publication the audited Statement of Accounts for 2022/23 as attached, and approves for signing, the Annual Governance Statement set out in within Pages A1 to A25 of the same attachment.

It was moved by Councillor Sudra, seconded by Councillor Steady and:-

RESOLVED that the contents of the Combined Auditor's Annual Report for the years ended 31 March 2020, 31 March 2021 and 31 March 2022, including the value for money commentary set out on Pages 7 to 17 of that report, be noted.

The meeting was declared closed at 11.20 am

Chairman

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AUDIT COMMITTEE

30 JANUARY 2025

REPORT OF INTERNAL AUDIT MANAGER

A.1 REPORT ON INTERNAL AUDIT – SEPTEMBER 2024 - DECEMBER 2024

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide a progress report on the Internal Audit function for the period September 2024 – December 2024.

EXECUTIVE SUMMARY

- A total of eight audits have been completed since the previous update in September 2024.
- Seven out of eight audits in this period received a satisfactory level of assurance. Disabled Facilities Grants and Council Adaptations received an overall 'Improvement Required' opinion.
- It is requested that the Careline Follow Up Audit be deferred as decisions are still to be made on the future of the service. This is a total of five audit days that we would like to reallocate to the Payroll audit as a brand new system has been implemented and it is believed that the audit may take longer than originally anticipated.
- As the Internal Audit Manager is providing the updates on Risk Management while the Assurance and Resilience Manager remains on secondment it is requested that the audit be deferred and the five allocated days be used towards current and future updates on Risk Management until the responsible officer returns.
- During this period an issue arose relating to a substantial precept payment being paid incorrectly to the incorrect Parish Council. The funds were recovered in full and the issue resolved, however it did identify a weakness in control that needed to be resolved.

RECOMMENDATION(S)

That the periodic update report be noted.

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

N/A

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES	
<p>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’.</p>	
LEGAL REQUIREMENTS (including legislation & constitutional powers)	
<p>The Council has a statutory responsibility to maintain adequate and effective internal audit.</p> <p>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.</p>	
FINANCE AND OTHER RESOURCE IMPLICATIONS	
<p>Finance and other resources</p> <p>The Internal Audit function is operating within the budget set. Recruitment and retention remain 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.</p>	
USE OF RESOURCES AND VALUE FOR MONEY	
<p><i>External Audit expect the following matters to be demonstrated in the Council’s decision making:</i></p> <p>A) <i>Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</i></p> <p>B) <i>Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</i></p> <p>C) <i>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.</i></p> <p><i>As such, set out in this section the relevant facts for the proposal set out in this report.</i></p> <p>The following are submitted in respect of the indicated use of resources and value for money indicators:</p>	
<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>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.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>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.</p>

<p>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.</p>	<p>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.</p>
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MILESTONES AND DELIVERY

Review of recommendations and decision to be made on 30th January 2025 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 Internal Audit Manager to make arrangements for reporting to senior management (Management Board) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that can be used to inform the Annual Governance Statement.

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

N/A

INTERNAL AUDIT PROGRESS 2024/25

A total number of eight audits were completed during September 2024 to December 2024 period. Seven out of eight audits in this period received a satisfactory level of assurance. **Disabled Facilities Grants and Council Adaptations** received an overall 'Improvement Required' opinion.

A further eight audits from the 2024/25 Internal Audit Plan are in fieldwork phase. The final six audits from the plan have been allocated based on available resource.

It is requested that the Careline Follow Up Audit be deferred as decisions are still to be made on the future of the service. This is a total of five audit days that we would like to reallocate to the Payroll audit as a brand new system has been implemented and it is believed that the audit may take longer than originally anticipated.

Many processes and controls have had to change during the implementation of the Itrent HR/Payroll system and some of those processes are now shared between both departments, therefore by reallocating the five days from the Careline review will provide more time for the auditors to get a better understanding of the system.

As the Internal Audit Manager is providing the updates on Risk Management while the Assurance and Resilience Manager remains on secondment it is requested that the audit be deferred and the five allocated days be used towards current and future updates on Risk Management until the responsible officer returns.

We are currently at the same stage as last year in terms of audits completed, therefore it is anticipated that enough work will be completed in time to provide the Head of Internal Audit Annual Opinion in June 2025.

Quality Assurance – The Internal Audit function issues satisfaction surveys for each audit completed. We are yet to receive completed surveys for audits completed in this period.

Resourcing

Internal Audit 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.

We have recently appointed a new apprentice (November 2024) who is supporting the Internal Audit, Fraud and Compliance teams.

Outcomes of Internal Audit Work

The standards require the Acting Audit and Governance Manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report eight 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 2022/23Plan	
Substantial		2	2	
Adequate		7	11	
Improvement Required		1	1	
Significant Improvement Required		0	0	
No Opinion Required		2	2	Two consultative engagements in 2024/25 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: -

One significant issue was identified during this period within the Disabled Facilities Grant audit;

No contract in place for Disabled Facilities Grants relating to Council Housing Stock

Issue

There are no contracts in place and each adaptation requires the quotation process to be initiated and treated as individual jobs, unlike the building maintenance contracts. This specifically relates to Council housing and therefore limited to the HRA budget.

In some cases, these works can exceed tender limits when aggregated both overall and to individual companies. As one example, over the last two years, the Council have paid one external company just over £150,000 (£100k last year & £50k so far for this one) to undertake disabled adaptation works, none of which are obviously specialist.

Total spend by contractors financial year 23-24, amounts to over £550,000.

Risk

Failure to source a contract, in adherence with the constitution, not only is there a risk of breaching the Councils rules by disaggregating expenditure, the service may be paying higher prices for individual works as opposed to set fees within a contract.

There is also an associated risk of external companies carrying out works, without any formal checks, to establish that they are suitable to undertake works for the authority.

Agreed Action

As a short term solution quotes will be obtained to the value of £30k-£50k in line with procurement rules. This will provide some resilience of not having to rely on one contractor to undertake the work.

In the long term, a full tender process for the Housing Responsive Repairs contract to be carried out in May 2026, which will include the works of disabled council adaptations as part of that.

For specialist work, frameworks to be explored with a view of using them.

Payment made to the incorrect Council in error

Although the Accounts Payable audit is yet to begin, an issue was identified by the Payroll and Payments team whereby an erroneous payment was made to the incorrect supplier. The team promptly reported the issue and corrected the mistake. However, it has identified a weakness in the control environment that required immediate remedy.

There are a number of payment methods that are used to pay suppliers, individuals, other Councils etc. The type of method used depends on the supplier and whether an invoice is provided or not.

Payment requisition is a method that can be used when an invoice is not available but payment needs to be made. Historically, this method has been used to make contract payments, grant payments, faster payments and some precept payments to Parish Councils.

The service requiring the payment to be made are required to complete a specific form and send it to the Payroll and Payments Team for processing. This process should not be used regularly as it is meant for organisations that cannot provide an invoice or when there is a requirement to make a payment faster than usual. It is understood that services had began to use this method even when an invoice was available to be paid.

In this instance a payment of over £340k meant for a specific parish went to another parish instead in error.

The responsibility of checking bank details are correct has usually been left to the service as they are the ones requesting the payment to be made. This is where the weakness within the control has been identified. If bank details are different on the form from the bank details we hold on the payment system then the Payroll and Payments Team are required to contact the company or Council in this instance, via the contact details we have on file to confirm the change. This did not occur in this instance as the change of details had already occurred from an earlier request without anyone realising.

Therefore, going forward the Payroll and Payments Team will no longer make a payment via the requisition process unless the service provide evidence of the bank details in an official format from the organisation / individual.

They will also check the duplicate bank details report regularly to ensure none of the details have been duplicated historically. This will only work if we have paid the supplier in the past, it is not a control for new payments.

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	6	
Overdue less than 3 months	0	
Not yet due	0	

Update on previous significant issues reported

All previous significant issues are now provided within Appendix B of this report.

APPENDICES

Appendix A – 2024/25 Internal Audit Progress Report
Appendix B – Agreed Action Tracking

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@tendingdc.gov.uk 01255 686531

Tendring District Council Internal Audit			
2024/25 Internal Audit Plan Progress Report			
Audit Title	Status Jan 2024	Audit Scope Summary	Audit Opinion
Key Systems / Key Financial Risk Areas			
Procurement	Fieldwork	To review the Councils compliance with procurement rules for works or services of value which require a tender exercise	To be confirmed
Housing Benefits	Fieldwork	To ensure that the control framework in place when processing housing benefit claims is strong and all legislative and regulatory requirements are met by the service	To be confirmed
National Non Domestic Rates	Complete	To ensure that the control framework in place when processing business rate applications is strong and all legislative and regulatory requirements are met by the service	Substantial Assurance
Main Accounting System Budgetary Control	Allocated	To review processes and procedures relating to the management of the Councils financial accounting system and ensure that all legislative and regulatory requirements are met. This includes budgetary control across all departments within the Council	To be confirmed
Corporate Governance	Fieldwork	To ensure that the Council have a strong Corporate Governance framework in place. The CIPFA Code of Corporate Governance is used as a guide and comparison. The Best Value Standards and Intervention Statutory Guide will also be considered in this review.	To be confirmed
Council Tax	Complete	To ensure that the control framework in place when processing Council Tax applications is strong and all legislative and regulatory requirements are met by the service. The new Citizens Access system to be included.	Adequate Assurance

Payroll	Fieldwork	To review all procedures and internal controls relating to payroll and the processing of employees and members pay. New HR / Payroll system I-Trent to be considered in this review.	To be confirmed
Treasury Management	Complete	A full review of the internal controls and procedures relating to investing Council monies as well as short and long term borrowing	Substantial Assurance
Accounts Receivable	Fieldwork	To review the internal controls and processes relating to the Councils Accounts Receivable system and provide assurance that all processes are managed appropriately.	To be confirmed
Accounts Payable	Fieldwork	To review the internal controls and processes relating to the Councils Accounts Payable system and provide assurance that all processes are managed appropriately.	To be confirmed
Financial Resilience – Use of Resources	Complete	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	Adequate Assurance
Health and Safety	Allocated	To review the Council's Health and Safety processes and ensure that all departments are adequately monitored and advised in all H & S matters in line with the Council's legislative and regulatory requirements.	To be confirmed

Other Services / Systems			
Disabled Facilities Grants	Complete	Assessment of the management of Disabled Facilities Grants and review of all related internal controls.	Improvement Required
Social Housing Regulation Bill – Implementation Plan	Fieldwork	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	Allocated	To assess the internal control environment for the reactive maintenance for the in house team and the external contractors undertaking works	To be confirmed
Public Conveniences	Complete	To assess the internal control environment for the maintenance of public conveniences across the district.	Adequate Assurance

Levelling Up Fund	Allocated	To provide support and advice during all projects / initiatives related to the Levelling Up Fund.	Consultative
Crematorium / Burials	Complete	Review the processes and procedures within the Crematorium / Burials service and identify the risks and issues which would prevent the service from meeting its overarching responsibilities and targets.	Adequate Assurance
Careline Service – Follow Up	Unallocated	Follow Up on recommendations made from the previous audit and reassess key areas of the business.	To be confirmed
Resource Management	Allocated	To liaise with Human Resources and each department to determine the risks which would present capacity and resource management issues and identify how such issues are mitigated.	To be confirmed
Parking Services	Complete	A review of all parking income and the controls and processes relating to the collection, monitoring and banking of income.	Adequate Assurance
Housing Allocations – Follow Up	Fieldwork	Follow Up on recommendations made from the previous audit and reassess key areas of the business.	To be confirmed
Private Sector Housing	Complete	To review the internal control environment and managed processes relating to private sector housing.	Adequate Assurance
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	Consultative
Environmental Health	Complete	Environmental Health is a statutory function of local authorities and covers a wide and varied area of activity including food safety, pollution, animal welfare and licencing of certain trades to name a few. The review will assess the processes within some of the areas highlighted above.	Adequate Assurance

Risk Management	Unallocated	Required annually under PSIAS and Cipfa guidance. To review the Councils risk management framework.	To be confirmed
IT Audit			
Identity and Access Management	Complete	To assess the access control environment across the Councils network and major systems used by different departments.	Adequate Assurance
IT Governance	Complete	PSIAS expectation that this will be covered each year	Adequate 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

Audit Title	Finding	Finding Issue / Risk Identified	Agreed Action Description	Finding	Due Date	Service Response	Internal Audit Status
Housing Repairs and Maintenance	05 - Tenancy Information	<p>Every housing unit should have an identified tenant, or clearly marked as void if between tenants.</p> <p>Updated records are necessary to ensure the customer service team know they are dealing with the tenant at the address and enable any security checks needed as well as complying with any data requirements.</p> <p>There is currently no regular updating of tenant details if they move in or out. Similarly, it is understood that initially that tenant details needed to be completed manually during initial rollout of software. As a consequence, there is limited confidence that all addresses have a tenant listed and there may be a few rogue overlooked blank entries in the database, where no visits have been needed.</p>	<p>Liaise with IT to identify a data linkage method where existing records held on tenancy system can be exported to Housing Repairs software to ensure the records are current.</p>	Major	31/10/2022	<p>Data integration work is still ongoing with Oneserve. All requirements for data has been set up and provided from TDC and delays continue with Oneserve to impement the integrations. This is being chased frequently and should be resolved with full implementation in a few weeks.</p>	Still ongoing. Continue to monitor.
Housing Repairs and Maintenance	08 - Lack of Clear Record Keeping	<p>All works should show a clear audit trail from initial contact to final payment, and all stages between.</p> <p>In a case brought to the Housing Ombudsman against the council, one major criticism was absence of clear and comprehensive record keeping. This is also crucial in any legal defence against growing Housing Disrepair Claims.</p> <p>Although some measures have been brought in, it is considered there is still room for some improvement.</p> <p>Examples include:</p> <ul style="list-style-type: none"> - Lack of notes for any calls received - Quotes and relevant correspondence not attached to OneServe record - Evidence of chasing overdue works - Communications to third parties not always available to other officers - Plethora of locations where documentation is stored - e-mails, drives, iAuditor, photos on drive and OneServe, calendar appointments, invoices, etc. - No central access to invoices if key officer absent <p>Some elements on software not completed</p>	<p>New procedure and process to be implemented so that information is captured centrally.</p> <p>This will be examined as part of Housing Repairs software review to identify what options are available and any subsequent officer training carried out.</p>	Major	31/10/2022	<p>A working group which is being led by Corporate and Assistant Corporate Director has been set up in response to a definitive list of our requirements being compiled ensuring the information gathered is fit for purpose and in reaction to developing needs following the introduction of a new regulatory regime and charter placing a much greater emphasis on accurate data availability through robust record keeping.</p> <p>Additionally, IT have confirmed that the new responsive work flow has various stages which captures all relevant information from a job's creation to invoicing. It also records failed access and can be tracked on times and dates when access was gained and failed. This data will be able to feed into the central asset management system (Lifespan) being set up through a separate project.</p>	<p>Continue to monitor whether the working group remains in place until the oneserve system is fully operational. To become a regular review as part of the annual audit process.</p> <p>No further action at this stage</p>
Recycling and Waste	Garden Waste Income	<p>The Garden Waste service has significantly grown since the introduction of the function.</p> <p>In order to effectively manage and monitor the service, several operational controls should be place.</p> <p>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.</p> <p>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.</p>	<p>Garden waste data to be transferred to Firmsteps, in order to verify total number of customers.</p> <p>Transparency of garden waste invoices also to be sought, to enable confirmation of charges.</p> <p>Once complete, full monthly reconciliations to be carried out and checks by management to be evidenced.</p>	Major	30/09/2023	<p>Analysis has been undertaken to determine the level of income that needs to be recovered due to garden waste being collected from properties that have not renewed or paid their subscriptions.</p> <p>Veolia has been tasked to stop collecting from 85 properties.</p> <p>First batch of letters gone out. Has had a 31% response. Second batch expected to be sent in April.</p> <p>The Assistant Director for the service will be attending the Audit Committee to provide a more detailed update.</p>	<p>Currently in third phase of collection period</p> <p>Continue to monitor and await final outstanding balance before final decisions made.</p>

Careline	Strategic Direction of Careline	<p>In 2021, Careline won the contract to provide local Careline out of hours coverage for Essex County Council (managed by Provide), using it's established team and building on work already undertaken for them.</p> <p>During the timescale of the audit, it became apparent that the service struggled to provide the expanded contractual service required and consistently underperformed call response times, with one of the major contributing factors being the availability of trained officers.</p> <p>Awareness of the situation extended to senior managers and led to discussions at a higher level, including contributions from Legal, Partnerships and Management Team.</p>	<p>For the short term, the service will concentrate on exiting the Provide contract in a professional manner, including continuing liaison meetings and ensuring all data and GDPR obligations are carried out as required.</p> <p>Subsequently, the service will be reviewed and future strategic direction decided. Current options include a pivot to organic growth from private users, smaller contracts and continuing to work with Provide in other capacities. There are also options to explore, including integration of some healthcare services.</p> <p>Whatever options are chosen, one of the first targets will be renewed accreditation with the industry standards, TSA.</p>	Major	30/09/2023	Provide contract was removed in July 2022. TSA accreditation currently in place, due to be externally audited in April 24. Ongoing Careline review being carried out due to be finalised in May /June 2024.	Service review ongoing. Continue to monitor.
Project Management	Lack of periodic project updates	<p>Major projects should report progress against time, budget and potential upcoming issues.</p> <p>While it can be expected that there is communication between the project manager and line manager, not all information is received by senior management.</p> <p>The use of exception based reporting is not suggested, mainly as there are no firm parameters what constitutes an exception and whether project managers would report them if they thought (rightly or wrongly) they could recover the situation in future.</p> <p>At present there is no regularised reporting arrangements which covers all projects performance</p>	<p>Updates and progress reporting requirements of projects to be reviewed and specified by the new Project Board.</p> <p>The review will take account of regularity of reporting, information required from project leads and format of reporting.</p> <p>Reporting to be proactive in nature, and also consider use of system reports as applicable.</p>	Major	01/11/2024		Investment in developing a project delivery unit agreed by Cabinet in July 2024. The responsibility for managing major projects and reporting against budget and progress will become part of the teams responsibilities.
Project Management	Failure to complete projects on time and budget	<p>The council completes multiple projects across many departments each year. While some are successful and successfully complete against time, budget and purpose, there are multiple examples of those which have failed to do so.</p> <p>Given the scale of upcoming Levelling Up works (as well as need to achieve budgets generally), the ability to deliver against targets must be of high importance.</p> <p>There is no one element which unites the less successful projects, there are repeat factors which give an indication. These include lack of sufficient preparation, incorrect specifications, variations, inadequate contingency and inaccurate estimates. It is acknowledged that each project is unique and some instances these additional costs could not be accounted for initially.</p>	<p>Officers to be reminded to follow the requirements of the Constitution and ensure all steps are followed, including post-project review and adoption of lessons learnt.</p> <p>It was agreed that large scale changes to the Constitution were not required, but officers need to be aware and follow them.</p>	Major	01/11/2024		A formal response will be sent to all officers setting out the rules, regulations and standards when managing projects will be sent out by the project lead once appointed.

AUDIT COMMITTEE

30 JANUARY 2025

REPORT OF INTERNAL AUDIT MANAGER

A.2 **CORPORATE RISK UPDATE**

(Report prepared by Craig Clawson)

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 April 2024.
- 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	1
Risk Score Amended	0
Risks Under Review	4
Risks Amended	9

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 April 2024.

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

It is anticipated that there will be an need to change the responsibilities section of the risk management framework in the near future due to changes in roles. No changes have been made at this time. The assessment criteria and objective of the framework currently remains the same. The framework is included at **Appendix A** following a recent review and is for information only.

Corporate Risk Register

The register has been subject to the review process with all officers responsible for the risks identified within the risk register, with some highlights as follows;

Financial Strategy, IT Security, Data Protection and Coastal Defence remain as high risks on the Corporate Risk Register. The responsible officers have provided an update on the 'Current Action Status' of the risk register.

Human Resource risks around lack of capacity and loss of key staff have now been merged as one risk. Although both are separate issues, they have the same impact on the Council with regards to not being able to deliver key services. Additional sub-risks with mitigation has been included within the 'Current Action Status' of the overarching corporate risk.

The changes to the Corporate Risk Register set out in this report reflect minor changes undertaken since the Committee last considered the register in April 2024. It provides updates, where needed and revises changing deadlines.

It is recommended that further review be undertaken to determine where some risks can now be removed or potentially merged. Some examples of this could be to remove risk 2d – Transforming Tendring Project as the Councils transformation project was completed a number of years ago or risk 2e – Essex Family Solutions as it is now a joint partnership between ECC and TDC and therefore no longer considered a significant corporate risk.

There may also be an opportunity to merge some risks such as IT Security and Information Management risks potentially reducing four risks to one or two. This is because all those risks are managed centrally with the same controls and procedures reducing the inherent risk for all areas identified.

The above are just some examples of what could be achieved with a more in depth review of the current Corporate Risk Register.

It is also worth noting that we have been working with the IT department to build an in house system to manage Business Impact Assessments (BIA) for all services across the Council. The Internal Audit Manager has now collected all BIA's required. Some final testing of the system is being undertaken before all BIA's are uploaded. This will allow all departments to log in and update their risks periodically rather than chasing spreadsheets and collating data that can be very time consuming.

The below table sets out **all** amendments to the Risk Register since it was last considered by the Committee in April 2024.

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	4b – Lack of Capacity to Deliver Core Services (Merged with 4a – Loss of Key Staff)
Risk Scores Amended	None
Risk number changed.	None
Risks Amended	<p>Item 1b – Catastrophic IT network failure – Controls updated within the current action status.</p> <p>Item 1c - Ineffective communication / management of information – additional information on information breaches added to the current action status.</p> <p>Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management – additional information added regarding immutable back ups and Zero Trust Network Architecture (ZTNA).</p> <p>Item 2f – Garden Communities – Current action status updated to reflect the latest timeline of events.</p> <p>Item 3a – Member Conduct – Current action status updated to reflect and increase in complaints and training provision updates.</p> <p>Item 4a – Loss of Key Staff – merged with 4b and now includes all sub risks and mitigation against the overarching corporate risk.</p> <p>Item 6a - Loss of sensitive and/or personal data through malicious actions loss theft and/or hacking – additional update on policy and procedures included within current action status</p> <p>Item 6b - Disconnection from PSN Network – additional information relating to IT Security Healthchecks and Cyber Assessment Frameworks.</p>

Item 7a – Local Plan - current action updated to reflect current timelines.

No changes were required for the following risks at time of writing; The responsibility for some risks have recently changed and therefore may require a further update for future reports.

Risk number	Risk title	Responsible officer
1a	Failure to effectively manager assets	Andy White
2a	Coastal defence	Andy White
2b	Community Leadership Projects	Lee Heley
2c	Building Council Homes	Damian Williams
2d	Ineffective delivery of transforming Tendring project	Andy White
2e	Essex Family Solutions	Lee Heley
3b	Failure to comply with legislative requirements.	Lisa Hastings
3c	Health and Safety	John Higgins / Clare Lewis
3d	Fraud and Corruption	Richard Barrett / Craig Clawson
5a	Financial Strategy	Richard Barrett
8a	Failure to collect levels of income required from Council Tax to fund the Councils financial requirements.	Richard Barrett
8b	Failure to collect levels of income required from non-domestic rates to meet the shares between the Government, Essex County Council, Essex Fire Authority and TDC	Richard Barrett
9a	Ineffective Emergency Planning	John Fox/Catherine Boyer-Besant
9b	Ineffective Business Continuity Planning	John Higgins

The Fraud and Risk Team continue to oversee the Council's 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	Management team continue to be updated with urgent matters on a quarterly basis.

<p>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</p>	<p>Due to changes in responsibilities a review is now being undertaken with all services relating to their business continuity plans.</p>
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Follow up item.

<p>Arrange Risk Management training for all departments across the council</p>	<p>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.</p>
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BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

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

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Tendring
District Council



RISK MANAGEMENT FRAMEWORK

JANUARY 2025

CORPORATE SERVICES



1. INTRODUCTION

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

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

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

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

2. THE NEED FOR RISK MANAGEMENT

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

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

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

- Maximises opportunities
- Minimises threats
- Adds value

3. THE MANAGEMENT OF RISK

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

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

Risks are captured, and managed at two levels: -

Corporate Risks

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

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

Operational Risks

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

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

4. RISK MANAGEMENT ROLES AND RESPONSIBILITIES

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

5. RISK REGISTERS

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

Risk Registers will use a standard format, and record:

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

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

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

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

Inherent Risk This is the level of risk that is **present before the application of any controls**. Measured by evaluating the impact and probability of the risk to calculate an Inherent Risk Rating.

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

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

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

Treated Procedures and controls in place or added that enable that risk to be mitigated to an acceptable level.

Tolerated It is not cost effective, or feasible, to address the risk, therefore the risk is accepted. This may not be acceptable where the risk is scored as High.

Transferred The risk is transferred to another body, eg by obtaining insurance cover. It will not be possible to transfer all types of risk.

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

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

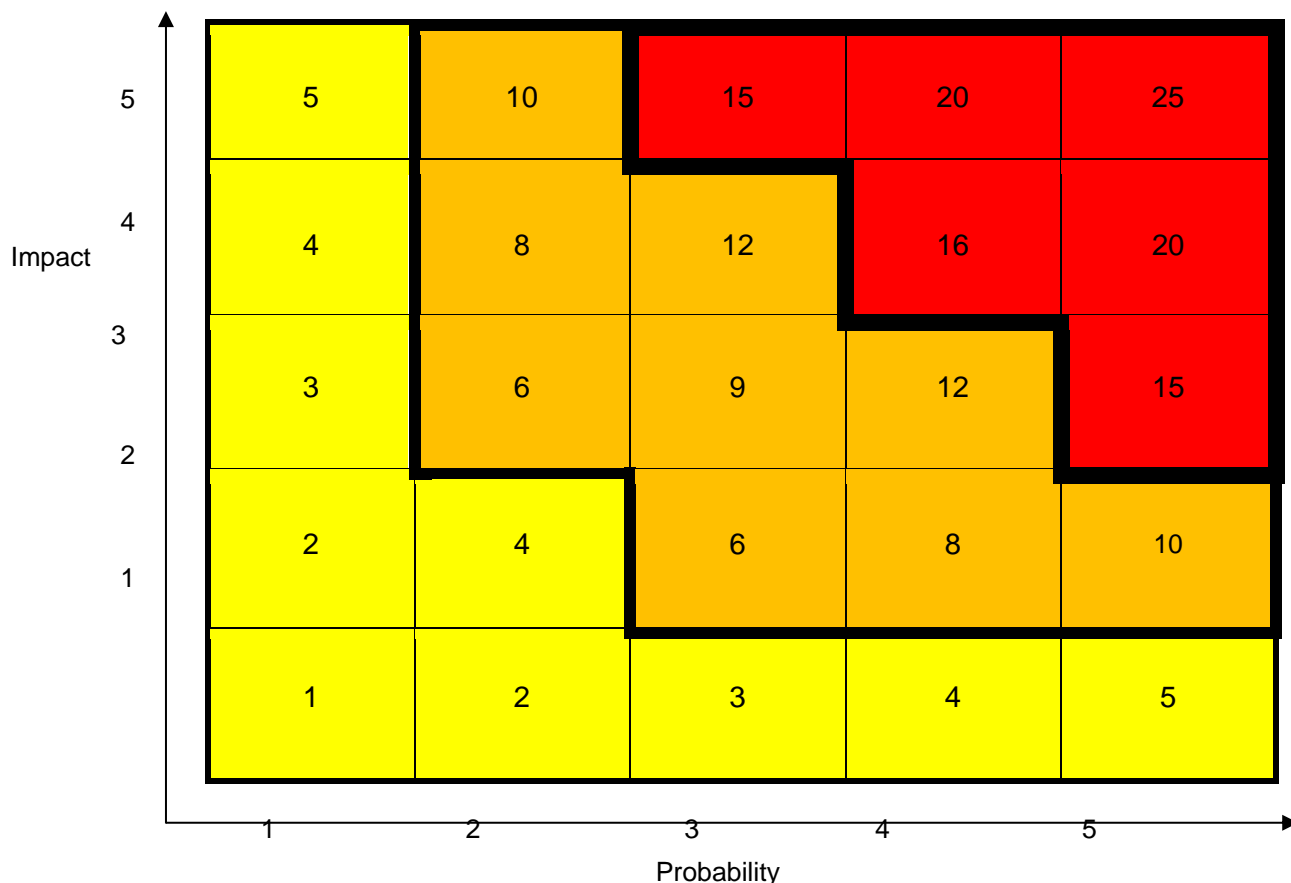
6. RISK RATING ELEMENTS - IMPACT

Risk 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

7. RISK RATING ELEMENTS - PROBABILITY

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
Less than 30%	1	1	1	1	1

8. RISK MATRIX



Impact x Probability = Overall Risk Rating

20

High Risk (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 should be put together to provide sufficient mitigation resulting in a lower rating for the residual risk, wherever possible.

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

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 within the Corporate Risk Register.

12

Medium Risk (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 Risk (Rating of 1 – 5)

No action required to mitigate these risks.

9. RISK REGISTER FORMAT

Corporate Risk Register (Example of format)

Risk No	Risk Details	Inherent Risk			Controls We control the risk by:	Warning Indicators	Action Owner	Target / Review Date	Residual Risk			Contribution to / Secondary Risk Supported	
		Impact 1-5	Probability 1-5	Inherent Risk Rating					Impact 1-5	Probability 1-5	Residual Risk Rating		
1	Failure to deliver key services												
1a	Failure to effectively manage assets	5	3	15	Bringing the management of assets together within a dedicated team rather than devolved across the organisation. Implementing and developing an Asset Strategy and associated delivery plan and ensuring an effective and flexible property dealing policy	Loss of developments or transactions	Andy White	Summer 15	3	2	6		2 & 3

Departmental Risk Register (Example of format)

Risk No	Risk Details	Inherent Risk			Controls We control the risk by:	Warning Indicators	Action Owner	Target Date	Residual Risk			Contribution to / Secondary Risk Supported	
		Impact 1-5	Probability 1-5	Inherent Risk Rating					Impact 1-5	Probability 1-5	Residual Risk Rating		
FP1	Accountancy - Accounts not approved by statutory deadline	5	2	10	Detailed timetable drawn up, regular/weekly meetings of Accountancy staff to monitor progress. liaison with External Auditor Controls adequate with normal staffing levels.	Significant adverse issues emerging from work of external audit	Richard Bull	No outstanding actions	2	2	4		

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Corporate Risk Register January 2025

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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			
	March 2022	9	3	3	Unchanged 	4 LOW	January 2025
	September 22	9	Sizable	Sizable			
	July 23	9					
	April 24	9					
	January 25	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. 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.					
	Responsible Officer - Andy White						
Responsible Cabinet member(s) – Finance and Governance PFH							
Scrutiny Committee(s) – Resources and Services							


Failure to deliver key 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			
	March 2022	10	2	5	Unchanged 	5 LOW	January 2025
	September 22	10	Moderate	Critical			
	July 23	10					
	April 24	10					
	January 25	10					
	Current Action Status/ Control Strategy	<p>Physical Infrastructure Controls. Our infrastructure hardware is now 7-9 years old and reaching end-of-life. Cabinet agreed the budget to replace end-of-life hardware which will be replaced during 1st quarter 2025 creating an affordable level of resilience and redundancy within our office locations.</p> <p>Cloud Infrastructure Controls – provides significantly enhanced resilience/ recovery capabilities. Additionally, our remote working capabilities provides key business continuity options. Work is ongoing to replace ‘legacy’ systems with the goal of becoming ‘Cloud Only’ 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 allows us to react swiftly and pro-actively to issues. Artificial Intelligence will increasingly play a part in monitoring and response.</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) UK or regional power issue(s). 2) 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							

A.2 APPENDIX B - CORPORATE RISK REGISTER – JANUARY 2025

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			
March 2022	15	3	5		10	January 2025
September 22	15	Sizable	Critical		Medium	
July 23	15					
April 24	15					
January 25	15					
Current Action Status/ Control Strategy	<p>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.</p> <p>As 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.</p> <p>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.</p>					
Responsible Officer - John Higgins - Senior Information Risk Officer (SIRO) Charlene Haynes – 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

Failure to deliver key services	RISK 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management - Failure to adopt, implement and deliver effective Cyber Security protective arrangements leading to a catastrophic or significant IT cyber security breach or loss of personal, sensitive, or vulnerable persons' data or inability to provide IT services and applications supporting Council services (or significant operational difficulties arising from).						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	March 2022	20	4	5	Unchanged 	15 HIGH	January 2025
	September 22	20	Major	Critical			
	July 23	20					
	April 24	20					
January 25	20						
Current Action Status/ Control Strategy	<p>Tending 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, Council-wide awareness campaigns are also ongoing.</p> <p>With State-sponsored 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>Having recently implemented an increased 'immutable backup' frequency 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 but should also be reduced.</p> <p>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).</p>						
Responsible Officer - John Higgins							
Responsible Cabinet member(s) - Corporate Finance and Governance PFH							

A.2 APPENDIX B - CORPORATE RISK REGISTER – JANUARY 2025

Scrutiny Committee(s) - Resources and Services Committee

RISK 2a - Coastal Defence - The Council has a coastline of 60km and maintains the sea defence structures along 18.5km of this frontage. These defences protect the towns of Harwich, Dovercourt, and Walton on the Naze, Frinton on Sea, Holland on Sea, Clacton and Brightlingsea. The cliffs are prone to stability issues because of steep slopes in many areas, historical structures, and past shortage of funds for maintenance. 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			
March 22	15	3	5	Unchanged 	15 High	January 2025
September 22	15	Sizable	Critical			
June 23	15					
April 24	15					
January 25	15					

Current Action Status/ Control Strategy
 Conducting annual inspections of coast protection structures and responding swiftly to public reporting of minor 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. At present there are identified areas of current cliff instability where funding to conduct necessary major projects would need to be identified.


Responsible Officer: *Andy White*

Responsible Cabinet member(s) - *Portfolio Holder for Environmental Services.*

Scrutiny Committee(s) - Resources and Services


Failure to deliver key projects


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			
September 22	12	3	4	Unchanged 	8 MEDIUM	September 2024
March 2022	12	Sizable	Major			
July 23	12					
April 24	12					
January 25	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>Community Asset Mapping has taken place with the Northeast Essex Alliance, this provides a useful tool to identify where to focus resources to strengthen and build more resilient communities. 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.</p> <p>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>A post project review is due to be presented to Cabinet in 2025 in line with agreed actions within the Annual Governance Statement.</p>					
Responsible Officer – Lee Heley						

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			
	September 22	8	2	4	Unchanged 	4 LOW	September 2024
	March 2022	8	Moderate	Major			
	July 23	8					
	April 24	8					
	January 25	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			
	September 22	15	1	2	Unchanged 	2 LOW	September 2024
	March 2022	15	Minor	Moderate			
	July 23	15					
	April 24	2					
January 25	2						
Current Action Status/ Control Strategy	<p>Completion of physical works relating to this project are now completed, therefore the inherent risk and residual risk have been reduced to reflect this.</p> <p>Resources used for this project are now concentrating on council property repairs and maintenance activities.</p>						
Responsible Officer – Andy White							
Responsible Cabinet member(s) – 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			
	September 22	8	2	4	Unchanged 	8	January 2025
	March 2022	8	Moderate	Major			
	July 23	8					
	April 24	8					
	January 25	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><i>The Clacton based post is now on the Council establishment which reduces the risk to families. An Additional Family Solutions post based in Harwich and working peripatetically more widely across the district is being funded for 21 months using partnership funding to help address health inequalities.</i></p>					
	Responsible Officer – Lee Heley						
Responsible Cabinet member(s) - Partnership PFH							
Scrutiny Committee(s) - Community Leadership							


Failure to deliver key projects

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			
September 22	12	4	3	Unchanged 	1 LOW	January 2025
March 2022	12	Major	Sizeable			
July 23	12					
April 24	12					
January 25	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. Planning permission granted by Essex County Council for A120/A133 link road – a key piece of infrastructure that will unlock land for development. 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.</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. Memorandum of Understanding in place with the lead developers Latimer to fund completion of the link road.</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.</p> <p>A development plan document has been 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 already been the subject of public consultation and has been examined by the government appointed planning inspector. The inspectors final report is expected in early 2025 and a favourable outcome will allow the plan to be formally adopted by Tendring and Colchester as the local planning authorities.</p> <p>A dedicated planning team has been formed between Tendring, Colchester and Essex to resource the planning process going forward including the determination of planning applications (the first of which is expected in mid 2025). We are currently recruiting to new positions within that team.</p>					
Responsible Officer: Gary Guiver						
Responsible Cabinet member(s) – Planning and Housing Portfolio Holder						


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	Review date
		Probability	Impact			
March 2022	12	3	4	Unchanged 	4 LOW	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January 2025	12					
Current Action Status/ Control Strategy	<p><i>Regular reports to Standards Committee and discussions with Group Leaders and providing advice on request either to Councillors on an individual basis, or to groups on the Code of Conduct requirements. Damage to the District Council's reputation can be minimised both by the seeking of advice at an early stage, and then following that advice.</i></p> <p><i>There has been an increase in complaints requiring investigation at district level and dealing with declarations of interests, a matter was reported to the Standards Committee for a hearing in May 2024. The outcome could have had impact on the Council's reputation, due to the source of the complaint from a national body. The sanctions imposed by the Standards Committee have not been fully complied with, which is causing an ongoing risk to the Council's reputation.</i></p> <p><i>Town Council matters which essentially have at their heart a need for relationship building and despite differences agreeing to work together for the good of the Town area remain a concern. Training was organised by the District Council for Town and Parish Councillors too following the elections, but further sessions have been delivered throughout 2024, to raise awareness of their obligations and to prevent complaints being received. Consequently, reducing the level of District Council resources being diverted to responding to the same, which are time consuming and costly.</i></p>					
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.						

Reputational damage Page 60	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			
	March 2022	16	4	4	Unchanged 	2 LOW	January 2025
	Sept022	16	Major	Major			
	July 2023	16					
	April 2024	16					
	January 2025	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. <i>In addition, Directors and /or Service Managers are encouraged to raise with the Legal Team any matters or areas of work that may be causing any concern or might become an issue. Assistant Director Governance and Head of Legal Services to be kept informed of new developments through regular discussions to be held between Services, Management Team, and Cabinet agendas.</i>				
			<i>Services are also encouraged to keep under review their practices and procedures in accordance with the legislation, specifically that relevant to their areas, including their policies and record keeping, to prevent an increase in Section 5 Reports.</i>				
		<i>The reason for the change in the direction of risk is due to the probability increasing from low to high as a result of cases including for example housing disrepair, planning challenges and costs appeals.</i>					
		<i>In addition, it is noted that the Council does not currently fully comply with the accessibility requirements on our website or the intranet. Works are currently underway to update the website, but it is not known whether these changes will meet legislative requirements.</i>					
		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. <i>members</i> 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			
	March 2022	20	4	5	Unchanged 	10	January 2025
	September 2022	20	Major	Critical			
	July 2023	20					
	April 2024	20					
	January 2025	20					
	Current Action Status/ Control Strategy	Identifying an officer with overall responsibility for ensuring that effective Health and Safety processes in place.. Providing regular Health and Safety updates to Management Team					
	Responsible Officer: Richard Barrett/Clare Lewis						
Responsible Cabinet member(s) Corporate Finance and Governance PFH / HR and Council Tax Committee							
Scrutiny Committee(s) n/a							

Reputational damage	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			
	March 2022	15	5	3	Unchanged 	10 MEDIUM	January 2025
	September 2022	15	Critical	Sizeable			
	July 2023	15					
	April 2024	15					
	January 2025	15					
	Current Action Status/ Control Strategy	Established Fraud and Compliance Team undertaking counter fraud role. Internal Audit Team providing advice / recommendations to improve control environment and mitigate exposure to fraud risks. Rules and procedures as laid down in the Constitution. Anti-Fraud and Corruption Strategy reviewed and reported to the Audit Committee annually. Ongoing fraud awareness training being conducted for all TDC employees, associates, and Members. Now part of the council's induction process.					
	Responsible Officer: - Richard Barrett/Clare Lewis						
Responsible Cabinet member(s) - Corporate Finance and Governance PFH							
Scrutiny Committee(s) - Resources and Services / Audit							

RISK 4a - Loss of Key Staff - Loss of key staff/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			
March 2022	12	4	4	Unchanged 	12 MEDIUM	January 2025
September 2022	12	Major	Major			
July 2023	16					
April 2024	16					
January 2025	16					


<p>Current Action Status/ Control Strategy</p>	<p>Additional Risks</p> <p>Staff Costs and Financial Pressures Staff costs constitute a significant portion of the Council’s general budget. Consequently, any financial pressures may reduce the Council’s capacity to maintain staffing levels. In such cases, staffing resources will be prioritised in alignment with the corporate plan and associated priorities.</p> <p>National Pay Award and Financial Implications Staff costs are influenced by the National Pay Award. Current financial pressures, such as inflation and minimum wage increases, are compelling the National Employers to consider raising the annual Pay Award, thereby increasing costs for the Council.</p> <p>Impact of National Employers While membership in National Employers offers numerous benefits, it limits the Council’s ability to influence the Pay Award. National bargaining also poses the risk of localized industrial action. Additionally, National Terms of Employment restrict the Council’s flexibility to enhance remuneration packages to attract and retain talent in a competitive job market.</p> <p>Mitigation</p> <p>HR Processes and Workforce Strategies</p>
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	<p>The Council has implemented effective HR processes to identify early signs of workforce issues, focusing on skills and maintaining a flexible approach. The “Grow our Own” strategy and Apprentice Sponsorships are in place, along with ongoing development and investment in the ‘Career Track’ program to upskill existing staff and attract new talent.</p> <p>Recruitment and Professional Development LGA and ECC recruitment arms are utilised to advertise specialist roles, ensuring a broader reach of candidates. Secondment opportunities are encouraged both internally and externally (with other authorities) to support service delivery in specialist areas. The Council also participates in cross-Essex professional development programs, such as Essex Leaders, to strengthen leadership within the authority.</p> <p>Alternative Selection Processes and Flexible Working Alternative selection processes are being introduced to respond to rapid changes in the job market and streamline hiring. Increased flexible working arrangements, including remote working options, have expanded the candidate pool and geographic reach.</p> <p>Change Management and Staffing Structures Ongoing change management efforts aim to ensure capacity is aligned with service demand, including a corporate approach to delivering key services and projects through cross-service collaboration. Revised staffing structures also provide a robust career progression pathway from entry level to senior management. In exceptional circumstances, specialist skills are sourced, for example, via the EELGA Talent Bank.</p> <p>Workforce Reporting Bi-annual workforce reporting to the HR & CTAX Committee includes workforce demographics, enabling the identification of trends and mitigation of the risk of losing key skills.</p>
Responsible Officer - Management Team (Katie Wilkins)	
Responsible Cabinet member(s) - HR and Council Tax Committee	
Scrutiny Committee(s) N/A	

A.2 APPENDIX B - CORPORATE RISK REGISTER – JANUARY 2025

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			
March 2022	20	4	5	Unchanged 	15 HIGH	September 2024
September 2022	20	Major	Critical			
July 2023	20					
April 2024	20					
January 2025	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.

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 cost pressures across three key strands as set out in the report to full Council of the 13 Feb 2024.


A review of the length of the financial planning cycle is subject to review during 2024/25. 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) - Finance and Governance PFH


Scrutiny Committee(s) – Resources and Services

Ineffective management of information

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			
March 2022	20	5	4	Unchanged 	16 HIGH	January 2025
September 2022	20	Critical	Major			
July 2023	20					
April 2024	20					
January 2025	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><i>With Councillors adopting identical working practices to Officers - managed-devices and cyber-security posture control council-wide – has achieved 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. This action has significantly reduced the likelihood of data loss however the increased State-sponsored UK cyber-attacks increases our risk negating this strengthened position.</i></p> <p>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.</p>					
Responsible Officer - John Higgins – Senior Information Risk Owner (SIRO)/Charlene Haynes – Council's named Data Protection Officer						
Responsible Cabinet member(s) - Finance and Governance PFH						
Scrutiny Committee(s) - Resources and Services Committee						


A.2 APPENDIX B - CORPORATE RISK REGISTER – JANUARY 2025


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			
March 2022	12	3	4	Unchanged 	5 LOW	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January 2025	12					
Current Action Status/ Control Strategy	<p>The Public Services Network (PSN) is a vital connection to central government and the Department of Works and Pensions (DWP) to administer housing benefit etc. 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>The resource intensive PSN annual certification programme was halted during COVID but re-commenced in early 2023. Our PSN certification was re-certified in April 2024 for the next twelve months so the annual cycle will recommence again in the next quarter.</p> <p>Both the Public Services network (PSN) itself and the PSN IT Security Health Check regime is nearing the end of its lifecycle BUT is entirely reliant upon DWP timescales. Members should however be aware that the Cyber Assessment Framework (CAF) regime – previously only a requirement applied to critical national infrastructure – has been rolled-out across central government departments and the Department for Levelling Up Housing and Communities (DLUHC) is pressing for a mandatory annual local government CAF regime. The Council's cyber-security position is robust and a new CAF process is not something to be feared as it formalises annual cyber-security review and self-analysis around areas of improvement which is simply good practice. During 2024 the Council's IT team took part in a national pilot of the new local government focussed CAF self-assessment at the request of the Ministry for Housing Community and Local Government (MHCLG) based upon our strong record of cyber-security improvement, knowledge and rigour.</p>					
Responsible Officer: John Higgins				Responsible Cabinet member(s) - Finance and Governance PFH		
Scrutiny Committee(s) - Resources and Services Committee						


Ineffective management of information

Failure to adopt a sound Local Plan


RISK 7a - Local Plan - Failure progress the review of the Local Plan						
Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	12	3	4	Unchanged 	8 MEDIUM	January 2025
September 2022	12	Sizable	Major			
July 2023	12					
April 2024	12					
January 2025	12					
Current Action Status/ Control Strategy	<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> <p><i>Local Plan review commenced with agreement of the Planning Policy and Local Plan Committee in December 2023. The review will be focussed on updating the existing Local Plan rather than re-writing it from scratch in line with a series of guiding principles that have been agreed by the Committee.</i></p> <p><i>The Council is targeting the submission of an updated Local Plan to the Secretary of State before January 2026, before the current local plan reaches its 5th birthday and becomes out of date. Major changes to government planning policy were introduced following the general election which attach greater importance to updating local plans and require Councils to comply with new mandatory house building targets. The mandatory target for Tendring marks a significant increase in the expectation for development which will have to be addressed through the local plan review. Submission to the secretary of state will follow three rounds of public consultation in 2025.</i></p> <p><i>The greatest risk to the Local Plan process, as it stands, would be the need for difficult and potentially unpopular decisions on the location of future growth and the need for those decisions to be based on appropriate technical evidence. The factors most likely to impact upon the timetable will be the public response to consultation and delays in the completion of any new evidence required to support the review of the Local Plan.</i></p>					
Responsible Officer: Gary Guiver						
Responsible Cabinet member(s) – Planning and Housing Portfolio Holder						

Failure of income streams to meet Councils financial requirements and obligations to other bodies.	RISK 8a – Failure to collect levels of income required from Council Tax to fund the Council's financial requirements.						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	March 2022	20	4 Major	5 Critical	Unchanged 	10 MEDIUM	January 2025
	September 2022	20					
	July 2023	20					
	April 2024	20					
	January 2025	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 Members.

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			
March 2022	20	4	5	Unchanged 	10 MEDIUM	January 2025
September 2022	20	Major	Critical			
July 2023	20					
April 2024	20					
January 2025	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						

A.2 APPENDIX B - CORPORATE RISK REGISTER – JANUARY 2025

Failure in emergency and Business Continuity Planning	RISK 9a - Ineffective Emergency Planning - The Council fails to effectively respond to an emergency and the community is adversely affected						
	Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
			Probability	Impact			
	March 2022	12	3	4	Unchanged 	4 LOW	January 2025
	September 2022	12	Sizable	Major			
	July 2023	12					
	April 2024	12					
	January 2025	12					
	Current Action Status/ Control Strategy	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, <i>complimented by a range of training to help maintain the Council's preparedness.</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>Post COVID, with increased staff working from home, this has made internal staff liaison and recruiting of volunteers for rest centres and District Emergency Response Centre (DERC) difficult, particularly with new employees. This is being resolved by additional training being carried out and doing a campaign with the Councils communications team.</i> In a major event Vulnerable Intelligent Persons Emergency Response can be used to identify vulnerable people who may need support. <i>However, this does not have ECC social care data or NHS health data and so will have limitations on the accuracy of information provided.</i>					
	Responsible Officer – Catherine Boyer-Besant						
Responsible Cabinet member(s) - Partnerships PFH							
Scrutiny Committee(s) - Community Leadership							

Failure in emergency and Business Continuity Planning

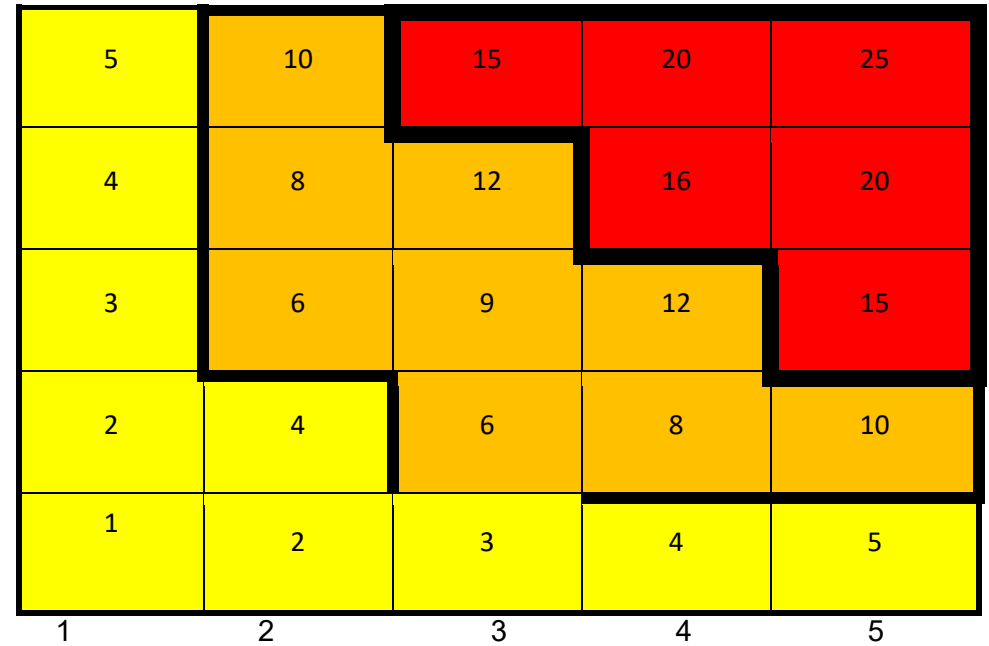
RISK 9b - Ineffective Business Continuity Planning - The Council fails to effectively respond to an emergency / adverse event with an adverse impact on the delivery of services.						
Assessment date	Inherent risk score	Present inherent risk score breakdown		Direction of Risk	Residual Risk rating	Review date
		Probability	Impact			
March 2022	10	2	4	Unchanged 	8 Medium	January 2025
September 2022	8	Moderate	Major			
July 2023	8					
April 2024	8					
January 2025	8					
Current Action Status/ Control Strategy	<p>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.</p> <p>Our new public cloud-based infrastructure provides significantly improved resilience in information storage, applications, and reduced reliance upon office premises through flexible / remote working.</p> <p>Use of IT to record and support the development of service risk assessments and business continuity impact assessments has now been built and due to be used for business impact assessments going forwards. Specialist certificated training has been carried out for key staff and will be finalised in 24/25 financial year. 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).</p>					
Responsible Officer - John Higgins/Clare Lewis						
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

30 JANUARY 2025

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.3 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

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 within **Appendix A and B**.
- 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 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 reassurances 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)

The recommendation to appoint an Independent Person(s) to the Audit Committee, initially stemmed from the Redmond Review. This has not materialised into legislation, as is the case with other Independent Persons appointed by the Council (e.g. Independent Persons for the Standards Committee and Independent Remuneration Panel); however CIPFA guidance recommends this practice to be implemented by Audit Committees.

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;	Not directly applicable
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Not directly applicable
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.	Not directly applicable

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 2050	
There are no direct implications associated within this report.	
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 September 2024.</p> <p>There are two main elements 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 2023/24 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.</p> <p>In respect of the 2023/24 Annual Governance Statement Action Plan, although this remains subject to the Committee's final approval via a separate item on the agenda, for timely and practical reasons the unaudited version published at the end of May 2024, alongside the Unaudited Statement of Accounts presents the most up to date position for the Committee's consideration. This approach enables the actions and associated updates to be considered as early as possible within the Committee's annual work programme. Appendix B therefore includes outstanding items from last year's Annual Governance Statement alongside new items for the year. There are no significant issues to highlight at the present time with actions and activities remaining on-going, with the plan subject to amendment following the external audit process.</p> <p><u>Appointment of Independent Person(s) to the Audit Committee</u></p> <p>It was originally planned to present a draft person specification to this meeting of the Committee, however due to a number of competing priorities it is now planned to present this to the Committee at its March 2025 meeting. Although this introduces a slight delay to the process it will still be possible to carry out the necessary process to enable an Independent</p>

Person to be appointed to the Committee as early as possible in 2025/26.

External Funding Review

As highlighted within the report to the Audit Committee at its September 2024 meeting, the Committee have been asked by Cabinet for their support and assurance on the associated governance processes. This item has now been captured within Appendix A with further updates to be presented to future meetings of the Committee.

External Audit Delays

The outstanding Statement of Accounts and associated External Auditor's reports for the years up to and including 2022/23 were considered and agreed by the Committee at its December 2024 meeting. Although it was hoped to present the Statement of Accounts and associated external auditor reports for 2023/24 to this meeting of the Committee, work remains ongoing to finalise the position, and it is therefore proposed to seek to arrange a special meeting of the Committee in early February 2024 to consider this item.

Local Audit Reform: The Government's strategy for overhauling the local audit system

The recently published English Devolution White Paper set out the Government's intention to legislate to radically streamline and simplify the local audit system, bringing as many audit functions as possible into one place.

The Government's associated strategy aims to set out a new and proportionate Local Audit Office that will seek to bring together the following key elements of a local audit system:

- Coordinating the system – including leading the local audit system and championing auditors' statutory reporting powers;
- Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- Setting the Code of Audit Practice;
- Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies;
- Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

The Government also highlighted their intentions in respect of building on the previous reviews and recommendations such as the most recent Redmond Review.

The strategy therefore includes a range of other measures, including:

- Setting out the vision and key principles for the local audit system;
- Committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- Enhancing capacity and capability in the sector;
- Strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- Increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

Taking the above into account, the Government's strategy commits to establish the Local

Audit Office (LAO), to radically simplify the system and bring as many audit functions as possible under a single organisation with a focus and expertise in local audit. This therefore builds on the previous Government's intentions which were broadly similar in nature.

Although the Government have stated that the proposals are not a return to the previous Audit Commission regime, there are clearly similarities. The Government have stressed that the LOA will be proportionate and operate within its strategic objectives and the principles of this strategy and then goes on to list the following 5 strategic responsibilities:

1. Coordinating the system

- i. Coordinate and lead the local audit system
- ii. Champion auditors' statutory reporting powers

2. Contract manage, set fees, procure, commission and appoint auditors to all eligible bodies (excluding the NHS at this stage).

3. Code of Practice

- i. set the Code of Audit Practice
- ii. issue statutory guidance to auditors

4. Oversight

- i. a quality regulatory framework (inspection, enforcement and supervision)
- ii. professional bodies

5. Reporting, insights and guidance

- i. collation of reports made by auditors
- ii. national insights of local audit issues

The Financial Reporting Council's (FRC) current responsibility in relation to audit quality and inspection, enforcement, and some elements of supervision for the audit of English local bodies as well as system leadership will end. The LAO will take on responsibility for the NAO's Code of Audit Practice, but the FRC will continue to oversee International Standards on Auditing (ISAs).

Once established, the LAO would adopt PSAA's full responsibilities to procure, appoint and contract manage, further streamlining the local audit system.

In the short term, the government will work with all stakeholders to develop a transition plan which will clearly set out roles and responsibilities. In the longer term, clear governance and escalation routes will ensure that concerns raised about any aspect of the local audit process will be considered by a single authority. Suitable ethical walls will be established to mitigate conflicts of interest.

The intention is that the LAO will coordinate and lead the sector, harnessing the opportunity of having related functions within a single organisation. It will work closely with local bodies, system partners, the market and government, and maintain focus on the purpose of local accounts and local audits to serve the users.

In terms of Local Authority Accounts, the Government have committed to review, in consultation with relevant stakeholders, their content and format, which will include ensuring that the accounting code does not require more disclosures than are necessary and consider the purposes and users of local authority accounts. This is a welcomed approach which is

hoped will have a positive impact for both the internal finance team and the users of the accounts.

The Government has defined the primary purpose and priorities of local audit and have highlighted the following key functions /outcomes:

- a. Confirm that financial statements are true and fair;
- b. Examine and comment on the body's arrangements for securing value for money and report on any significant deficiencies in those arrangements;
- c. Examine and comment on the financial resilience of the body;
- d. Provide early warning of major governance and financial risks, including the risk of material fraud and financial failure, and make appropriate recommendations for managing such risks;
- e. Report on major failures in governance and value for money through a separate public interest report and make recommendations for improvement where appropriate;
- f. Assist those charged with governance to fulfil their responsibilities for stewardship of public funds;
- g. Support transparency by communicating effectively with the main users of the accounts.

The Government have stated their agreement with the Redmond Review's recommendation for a post-implementation review to assess whether changes to the 2020 and 2024 Code of Practice, concerning the requirement to consider VFM arrangements, have improved this core function. For local bodies, the Government commits to MHCLG or the LAO holding this review by the end of 2027, to give time for the backlog to clear and for authorities to receive at least three VFM commentaries.

It is understood that this review will consider if auditors should assess whether local bodies achieve VFM, rather than purely assessing their arrangements to secure it. This review would need to be cognisant that responsibility for VFM in local authorities sits with elected members. The Government acknowledge that such a review would also need to consider the need to maintain auditors' independence and whether there is a risk of being drawn into challenging political decisions. There would also need to be consideration of the capacity and capability of the system to respond to an extension of auditors' responsibilities.

In addition to all of the above, the Government also confirmed that they will be consulting on the potential delivery of local audit through a mixed market, supplementing the private market with public delivery of local audit.

In terms of Audit Committees, the Government proposes to mandate audit committees, including the provision for one independent member, and for audit reports to be considered by full council. The Government would also like to understand views on whether the chair of the Audit Committee should be an independent member in order to rebuild confidence and value for money oversight.

Alongside a reformed local audit system, the government is also considering new local public accounts committees for strategic authority areas in England. With greater powers and funding comes more responsibility, and there is a need to ensure that robust accountability is in place. This includes reporting and monitoring, strengthening public spend oversight and improving transparency of spending decisions.

Although subject to change, the Government have published the following provisional timeline for the transition to a new local system audit:

Milestone	Indicative timeframe
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Engagement, technical workshops and consultation January - February 2025

Engagement continuing on elements of secondary legislation
Spring 2025

Introduction of primary legislation, subject to Parliamentary timetable
Mid-2025

Laying of relevant secondary legislation, subject to Parliamentary timetable
Mid-2026

LAO legally established, public delivery built up (either within LAO or separately as consulted upon) with the ability to take on vacant contracts where appropriate
Autumn 2026

Procurement exercise for next appointing period (further clarity on the quality oversight framework, including enforcement, would be provided by this point)
From early 2027

LAO fully resourced and begins contract management with other elements of its oversight, as set out in the transition plan to give the market clarity and time to adjust.
By 2028

It is felt that the above provides a positive basis for the future of local authority audit and the preparation of annual accounts. There will also likely to be a considerable amount of work involved in supporting the change / transition which will have to be balanced against existing capacity and the need to continue to deliver current activities and functions. It is also acknowledged that the timescales above run alongside those associated with Local Government devolution / LGR, so subject to associated future decisions, the need to balance capacity with demand would come into even sharper focus. The above will be kept under on-going review with further updates presented to the Members as necessary.

RIPA – Regulatory Investigatory Powers Act 2000

To inform the Committee of any activity conducted under RIPA by the Authority – the Authority has not conducted any RIPA activity in the last quarter and it is rare that it will be required to do so.

Whistleblowing

To inform the Committee of any activity under the Whistleblowing Policy as part of the monitoring arrangements. The Authority has not received any Whistleblowing notifications since the adoption of its policy in July 2023.

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 (January 2025) – General

Appendix B – Table of Outstanding Issues (January 2025) – Update against 2023/24 Annual Governance Statement Actions

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Director (Finance & IT)
Email/Telephone	<u>rbarrett@tendringdc.gov.uk</u>
Name	Karen Hayes
Job Title	Executive Projects Manager – Governance
Email/Telephone	<u>khayes@tendringdc.gov.uk</u>

AUDIT COMMITTEE - Table of Outstanding Issues (January 2025) - 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>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>Director - Governance</p>	<p>The development of a Formal Training Programme remains ongoing which will include as necessary:</p> <ol style="list-style-type: none"> 1. Joint general training with other Essex Authorities. 2. Statement of Accounts training 3. The role of Internal Audit Anti-Fraud and Corruption Strategy 4. Corporate Governance and Assurance in a Local Authority setting 5. Role and appointment of External Audit 6. Risk Management <p>The above are subject to external training providers’ availability and associated procurement processes.</p>	<p>Training sessions delivered to date: ‘Your Role on The Audit Committee’ – June 2023 and Fraud training in June 2024.</p> <p>Further modules will be delivered on 22 Jan 2025 with an external specialist trainer, and will include other Members e.g. Resources and Services Overview and Scrutiny Committee.</p> <p>In light of the above, further ‘modules’ will be considered later in the year.</p>

<p>Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes – Office for Local Government (OFLOG)</p>	<p>On the 05 Oct 23, the Audit Committee received an update on changes to upcoming regulatory requirements and establishment of OFLOG. The Committee requested additional information on this future regulatory reform.</p>	<p>Director - Governance</p>	<p>Future opportunities to provide additional information to Members will be explored e.g. an All Member Briefing.</p>	<p>Superseded – the new Government are no longer pursuing OFLOG arrangements.</p> <p>However, key elements would still remain relevant as part of the Council’s wider best value responsibilities which will be addressed and reflected via the Council’s Annual Governance Statement.</p>
<p>Defining Outcomes in Terms of Sustainable Economic, Social and Environmental Benefits – Climate Change</p>	<p>At its meeting on the 05 Oct 23, the Committee resolved that:</p> <p>The Portfolio Holder for the Environment be requested to oversee the development of a Climate Action Plan from 2024, with its ambitions and actions set in the context of current national policy.</p>	<p>Corporate Director - Place and Economy</p>	<p>The Council has contracted with APSE Energy to review our carbon emissions for 2022/23 as a baseline for the Action Plan 2024-27. Officers have completed a first draft of the action plan, which is currently being refined to be sent to APSE Energy for comment in Feb 24. The Consultants will review the carbon impact of the proposed actions and advise a trajectory for the Council to become net zero. The Council will need to review the cost</p>	<p>Complete</p> <p>The report of the Environment Portfolio Holder setting out the Council’s Climate Action Plan was considered by Cabinet on 15 Nov 24 for adoption via a separate Executive Decision following Full</p>

			implications of the off-setting required to reach net zero and the costs of investments to reduce our underlying carbon emissions.	Council's agreement to align the target for achieving net zero carbon emissions to the UK Government's objectives to achieve net zero, i.e. by 2050 at their meeting on 26 November 2024.
Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes – Anti-Fraud and Corruption Strategy	At its meeting on 25 January 2024 the Committee requested that an annual review of the effectiveness of the Anti-Fraud and Corruption Strategy is undertaken with the outcome to be reported back as part of the usual annual review process.	Director - Finance & IT	The first review will be undertaken in early 2025 for reporting to the Committee in March 2025.	March 2025
Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes – Housing Review	At its meeting in April 2024, the Audit Committee considered the outcome of a recent external review of the Council's Housing function. Following discussion, Officers were requested to consider appropriate processes to provide timely updates to Members on the associated action plan.	Corporate Director – Operations and Delivery	Work remains ongoing with the aim of ensuring that timely and appropriate updates are presented to Members during the year.	An update was provided to the September 2024 Audit Committee meeting. As resolved by the Committee at its September 24 meeting, this item will now form part of the Committee's

				annual work programme which will be presented in March 25.
Managing risks and performance through robust internal control and strong public financial management – Spendells Project	<p>At its meeting in July 2024, the Audit Committee resolved;</p> <ol style="list-style-type: none"> 1. That in respect of the Spendells House issue, the Committee looks forward to reviewing the outcome of the work undertaken by the Chief Executive 2. Notes and endorses the proposed joint working with the Resources and Overview Scrutiny Committee, and will seek to identify the associated opportunities for a combined exercise with that Committee going forward. 	Chief Executive	<p>In respect of 1. This forms part of the AGS action plan set out in Appendix B with an update to be provided to the Committee as soon as practicable, once the work referred to has been completed.</p> <p>In respect of 2. This remains under consideration subject to the outcome above.</p>	Subject to the progress of the review, it is currently planned to update the Committee at its March 25 meeting.
Implementing good practices in transparency, reporting and audit to deliver effective accountability	At its meeting in September 2024, the Audit Committee expressed its desire to have a standing item on the agenda for each of its formal meetings in relation to complaints and that the designated Member with responsibility for housing complaints and the Portfolio Holder for Finance and Governance be required to attend as appropriate.	Director - Governance	This will be reflected in the Committee's upcoming work programme for 2025/26 that is planned to be presented to its March 2025 meeting.	March 2025

AUDIT COMMITTEE - Table of Outstanding Issues (September 2024) – ANNUAL GOVERNANCE STATEMENT ACTIONS 2023/24
On-going / outstanding items at the end of 2023/24 carried forward into 2024/25

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>	<ul style="list-style-type: none"> • Review of project outcome 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><u>ADDITIONAL FOCUS FOR 2024/25</u></p> <p>Performance monitoring within services and decision implementation and project management.</p>	<p>The outcome from key projects will be reported to Members following completion of the associated project. Upcoming reports will include Jaywick Flexible Workspaces, Starlings and the Office Transformation Project. In respect of the Jaywick Flexible Workspaces project, the report is planned to be presented to Cabinet in February 25.</p> <p>Modern.Gov – the supplier completed the required server upgrade in November 2024. To progress this action requires that the use of (*.bat) file types by the Modern.Gov software and the identification of these file types as a security risk in the Council's IT network be overcome.</p> <p>A potential solution has been identified and will be further considered over the remainder of the year.</p> <p>In terms of the additional focus this remains ongoing and will likely continue into 2025/26 which will be considered as part of the next review of the AGS as necessary.</p>

Developing the Council's entity, including the capacity of its leadership and the individuals within it.

Effectively manage the transition to a new Administration following the local elections in May 2023.

REVISED FOCUS FOR 2024/25:

Capacity to deliver the Council's Corporate Plan and its Priorities, together with new emerging initiatives.

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- Continuation of the delivery of the Member Development Programme
- Cabinet focus on new Corporate Plan, project prioritisation, financial sustainability and robust decision-making.

REVISED FOCUS FOR 2024/25:
 Work is now underway to develop a number of milestones against the highlight priorities as part of delivering against the Corporate Plan themes.

Departmental Plans within services will continue to be reviewed against the themes and highlight priorities during the year, with particular focus on governance issues, such as monitoring and implementing decisions, managing risks and budgets.

Capacity requirements to be reviewed in light of the new range of competing capital project timescales, resources for projects and existing service provision.

WORK COMPLETED:
 An extensive Development Programme was implemented as part of the Induction arrangements for the newly elected/returning Councillors.

This made use of written material, in-person and online events and the opportunity to interact directly with officers from a wide range of services across the Council.

The Development Programme has continued and has included arrangements with mock hearings and similar, delivered in-house for both Planning and Licensing Committee Members and hearings based training for Members of the Standards Committee delivered by specialist external trainers. Use has been made of LGA in-person and online training and events to further enhance the development offer and this has included specific training for several Cabinet Members through a residential course provided by the LGA.

A refresh of the skills of audit undertaken at the start of the Municipal year in 2023 is now planned to inform Member Development for the coming year and beyond.

The Project Delivery Unit highlighted in September 24 has now been established with work remaining in progress to secure the necessary skills and capacity to support the Council in terms of delivery of a number of schemes and projects.

A revised Corporate Plan and Vision was approved by Full Council at its meeting on 28

		<p>November 23, which included six themes, one of which was Financial Sustainability and Openness. Milestones have now been developed against Cabinet’s Highlight Priorities, which will be considered by Cabinet at its January 25 meeting.</p> <p>A new online training provider which offers a wider range of courses to develop individuals, including both mandatory and optional courses, has been introduced.</p> <p>In terms of the additional focus for 2024/25 this will remain ongoing over the second half of the year with updates provided accordingly.</p>
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p>Managing risks and performance through robust internal control and strong public financial management.</p>	<ul style="list-style-type: none"> • Review of existing Risk Management / Business Continuity arrangements. • Conduct and 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. • Review of the effectiveness of the Audit Committee. • 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. 	<p>Due to a number of competing priorities it is unlikely to be able to undertake this review in 2024/25 as originally planned. It is still recognised as an important governance issue and will continue to be prioritised going forward which will likely involve its inclusion in the next review of the AGS.</p> <p>This continues to 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>It is planned to undertake a review in consultation with the Audit Committee and other key partners as soon as possible. Although this is later than originally planned this remains a key activity along with developing an associated action plan as necessary.</p>

		<p>The development of the register has commenced and is held on the Council's website as part of its commitment to transparency. It will be added to as strategies and policies are adopted and reviewed. Services have also been requested to reference the relevant strategy or policy within reports supporting decision making and has been evident in recent reports to Cabinet.</p> <p>Corporate Policy and Strategy Register progress to link in with Review of Local Code of Corporate Governance.</p>
<p>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</p> <p>Maintaining an up to date Local Code of Corporate Governance along with key policies and procedures.</p>	<ul style="list-style-type: none"> Review and update the Local Code of Corporate Governance and key policies and procedure. 	<p>The commitment remains in place to undertake this review and will be considered as part of the wider governance statement activities that will be reported to the Audit Committee later in the year.</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 strengthening of good decision making incorporating the Council's policies and framework. 	<p>Work remains in progress to increase the understanding of key principles including consultation, business planning, budget, procurement and legal, with individual and bespoke guidance being provided, where requested, by the Monitoring Officer through report development. Concept papers and PIDs are encouraged to be completed comprehensively to ensure successful delivery within the governance framework.</p> <p>It is planned to undertake/continue a number of activities to increase the understanding of key</p>

principles including consultation, business planning, budget, procurement and legal requirements, this will be delivered through the Senior Management Forum. It is worth highlighting that a presentation on the impacts of the Procurement Act 2023 was presented to the Senior Management Forum on 15 January 25.

Focus will be on embedding robust project management within the culture of the organisation, to provide oversight on financial and non-financial issues especially in key areas such as – Levelling Up Fund / Regeneration Project, waste contract renewal, new major contractual requirements and housing review recommendations.

In respect of external funding guidance highlighted in the September 24 report, Cabinet agreed a high level framework at its 20 September 24 meeting. Cabinet also requested that an external funding policy be developed for approval by the Leader of the Council in his capacity as the Portfolio Holder for Finance and Governance to compliment the high level framework mentioned above and that it be presented to a future meeting of the Audit Committee for their support and assurance on the governance processes. The policy remains under development and will be reported to a future meeting of the Audit Committee.

<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>	<ul style="list-style-type: none"> • Departmental Plans to be subject to review to reflect any updated Council objectives and priorities including the associated management of risk. • Develop the financial planning process with the aim of strengthening the Council’s long term financial sustainability. <p><u>ADDITIONAL FOCUS FOR 2024/25</u></p> <ul style="list-style-type: none"> • To implement/embed the necessary processes to support the identification of the required level of savings set out in the long term forecast. 	<p>As highlighted above, reviews of the Departmental Plans will be concluded alongside the Corporate Plan and highlight priorities during the remainder of the year (this will include alignment with any new/revised risk management approach and peer reviews as relevant).</p> <p>Review to incorporate resources/capacity to deliver priorities, projects and service provision.</p> <p>The revised financial forecast was considered by Cabinet at its meeting on 20 December 24 which was subsequently reviewed by the Resources and Overview Scrutiny Committee on 13 January 25. Work remains ongoing to present the final budget proposals to Full Council in February 25. It is also worth highlighting that this key issue forms part of Cabinet’s key priorities for 2025/26 as agreed at its December 24 meeting which references both the General Fund and HRA.</p> <p>The dedicated/regular Officer Management Team meetings will remain ongoing with a focus on financial and non-financial issues along with performance and delivery.</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>	<ul style="list-style-type: none"> • Preparation/reporting updates against the Climate Change Action Plan for approval by both the Cabinet and Council to form part of the Council’s Policy Framework. 	<p>In terms of the adoption of the updated Climate Change Action Plan, please see comments within Appendix A. In terms of reporting against the plan this is a key item within Cabinet’s Highlight Priorities for 2026/26.</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>		
<p>New Items for 2024/25</p>		
<p>Ensuring openness and comprehensive stakeholder engagement</p> <p>Approach to Community Engagement, consultation and participation to be reviewed following adoption of the Corporate Plan and Communications Strategy.</p>	<ul style="list-style-type: none"> • Officers be requested to review the Council's Community Engagement Strategy and its operation, taking into account the feedback received through the Corporate Plan consultation with the public, partners and businesses, with a view to the outcomes being presented to a future meeting of the Cabinet. • Review Article 10 of the Council's Constitution which sets out how the Council will promote Community Consultation and Participation through a range of opportunities. 	<p>Officers have been requested to review the various forums set out in Article 10 within their areas and responses will be collated to produce a revised version for approval.</p> <p>Article 10 updates have been received from relevant service areas and are currently being collated.</p>
<p>Managing risks and performance through robust internal control and strong public financial management.</p> <p>In response to the Section 5 of Local Government & Social Housing Act 1989 report from the Council's Monitoring Officer on Spendells House</p>	<p>The Chief Executive:</p> <ul style="list-style-type: none"> a) Has instructed that a formal review be undertaken to provide further clarity on how the issue arose and developed (including the governance arrangements associated with issuing verbal orders), which in turn can inform any further actions along with 	<p>In respect of Item a) – this remains ongoing and further updates will be provided to the Committee later in the year.</p> <p>In respect of Item b) – the directive referred to has been issued and will form part of collective meetings with senior officers over the course of the year.</p>

	<p>informing decision making and project delivery in the future;</p> <p>b) has issued a directive to all Senior Managers relating to financial and budget management, which explains the consequences and expectations of them in their roles and will be supported by further collective meetings with Senior Officers over the coming weeks/months and:</p> <p>c) has commenced arrangements for the implementation of a Senior Officer Project 'Board' that in turn will report directly to the Council's Senior Management Team on a regular basis.</p> <p>Statutory Officers to re-deliver governance awareness at the upcoming Senior Managers' Forum, where attendance is mandatory.</p>	<p>In respect of Item c) – arrangements remain ongoing and a further update will be provided to the Committee later in the year.</p> <p>In respect of the re-delivery of governance awareness, this was covered at a recent Senior Management Forum event.</p>
<p>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</p> <p><i>(Although this action is expected to cut across all seven of the key governance principles (A to G) set out above)</i></p>	<ul style="list-style-type: none"> Review OFLOG requirements and revised Best Value Guidance, CIPFA Codes/guidance to identify areas of weakness and improvement and develop an action plan (including learning from external reviews, inspections and self-assessments). 	<p>As highlighted in Appendix A, the new Government are no longer pursuing the establishing of OFLOG. However, key issues will continue to form part of the Council's wider Best Value responsibilities.</p> <p>Revised Best Value Statutory Guidance is specifically being referred to by the Monitoring Officer and Section 151 Officer, highlighting the relevant Best Value Themes, as detailed in the</p>

		<p>Guidance and the relevant indicators to the subject matter of the reports.</p> <p>Further opportunities to address Best Value responsibilities will be considered during the year, which will include a self-assessment style approach and associated action plan as necessary.</p>
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