

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **30 October 2023**

Committee Room 2, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Fraser Massey (Chair), Lynn Worrall, Gary Collins, Elizabeth Rigby, Kairen Raper and James Thandi

Charles Clarke - Co-opted Member
Jasdip Singh Nijjar – Co-opted Member

Substitutes:

Councillors Valerie Morris-Cook

Agenda

Open to Public and Press

	Page
1 Apologies for Absence	
2 Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
3 Declaration of Interests	
4 Verbal Update - Housing and Waste Complaints	
5 Review of Risk and Opportunity Management and the Strategy, Policy and Framework Report	5 - 30
6 Internal Audit Progress Report 2023/24	31 - 44

7	Public Sector Internal Audit Standards Self-Assessment 2023	45 - 82
8	Work Programme	83 - 88

Queries regarding this Agenda or notification of apologies:

Please contact Rhiannon Whiteley, Senior Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **20 October 2023**

Information for members of the public and councillors

Access to Information and Meetings

Advice Regarding Public Attendance at Meetings

If you are feeling ill or have tested positive for Covid and are isolating you should remain at home, the meeting will be webcast and you can attend in that way.

Hand sanitiser will also be available at the entrance for your use.

Recording of meetings

This meeting will be live streamed and recorded with the video recording being published via the Council's online webcast channel: www.thurrock.gov.uk/webcast

If you have any queries regarding this, please contact Democratic Services at Direct.Democracy@thurrock.gov.uk

Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities. If you wish to film or photograph the proceedings of a meeting and have any special requirements or are intending to bring in large equipment please contact the Communications Team at CommunicationsTeam@thurrock.gov.uk before the meeting. The Chair of the meeting will then be consulted and their agreement sought to any specific request made.

Where members of the public use a laptop, tablet device, smart phone or similar devices to use social media, make recordings or take photographs these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee. The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of these activities, in their opinion, are disrupting proceedings at the meeting.

Thurrock Council Wi-Fi

Wi-Fi is available throughout the Civic Offices. You can access Wi-Fi on your device by simply turning on the Wi-Fi on your laptop, smartphone or tablet.

- You should connect to TBC-GUEST
- Enter the password **Thurrock** to connect to/join the Wi-Fi network.
- A Terms & Conditions page should appear and you have to accept these before you can begin using Wi-Fi. Some devices require you to access your browser to bring up the Terms & Conditions page, which you must accept.

The ICT department can offer support for council owned devices only.

Evacuation Procedures

In the case of an emergency, you should evacuate the building using the nearest available exit and congregate at the assembly point at Kings Walk.

How to view this agenda on a tablet device



You can view the agenda on your [iPad](#) or [Android Device](#) with the free modern.gov app.

Members of the Council should ensure that their device is sufficiently charged, although a limited number of charging points will be available in Members Services.

To view any “exempt” information that may be included on the agenda for this meeting, Councillors should:

- Access the modern.gov app
- Enter your username and password

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

30 October 2023	ITEM: 5
Standards and Audit Committee	
Review of Risk and Opportunity Management and the Strategy, Policy and Framework	
Wards and communities affected: All	Key Decision: Non-key
Report of: Andy Owen, Corporate Risk and Insurance Manager	
Accountable Assistant Director:	
Accountable Director: Steven Mair, Chief Financial Officer	
This report is Public	

Executive Summary

This report seeks Members comments on the Council's proposed new Risk and Opportunity Management Strategy, Policy and Framework which is attached as Appendix A.

The report provides details of the review of the Council's Risk and Opportunity Management arrangements to address the points raised in the Best Value Inspection Report and the key areas for improvement identified from the self-assessment against good practice.

The Strategy, Policy and Framework document sets out the Council's approach to the management of risk and opportunity and demonstrates its intention to continue to develop the arrangements across the organisation during 2023/24 and beyond to support the delivery of the Council's priorities and objectives.

1. Recommendation(s)

- 1.1 That Standards and Audit Committee comment on and endorse the Council's Risk and Opportunity Management Strategy, Policy and Framework (Appendix 1).
- 1.2 That Standards and Audit Committee note the improvements to address the recommendations for risk management included in the Best Value Inspection report (see 3.7 of report).
- 1.3 That Standards and Audit Committee note the improvement activities to be undertaken during 2023/24, including workshop with Senior Leadership Team to refresh the Strategic/Corporate Risk and Opportunity Register (see 3.7 of report and page 8 of Appendix 1).
- 1.4 That Standards and Audit Committee note a report is scheduled to be presented to Cabinet 13 December 2023 for consideration and agreement of the Risk Management Strategy, Policy and Framework.

2. Introduction and Background

- 2.1 On 2 September 2022, the Secretary of State for Levelling-up, Housing and Communities appointed Essex County Council as Commissioners due to significant concerns around the high financial risks and debt relating to Thurrock Council's investments.
- 2.2 In addition to this Essex County Council were appointed as Best Value Inspectors to review the governance, overview and scrutiny, audit and risk management functions of Thurrock Council.
- 2.3 On the 19 December 2022 the Council's Acting Director of Finance & Section 151 Officer issued a report under Section 114 of the Local Government Finance Act 1988, which highlighted the extremely serious nature of the financial situation facing the Council.
- 2.4 On the 23 December 2022, the Acting Chief Executive issued a public response to acknowledge the scale of the financial challenge, the action needed to put the Council on a secure long term financial footing, the levers available to mitigate the gaps and the exceptional financial support required from government to support the budget position.
- 2.5 The Council subsequently worked with the Commissioners and the Department of Levelling Up, Housing & Communities to develop an Improvement & Recovery Plan in response to the directions.
- 2.6 The scope of the Best Value Inspection was expanded in December 2022 and the report to central government deferred from the 3 January 2023 to 17 February 2023. The Best Value Inspection report was published on the 15 June 2023.
- 2.7 Following release of the Best Value Inspection report the recommendations for risk management, along with the key areas for improvement identified from the earlier self-assessment against good practice were used to inform a review of the risk and opportunity management arrangements.
- 2.8 The Review of Risk and Opportunity Management has been incorporated as a project under the Governance and Scrutiny Theme of the Improvement and Recovery Plan. Delivery of the project plan is regularly reported and monitored by the Governance and Scrutiny Board and Improvement and Recovery Board through the programme management arrangements for the Improvement and Recovery Plan.

3. Issues, Options and Analysis of Options

- 3.1 Risk and opportunity management (ROM) describes the planned and systematic approach used to identify and manage the whole range of business risks and opportunities facing an organisation and the achievement of its objectives.

- 3.2 Risk and Opportunity Management is an integral part of the Council's Corporate Governance and Performance Management arrangements, and the Council has a statutory responsibility under the Account and Audit Regulations to put in place effective arrangements for the management of risks.
- 3.3 The Best Value Inspection report incorporated a range of recommendations indicating the need to strengthen the Council's approach to risk and opportunity management and the key areas for improvement identified included:
- Improve engagement of leadership and management in risk management
 - Review the risk management policy and strategy to incorporate:
 - A comprehensive statement of how risks are managed to ensure that all ROM practices are subject of consideration by management and members.
 - An explanation on how risks are scored and how risks with a particular score are reported.
 - Details of the council's appetite for risk, including how the risk appetite is set.
 - Review the approach for the annual risk maturity assessment and evaluation.
 - Review risk reporting arrangements to members to ensure up to date risk/opportunity information is presented in an appropriate time frame and format.
- 3.4 Prior to the release of the Best Value inspection report a self- assessment of the council's risk and opportunity management arrangements against a good practice model was undertaken and the following key areas for improvement identified from the evaluation:
- Raise ROM awareness and improve engagement (both staff & members)
 - Build capacity/resource for ROM across the council.
 - Further embed ROM across the Council at strategic and operational levels
- 3.5 The Council recognises that risk and opportunity management is a journey and to be effective it must be characterised by a set of consistent principles, language, framework and processes.
- 3.6 The Council's Risk and Opportunity Management Strategy, Policy and Framework has been refreshed to address the key areas for improvement identified from the review, sets out the Council's commitment to managing risk and opportunity effectively across the business and outlines the plans to develop the arrangements across the organisation during 2023/24 and beyond to support the delivery of the Council's priorities and objectives.

- 3.7 A summary of the improvements and the links to the strategy, policy and framework document (Appendix 1) are included below for ease of reference:

Improve engagement of leadership and management in risk management
<ul style="list-style-type: none"> ✓ Risk and opportunity management strategy, policy and framework endorsed by Cabinet (via Standards & Audit Committee and Senior Leadership Team) and to be cascaded through Directorates and across the authority following adoption via communication, engagement and training activity. ✓ Leadership and management responsibilities covered in Appendix 1 under the Overview of ROM section page 5, ROM Process section pages 9 -13, Risk and Opportunity Escalation section page 14-15 and Roles/Responsibilities page 19. ✓ Plans to undertake risk and opportunity management facilitated workshops with Senior and Directorate leads to engage and discuss ROM, establish risk appetite and to refresh the Strategic/Corporate Risk and Opportunity register incorporated in Appendix 1 under ROM Improvement Plan page 8. ✓ Plans to establish risk and opportunity management coordinators in the Directorates to build capacity for ROM, to support embedding of the practice in the department/services and to assist the delivery of the ROM strategy incorporated in Appendix 1 under ROM Improvement Plan page 8. ✓ Plans to develop/implement tools, guidance and training programme (for officers and members) to build capacity for ROM across the organisation and to support the delivery of the ROM strategy and framework incorporated in Appendix 1 under the ROM Improvement Plan page 8.
Review the risk management policy and strategy to incorporate:
<ul style="list-style-type: none"> • A comprehensive statement of how risks are managed to ensure that all ROM practices are subject of consideration by management and members
<ul style="list-style-type: none"> ✓ The refreshed ROM strategy, policy and framework document as whole provides a comprehensive statement of how risks are managed, and the practice considered by management and members. ✓ Roles and responsibilities for ROM and the frequency of reporting incorporated in Appendix 1 under page 19
<ul style="list-style-type: none"> • An explanation on how risks are scored and how risks with a particular score are reported
<ul style="list-style-type: none"> ✓ An explanation on how risks are scored incorporated in Appendix 1 under Evaluation section pages 10-11 and Criteria Guide for Impact and Likelihood pages 17-18. ✓ An explanation on how risks with a particular score (e.g., principal risk with a rating of 12 to 16) are managed and reported covered in Appendix 1 under Evaluation section pages 10-11, Review, Recording and Reporting sections pages 12-14 and Escalation section pages 14-15.
<ul style="list-style-type: none"> • Details of the council's appetite for risk, including how risk appetite is set
<ul style="list-style-type: none"> ✓ Details of risk appetite included in Appendix 1 under Risk Appetite page 6 and associated links covered under Evaluation section pages 10-11, Reporting section Page 13 and Escalation section pages 14-15.
Review the approach for the annual risk maturity assessment and evaluation
<ul style="list-style-type: none"> ✓ Risk maturity assessment and plan for improvement detailed in Appendix 1 under Risk Maturity section pages 6-7 and ROM Improvement Plan page 8.
Review risk reporting arrangements to members to ensure up to date risk/opportunity information is presented in an appropriate time frame/format
<ul style="list-style-type: none"> ✓ Risk reporting, including frequency of reporting of key risks and opportunities covered in Appendix 1 under Evaluation section pages 10-11, Review, Recording and Reporting sections pages 12-14, Escalation section pages 14-15 and Roles and Responsibilities section page 19.

4. Reasons for Recommendation

- 4.1 The report provides details of the work undertaken to review the risk and opportunity management arrangements; refresh the Council's Risk and Opportunity Management Strategy, Policy and Framework and the plans to develop and bolster the arrangements across the organisation.
- 4.2 To enable the Standards and Audit Committee to consider and comment on the review; the revised strategy, policy and framework, and the plans to develop and strengthen the arrangements across the Council.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The report on the review; refresh of the strategy, policy and framework, and plans to develop the arrangements across the organisation were reported to Senior Leadership Team 09 August 2023.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 ROM is recognised as a good management practice and how successful the council is in managing the risks and opportunities it faces will have a major impact on the achievement of the council's priorities and objectives.

7. Implications

7.1 Financial

Implications verified by: **Rosie Hurst**

Interim Senior Management Accountant

Effective risk and opportunity management and the processes underpinning the delivery of services provides a framework to identify, manage and reduce the likelihood of financial claims and/or loss faced by the Council.

7.2 Legal

Implications verified by: **Gina Clarke**

Governance Lawyer, Legal Services

The Council is required to have a sound system of internal control and carry out an annual review of its effectiveness under the Accounts and Audit Regulations 2015 and the Local Audit and Accountability Act 2014. As well as being a statutory requirement, effective risk and opportunity management and the processes underpinning it provide a more robust means to identify and

manage risk and reduce the likelihood of legal claims or regulatory challenges against the Council.

7.3 **Diversity and Equality**

Implications verified by: **Natalie Smith**

Strategic Lead - Community Development

The management of risk and opportunities provides an effective mechanism for monitoring and addressing key equality and human right risks associated with a range of service and business activities undertaken by the council. It also provides a method for reducing the likelihood of breaching statutory equality duties, specifically, the Equality Act 2010 and Public Sector Equality Duty.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children)

Risk and opportunity management contributes towards the council meeting the requirements of Corporate Governance and the Account & Audit Regulations.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Best Value Inspection Report, published 15 June 2023
- ROM Review 2023 (risk maturity/self-assessment against good practice).

9. **Appendices to the report**

- Appendix 1 – Risk and Opportunity Management Strategy, Policy and Framework

Report Author:

Name: Andy Owen, Corporate Risk and Insurance Manager

Telephone: 01375 652174

E-mail: aowen@thurrock.gov.uk

Risk and Opportunity Management Strategy

June 2023

Title:	Risk and Opportunity Management (ROM) Strategy.
Purpose:	Outlines the ROM Strategy for Thurrock Council.
Owner:	Andy Owen, Corporate Risk & Insurance Manager
Approved by:	N/A
Date:	June 2023
Version:	1.11
Status:	Draft
Review Frequency:	Annual
Next Review Date:	June 2024
Consultation:	N/A

<u>Title</u>	<u>Page No.</u>
Introduction and Definition of Risk and Opportunity Management	3
Risk and Opportunity Management Strategy	4
Risk and Opportunity Management Policy Statement	4
Risk and Opportunity Management Framework	5
Overview of ROM Across the Council	5
Corporate Risk Team	6
Risk Appetite	6
Risk Maturity	6-7
Intervention and Best Value Inspection	7
Risk and Opportunity Management Improvement Plan	8
Thurrock Risk and Opportunity Management Process	9
- Identification	9-10
- Evaluation, including Risk & Opportunity Matrix	10-11
- Response	11-12
- Review, including Recording and Reporting	12-13
Risk and Opportunity Escalation	14-15
Guidance, Education and Training	16
Integration with Performance, Control & Assurance Frameworks	16
Roles & Responsibilities	16
Annex A - Criteria Guide for Impact and Likelihood	17-18
Annex B – Governance, Roles/Responsibilities and Reporting Structure for ROM	19

Introduction and Definition of Risk and Opportunity Management (ROM)

Risk and opportunity management describes the planned and systematic approach used to identify and manage the whole range of business risks and opportunities facing an organisation and the achievement of its objectives.

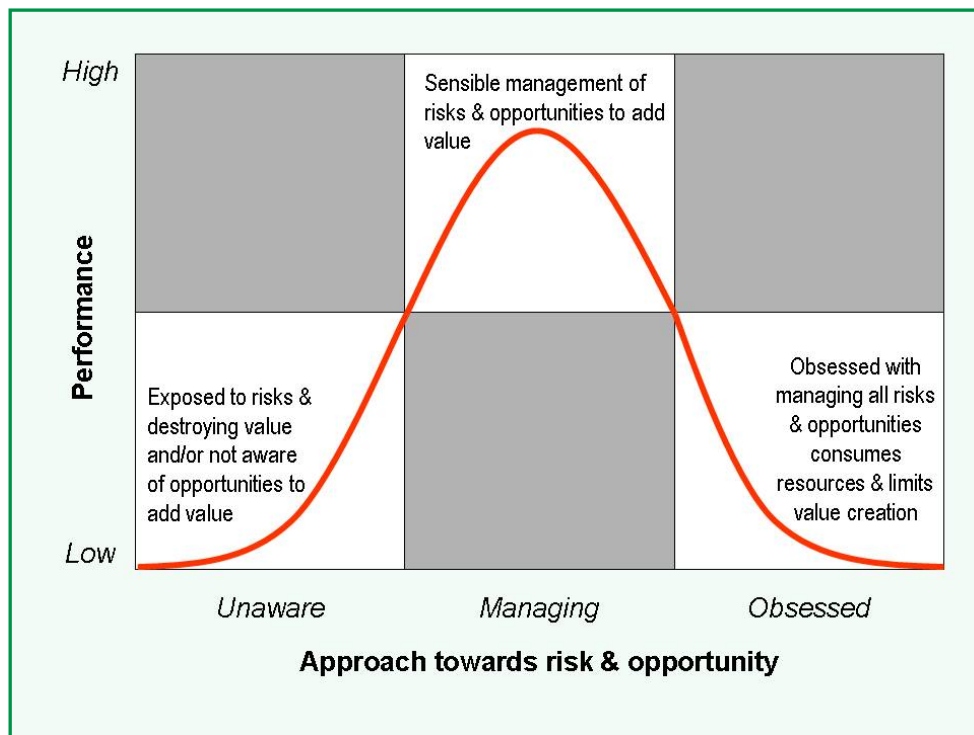
Thurrock Council's definition of Risk and Opportunity Management is:

“The planned and systematic approach to identify, evaluate and manage the risks to and the opportunities for the achievement of objectives”

The council's statement compliments the definition of risk and/or the context of risk management outlined in the various standards and guidance produced, including ISO31000 and the Association of Local Authority Risk Managers (ALARM).

The strategy outlines the council's approach and the principles of risk and opportunity management, identifies the people responsible for the management of risk and opportunity and promotes a culture of risk and opportunity management across the council. The strategy is one part of the risk and opportunity management framework.

The Council's approach for risk and opportunity management is designed to ensure that the key risks to and the opportunities for the achievement of objectives are identified and managed. Too little awareness and management of these key issues can impact on performance but an obsessive level of management of all possible risk and opportunity could easily overwhelm the Council.



Sensible management of risk and opportunity to add value

Between these two extremes is a balanced area of high performance through the sensible management of risk and opportunity and this is the status the Council aims to achieve through implementation of its risk and opportunity management strategy and framework.

ROM Strategy

The strategy explains the council's approach and outlines the principles of risk and opportunity management, clarifies the roles and responsibilities for ROM and demonstrates its intention to develop the maturity of risk and opportunity management across the organisation

The aim of the ROM Strategy is to support the delivery of strategic and operational objectives through effective management of risks and opportunities across the council's functions and activities, and the organisation will achieve this by:

- Raising awareness of the need for ROM across the organisation.
- Embedding effective risk and opportunity management into the culture of the council.
- Managing risk & opportunity in accordance with good practice & sound governance principles
- Managing the risks and opportunities facing the organisation and to the achievement of strategic and operational priorities and objectives.
- Integrating the practice of ROM into the council's decision-making, business planning and performance management arrangements to support and inform the processes.
- Proactively anticipating and responding to new/emerging risks and opportunities that may impact on the delivery of objectives (e.g., changing social, economic, political, environmental legislative and technical requirements).
- Minimising the adverse effects and/or likelihood of risks arising and maximising the beneficial effects and/or likelihood of opportunities occurring.

Through a robust and systematic approach to risk and opportunity management, which is embedded throughout the organisation, the council will:

- Enable officers and members to fully understand the event, cause and effects of the risks and opportunities faced by the council, and in turn make more informed decisions on how best to respond to or manage these situations.
- Allow officers to analyse and prioritise risks/opportunities and inform decisions on the management, escalation and communication of the significant items identified.
- Reinforce officers' understanding of risks/opportunities and the assignment of responsibilities for the management of the scenarios.
- Provides senior managers and members with the assurance that risks and opportunities are considered and managed across the organisation, and where necessary the risks and opportunities are escalated for their input and guidance.

ROM Policy Statement

Thurrock Council its Members and Senior Leadership Team have signed up to the following statement regarding risk and opportunity management:

- Risk and opportunity management behaviours and practices will be embedded into all Council activities, including those with partners.

This strategy sets out the Council's commitment to managing risk and opportunity effectively across the business, and the standards we expect across the organization.

To maximise the effectiveness of our risk and opportunity management arrangements we will ensure:

- There is a commitment from the highest level to the consistent application of the agreed risk and opportunity management approach across the organization.
- We have an environment that will allow the effective management of risk/opportunity to grow and develop; and
- Our people have the skills and knowledge they need to fulfil their risk and opportunity management responsibilities.

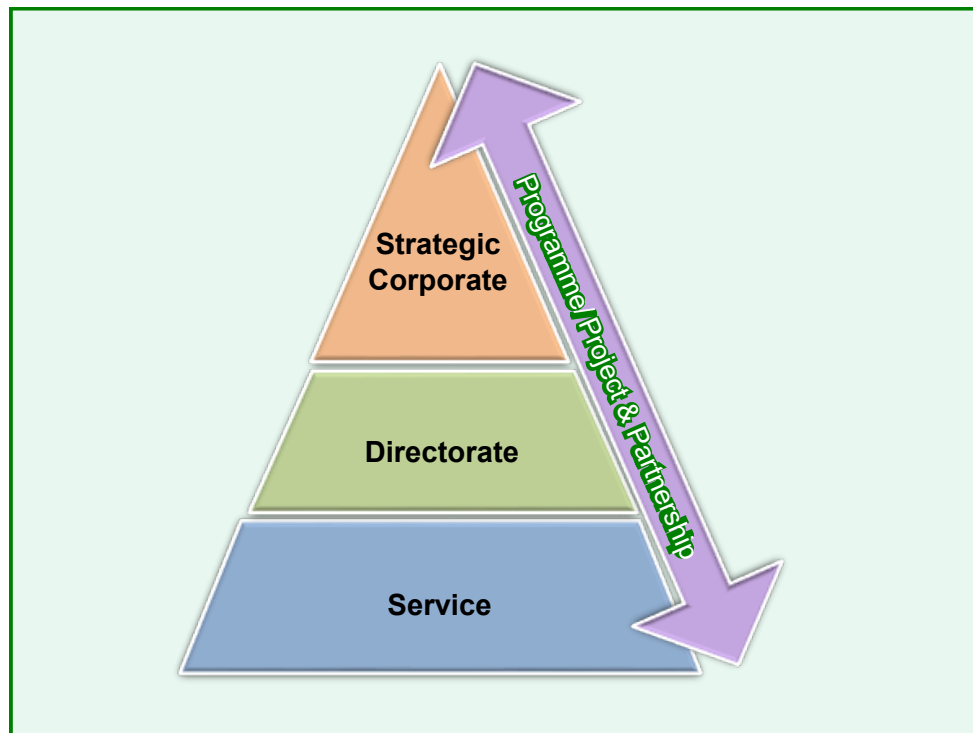
ROM Framework

The Council are committed to ensuring risk and opportunity management is embedded across the organisation. For risk and opportunity management to be successful, it is important that there is an agreed and flexible approach for the management of business risk and opportunity, adopted through all levels of the organisation. The strategy is one part of the overall framework and key elements include:

- Risk Management Strategy and Policy (including governance and accountabilities)
- Risk Management Methodology
- Risk Management Tools, Guidance and Training Programme to support the methodology.

Our approach is to ensure that the discipline of effectively managing risk and opportunity is integrated throughout the organisation and involves all key stakeholders. The information will be updated in line with the implementation of the strategy to ensure developments are appropriately incorporated in the framework.

Overview of ROM Across the Council



Risk and opportunity management levels

Primarily, members and senior leaders of the organisation will be focussed on the strategic and business critical risks and opportunities that could impact on the achievement of objectives or successful delivery of outcomes.

More detailed business operations risks and opportunities will be the primary concern of directorates, services and functions, where managers will be controlling and monitoring their risks/opportunities. and escalating these to a higher level if they are no longer containable and manageable at a functional level. Programme, project and partnership risks and opportunities can exist at any of the levels and are managed through programme, project and partnership management arrangements.

Frequent management of risk and opportunity takes place across all levels of the organisation and the governance and reporting arrangements for risk and opportunity management are outlined in Annex B, page 19 of this strategy.

Corporate Risk Team

The Corporate Risk Team is based within the Finance Directorate. The Corporate Risk Team develop and establish the ROM framework for the organisation and ensure it is in line with industry standards and requirements. The Corporate Risk Team provide support for the delivery of the ROM strategy and develop procedures, tools, guidance and training programmes to help embed the practice across the organisation.

Risk Appetite

Risk appetite is defined as:

‘The amount and type of risk that an organisation is willing to take in order to meet its objectives.’

Thurrock Council recognises that risk is inherent in delivering and commissioning services and does not seek to avoid all risk, but instead aims to have a sensible approach to risk, appropriately balancing risk against reward, with risks managed in a proportionate manner.

Local government organisations are facing increasing demand and financial challenges, and this environment subject authorities to potential greater risk, and therefore it is likely that the council will need to accept higher levels of risk to achieve its objectives. This will require an approach that allows flexibility and support for well-informed and considered risk taking, promoting transparency and effective risk management, while maintaining accountability. While risks defined as ‘High’ are to be managed down to a tolerable level wherever possible, it is important that risks across the Authority are not over-controlled.

The Council provides a wide range of functions and services, and as a result it is difficult to establish a single ‘risk appetite’ for the whole organisation. The council recognises that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. However, examples of risks that would be seen as intolerable are those that could:

- Negatively affect the safety of service users, residents or employees.
- Have a damaging impact on our reputation.
- Lead to breaches of laws and regulations.
- Endanger the future operations of the council.

To further help managers in understanding what risks are acceptable, our appetite for risk is implicitly defined within our standard for determining risk levels (see risk & opportunity matrix on page 11). Risks rated as “High” (12 to 16) will be considered to have exceeded tolerance levels and will be subject to escalation to the next management level for review and appropriate action. The forecast residual rating for a risk is expected to be ‘Medium’ (6 to 9) or ‘Low’ (1 to 4). In the event this is not considered to be realistic in the short to medium term, the evaluation will be discussed as part of the escalation process, and the position regularly monitored and reviewed with the aim of managing the level of risk to a tolerable level.

Risk Maturity

All organisations as well as the council are embedding the practice of risk management and risk maturity refers to how well-established risk management is as a discipline across the business. The council continues to review our current risk and opportunity management capability to help direct resources to areas that need further development and improvement.

A risk maturity assessment measures an organisation's processes according to good practice. This establishes the organisation's 'risk maturity level' and helps identify areas for improvement. A self-assessment using the ALARM National Performance Model for Risk Management in Public Services was undertaken in March 2023.

The key areas for improvement identified from the assessment include:

- Raise ROM awareness and improve engagement (both staff and members).
- Build capacity/resource for ROM across the council.
- Further embed ROM across the Council at Strategic and Operational levels (i.e., Strategic, Corporate, Directorate, Service, Projects & Partnership).

The council recognises that risk and opportunity management is a journey and aims to continue to improve, embed and integrate the practice of ROM across the authority and achieve this through the delivery of the revised ROM strategy and framework.

To provide independence and objectivity the council are to consider alternative models for the Risk Maturity assessment and plan to introduce a revised approach for the next review.

Intervention and Best Value Inspection

On 02 September 2022, the Department of Levelling Up, Housing and Communities (DLUHC) announced directions to implement an intervention package at the Council.

The intervention involved the appointment of Commissioners to oversee the council's financial management and to undertake a Best Value Inspection of the governance, audit, risk management and overview & scrutiny functions.

On the 19 December 2022 the Council's Acting Director of Finance & Section 151 Officer issued a report under Section 114 of the Local Government Finance Act 1988, which highlighted the extremely serious nature of the financial situation facing the Council.

On the 23 December 2022, the Acting Chief Executive issued a public response to acknowledge the scale of the financial challenge, the action needed to put the Council on a secure long term financial footing, the levers available to mitigate the gaps and the exceptional financial support required from government to support the budget position.

The Council has engaged with the Commissioners under the inspection process and continues to work with them and DLUHC to address the financial position and deliver the Improvement and Recovery Plan to manage the situation.

The Best Value Inspection report was published 15 June 2023. The key areas for improvement for risk management identified in the report included:

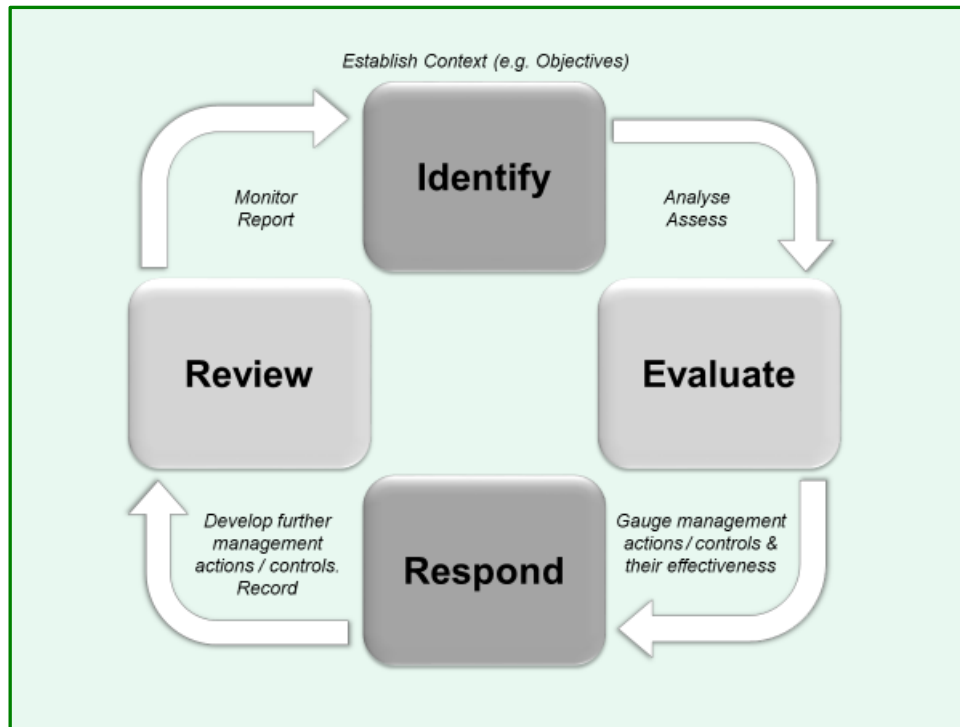
- Improve engagement of leadership and management in risk management
- Review the risk management policy and strategy to incorporate:
 - A comprehensive statement of how risks are managed to ensure that all ROM practices are subject of consideration by management and members.
 - An explanation on how risks are scored and how risks with a particular score are reported.
 - Details of the council's appetite for risk, including how the risk appetite is set.
- Review the approach for the annual risk maturity assessment and evaluation.
- Review risk reporting arrangements to members to ensure up to date risk/opportunity information is presented in an appropriate time frame and format.

ROM Improvement Plan

The information from the assessment against the ALARM National Performance Model for Risk Management in Public Services, along with the findings and recommendations for risk management contained in the Commissioner's Best Value Inspection Report has formed the basis for developing the plan for improvement. The key areas for improvement are summarised in the following table:

Area	Summary of Plans over the next 12 months
ROM Strategy and Framework	<p>Review and update strategy and framework to address the improvement elements identified in the BV Inspection report and the self-assessment against good practice.</p> <p>Develop tools, guidance training programme for members and officers to support the delivery of the ROM strategy and framework.</p> <p>To provide independence and objectivity commission alternative model for the next Risk Maturity assessment. Revise strategy to address any improvement opportunities identified from the assessment.</p>
Strategic/Corporate Risk and Opportunity Register and Risk Appetite	<p>Commission consultants to undertake a facilitated workshop with Senior and Directorate leads to engage and discuss ROM, to refresh the Strategic/Corporate Risk & Opportunity Register and to establish risk appetite.</p> <p>Develop a structured mechanism to monitor and report risk appetite exceptions.</p> <p>Develop and establish revised reporting arrangements and approach for the ongoing monitoring and review of the register.</p>
Build ROM Capacity	<p>Build capacity in the Corporate Risk Team through Finance Directorate Restructure and recruit staff to support the delivery and development of the ROM strategy and framework.</p> <p>Establish Directorate/Department ROM Coordinators to build capacity and support the embedding of ROM across the council, including:</p> <ul style="list-style-type: none"> - the delivery of the ROM Strategy and framework - the development/implementation of ROM IT system <p>Develop/implement tools, guidance and training programme (for officers and members) to build capacity for ROM across the organisation and to support the delivery of the ROM strategy and framework.</p>
ROM IT System	<p>Continue to embed risk and opportunity reporting and plan to move away from Word based R&O registers to technology-based solution.</p> <p>Commission, develop and implement ROM IT system to provide the basis for the recording and reporting of risk and opportunity information at Strategic/Corporate and Directorate/Service levels.</p> <p>Develop training programme to support the rollout of the system.</p>

The ROM improvement plan forms the basis of the project under the Governance & Scrutiny Theme of the Improvement and Recovery Plan. Delivery of the project plan is regularly reviewed and monitored by the Governance & Scrutiny and the Improvement & Recovery Boards through the programme management arrangements for the Improvement and Recovery Plan.



Risk and opportunity management process

The risk and opportunity management process adopted at the Council is broadly based on the standards and good practice guidance for Risk Management (e.g., ISO31000, ALARM)

The process is cyclical and applied on a regular basis to help identify and new or emerging risks/opportunities and to embed the practice into the culture of the council. The process begins by establishing the context (e.g., objective, outcome, activity) to enable the risks/opportunities to be identified and evaluated.

An appropriate time for considering new and emerging risk and opportunities is at the business or project planning phase, as risks/opportunities should be identified, which could impact on the achievement of the objectives set out in the plans.

Identification

A risk or opportunity is an uncertainty that could have adverse or beneficial effects on the achievement of objectives. The initial stage of risk and opportunity management sets out to identify the exposure to these uncertainties. This requires knowledge of the Council and its services, the market in which it operates, the legal, social, political and cultural environment in which it exists, as well as the development of a sound understanding of its strategic and operational objectives, including the factors critical to success and the achievement of objectives.

The council is exposed to a wide range of risks/opportunities and it is clear that only those items which have been identified can be managed, therefore the more comprehensive the approach to identification, the better placed the service will be to manage risk and opportunity.

The tables below outline some of the key categories of risk and opportunity facing the Council. The categories are neither prescriptive nor exhaustive but provide a prompt for identifying a broad range of risks/opportunities facing the Council and draws on identification techniques such as PESTLE (Political, Economic, Social, Technical, Legal, Environmental) and operational analyses.

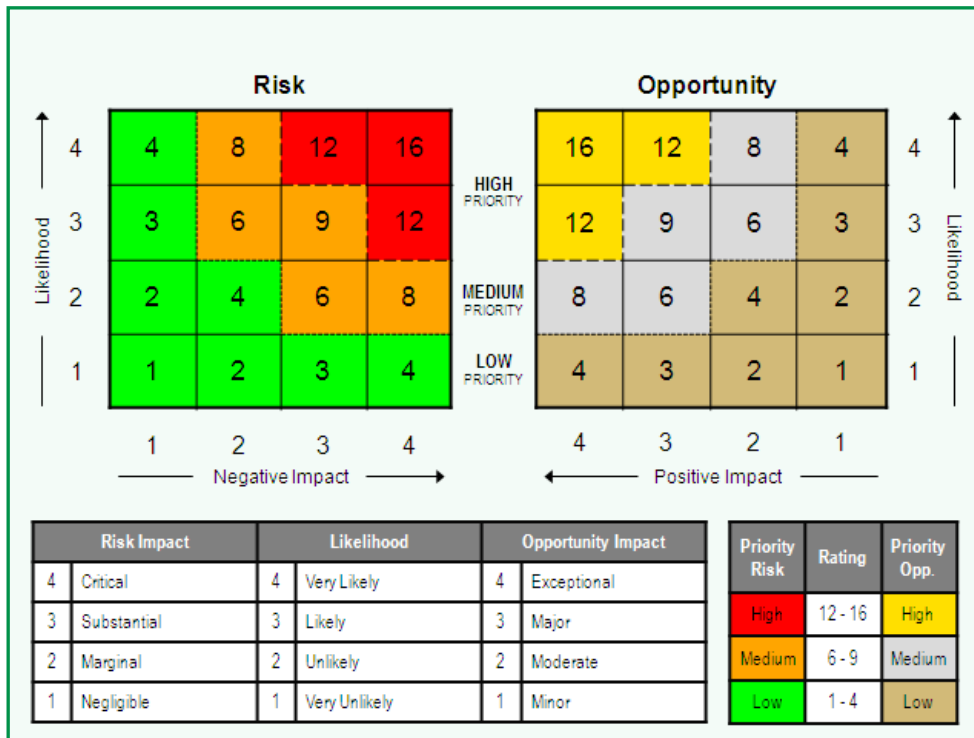
Political	Arising from the political situation - e.g., Effects of change of government policy, national or local political pressures or control, meeting the administration's manifesto commitments
Economic / Financial	Arising from the national, local and organization specific economic and the financial planning and control framework - e.g., Effects of the economic situation on the ability to deliver objectives; Associated with accounting and reporting, internal financial delegation and control
Social	Arising from national and local demographics and social trends - e.g., Effects of changes in demographic, residential and social trends on ability to deliver objectives.
Technological	Arising from technological change and organizational technological situation - e.g., Capacity to deal with obsolescence and innovation, product reliability, development and adaptability or ability to use technology to address changing demands
Legal / Regulatory	Arising from changes to legislation and/or possible breaches of legislation; Current and potential legal changes and the organisation's regulatory information - e.g., Effects of change of UK and regulatory changes; Legal challenges, corporate liabilities, contractual liabilities, and employment disputes. Compliance with the Equality Act & PS Equality Duty.
Environmental	Arising from inherent issues concerned with the physical environment - e.g., Environmental effects of progressing strategic objectives (i.e., climate change, energy efficiency, pollution, recycling, emissions etc.)
Competitive	Arising from the organisation's competitive spirit and the competitiveness of services, etc. - e.g., Affecting the competitiveness (cost & quality) of the service and ability to deliver value for money and general market effectiveness.
Customer / Citizen	Arising from the need to meet current & changing needs or expectations of customers and citizens - e.g., Satisfaction of customers, citizens, and other stakeholders
Managerial / Professional	Arising from the need to be managerially/professionally competent - e.g., Issues inherent in professional work such as assessing vulnerable children/adult welfare, designing structures or recruitment/retention of appropriate staff and workforce development.
Partnership / Contractual	Arising from partnerships and contracts - e.g., Supply chain management, failure of contractors to deliver services or products to the agreed cost & specification. Procurement, contract and relationship management. Partnership arrangements and management.
Physical	Arising from physical hazards or possible gains associated with people, land, buildings, vehicles, plant & equipment - e.g., Health, well-being, safety of people; Security of land and buildings; Safety of plant and equipment.
Other e.g., Reputational	Arising from potential negative publicity which impacts on service user and public confidence in the Council

Evaluation

Once identified, each risk and opportunity are assessed and evaluated a score for both impact and likelihood, the combined outcome of this provides the rating. To ensure consistency and the ability to compare and report on the various levels of risk/opportunity the council uses a 4x4 risk and opportunity matrix and a common set of criteria to assess the likelihood of the event occurring and the impact if it was to happen. See risk and opportunity matrix on page 11 and the Criterial Guide for Impact and Likelihood under Annex A, pages 17 to 18 for further reference.

Each item identified will initially be evaluated for its inherent (gross) level of risk/opportunity. That is assuming the absence of any controls and/or management actions. Its significance will be judged in relation to its impact and likelihood. The item will then be re-evaluated for its residual (net) level of risk/opportunity using the same factors but taking into account the controls and/or management actions already in place which affect the likelihood and impact.

The 4x4 matrices and the Criteria Guide for Impact and Likelihood are used to evaluate risk and opportunity. The impact of risk is expressed in terms of Critical, Substantial, Marginal and Negligible, and the impact of opportunity is expressed in terms of Exceptional, Major, Moderate and Minor. The likelihood of risk/opportunity is expressed in terms of: Very Likely, Likely, Unlikely and Very Unlikely



Risk and opportunity matrix

The model defines the 'High' priority items that require management focus and for risk include a line of tolerance. Any risk above the tolerance line will be escalated to the next management level for attention (see Risk Appetite page 6 for further reference). Risks with an overall rating of 12 to 16 will be regarded as principal risks and through the escalation arrangements considered by Senior Leadership Team for inclusion in the Strategic/Corporate Risk and Opportunity Register.

In addition, risks with a high impact score of 4 (Critical) with a low likelihood score of 2 (Unlikely) or 1 (Very Unlikely) can be put forward by Director, Directorate Management Team or Senior Leadership Team for inclusion in the Strategic/Corporate Risk and Opportunity Register, as it is recognised that these risks with a 'Critical' impact despite the level of controls/mitigation in place could suddenly become a priority concern and therefore require oversight at the higher level.

Response

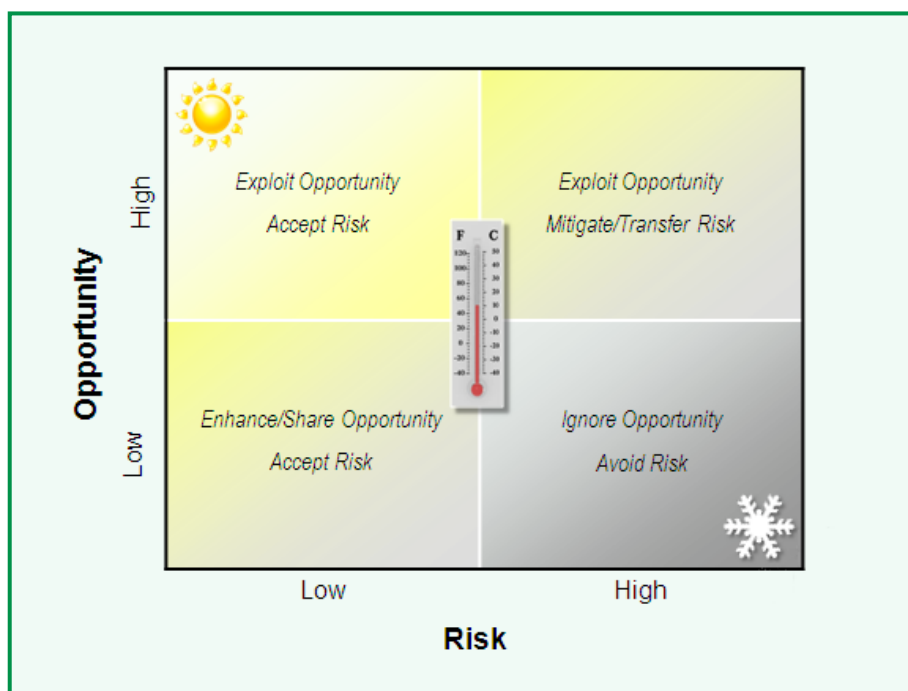
Following identification and evaluation the response strategies for the high, medium and low priority risk/opportunities are determined and the manage response arrangements established to address the items. The management response options include one or more of the following:

Risk Management Response Strategies	Opportunity Management Response Strategies
<p>Mitigate - Reducing the size of the risk in order to make it more acceptable by reducing the likelihood and/or impact.</p> <p>Accept - Recognizing that some risks must be taken and responding either actively by allocating appropriate contingency arrangements or passively doing nothing except for monitoring the status of the risk.</p> <p>Transfer - Identifying another stakeholder better able to manage the risk, to which the responsibility can be passed.</p> <p>Avoid - Eliminate the uncertainty by making it impossible for the risk to occur (e.g. discontinue activity), or by executing a different approach to eliminate the risk.</p>	<p>Enhance - Seek to increase the likelihood and/or the impact of the opportunity in order to maximize the benefit.</p> <p>Ignore - Minor opportunities can be ignored, by adopting a reactive approach without taking any explicit actions.</p> <p>Share - Seek a partner/stakeholder able to manage the opportunity, which can maximize the likelihood of it happening and increase the potential benefits.</p> <p>Exploit - Seek to make the opportunity definitely happen. Aggressive measures to ensure the benefits from the opportunity are realized.</p>

The items identified and evaluated can be a mix of pure risks and opportunities that are unrelated to any other items, opportunities with related risks and risks with related opportunities.

Once this is established and the links created the management response strategies for each situation can then be determined and prioritized.

Examples are included in the adjacent graphic and the following table:



E.G. Management response strategies - opportunity & risk.

Situation	Examples - Management Response Strategy
High Priority Opportunity (pure opportunity with no related risks)	Check findings to ensure correct. If substantiated exploit the opportunity if possible.
High Priority Risk (pure risk with no related opportunity)	Check findings to ensure correct. If substantiated mitigate or avoid the risk if possible.
High Priority Opportunity matched by Low Priority Risk	Check findings and current controls for risk to ensure correct. If substantiated exploit opportunity if possible.
High Priority Opportunity held back by High Priority Risk	Check findings to ensure correct. If substantiated undertake analysis on what can be done to mitigate/reduce the risk so that the opportunity can be exploited
Low Priority Opportunity matched by Low Priority Risk	Check current controls for risk to ensure correct. If substantiated undertake analysis on what can be done to enhance the opportunity.
Low Priority Opportunity matched by High Priority Risk	The risk is high and the opportunity is low. This suggests that the risk should be avoided by ignoring the opportunity.

In the main action plans are developed to address the risks/opportunities, especially for those rated as high priority or with a high impact score. The plans record the additional actions required to further mitigate and manage the risk/opportunity.

Review

The council maintains a register of its key strategic/corporate risks and opportunities and operational risk/opportunity registers are captured in business plans. Risk and opportunity registers are a critical tool for capturing, reviewing and reporting risk/opportunity information. The various risk/opportunity registers are currently maintained in Word documents. This is cumbersome and our aim is to move away from the word-based registers to a technology-based solution with the aim of commissioning a system and commencing roll out by the end of 2023/24.

The data within the register is used to inform the business of the risks/opportunities it faces in delivering outcomes and the services of the council. The risk and opportunity management IT system will be administered by the Corporate Risk Team, managed out in the organisation by the directorate risk and opportunity management coordinators and enable users to review and update information as appropriate. The Corporate Risk Team would need to promote self-service by delivering training to the users across the organisation. The system will enhance the approach and provide a more effective solution for the recording, review and reporting of strategic, corporate, directorate and service level risk/opportunity information.

The Council's risk and opportunity profile is segmented into the following areas.

Strategic/Corporate – Significant or Strategic risks/opportunities facing the council and the achievement of its objectives and priorities, including any key Corporate (cross cutting) items that are likely to have an impact upon the aims of the organisation.

Directorate/Service – Risks and opportunities that are likely to have an impact on directorate and service objectives, priorities and plans.

Programme/Project & Partnerships - Risks and opportunities that are likely to have an impact on programme, project or partnership objectives and plans.

Each area refers to a dedicated risk register or set of registers. Once risks/opportunities have been identified, evaluated, prioritised and further management actions established, the details will be recorded in the appropriate risk register. The residual and forecast ratings will be used to measure performance in managing risk/opportunity and the high rated items will be subject to more focus and review by the risk/opportunity owner.

Recording and Reporting

Regular review and reporting on the status of key strategic/corporate and operational risks/opportunities and the measures of success will show increased accountability for the delivery upon the management actions and demonstrate the Council's commitment to risk/opportunity management

Having complete and current risk/opportunity information available is vital to the Council, as this information drives business performance through the ability to make informed decisions. The table below outlines the types of items the Council will report on the Strategic/Corporate Risk & Opportunity Register:

Type	Description Summary
Strategic Items	Significant strategic risks to and opportunities for the achievement of the Council's priorities and objectives. The monitoring of these items is coordinated by the Corporate Risk Team and reviewed quarterly by Senior Leadership Team (SLT).
Corporate Items	Significant corporate or cross cutting risk to and opportunities for the achievement of the Council's priorities and objectives. These items impact upon more than one important service and link to the aims of the Council. The monitoring of these items is coordinated by the Corporate Risk Team and reviewed quarterly by Senior Leadership Team.
New or Emerging Items	New or emerging risks/opportunities that could potentially impact the achievement of the Council's objectives (e.g., external risks with regard new legislation or regulation). Senior Leadership Team will determine whether new/emerging items warrant inclusion in the register.
Items By Exception	These are items specific to one or more Directorate or Service that are escalated for review and consideration for inclusion in the register by SLT because of one or a number of the following reasons: <ul style="list-style-type: none"> • The risk/opportunity becomes unmanageable at Directorate/Service level and/or need higher level overview and management. • The risk/opportunity will impact multiple Directorates/Services should it materialize or develop. • At the current level the risk rating cannot be controlled/contained. • The risk rating remains high despite the mitigations in place or implemented. • The risk impact rating is 'Critical' with a low likelihood score of 2 (unlikely) or 1 (very unlikely) and despite the management actions in place could materialize and become a priority concern, and therefore require oversight by SLT to consider the position and contingency in place.

Further details on the reporting and escalation of risk/opportunity are covered in the next section and the table in Annex B outlines the frequency of risk/opportunity reporting requirements under the governance arrangements for risk and opportunity management.

Risk and Opportunity Escalation

Important to effective risk and opportunity management is the reporting of information to the appropriate management level. To ensure risks/opportunities are effectively managed across all levels of the organization the following escalation arrangements have been established.

Strategic/Corporate Level – Risks/opportunities at this level will have the following characteristics:

- Risks and opportunities identified by Senior Leadership Team (SLT) and/or Members that impact directly on the strategic priorities or objectives (Corporate Plan).
- Strategic issues that are likely to have an impact on the medium to long term goals and tend to link to the strategic priorities and objectives (Corporate Plan).
- Corporate or cross cutting issues that are likely to impact upon more than one critical service.
- Risks/opportunities at departmental/service or programme/project/partnership level that if realized would impact on the strategic priorities/objectives (Corporate Plan) and/or need Cabinet management intervention.
- Risks/opportunities with significant financial or reputation impact that require Senior Leadership Team overview and management.

This level sets the tone for effective risk and opportunity management across the whole organisation. The highest level of risk/opportunity is managed at this level. The Corporate Risk Team coordinate regular reviews of strategic/corporate risks and opportunities. Reports on the key business critical risks/opportunities are reviewed by the Senior Leadership Team and Standards & Audit Committee.

Directorate/Service Level - Risks and opportunities at this level tend to be identified and managed by the directorate and/or service management teams. Risks/opportunities assigned to this level will have the following characteristics:

- Risks/opportunities identified by departmental or service management teams that are likely to have an impact on short to medium term goals and tend to link to directorate/service level objectives and plans.
- Risks/opportunities identified at project or partnership level that are likely to have an impact on service objectives and need directorate or service management team intervention.

Key risks/opportunities facing directorates/services and the delivery of objectives and plans are identified and managed by the directorates and services. This level is the key lever for escalation of risks and opportunities through to a strategic/corporate level where they are no longer manageable by the directorate/service alone. Regular reviews of risk/opportunity are undertaken by the directorate/service areas as part of the monitoring of performance against the directorate/service plans.

Programme, Project & Partnership Level - Risks and opportunities at this level tend to be identified and managed by programme, project & partnership teams, or boards. Risks/opportunities at this level will have the following characteristics:

- Risks/opportunities that impact on individual programme, project, or partnership objectives and which can be managed by the programme, project or partnership board, manager, or team.
- Risks/opportunities that impact on directorate or service objectives and which can be managed by the programme, project or partnership board, manager, or team.

Key risks/opportunities are identified from the initial business case stage in the establishment of a programme/project or partnership and are continually managed and reviewed throughout the lifecycle of the arrangement to ensure objectives are achieved. Where there is a programme/project or partnership risk and opportunity register in place consideration should be made as to the inclusion of an overarching risk/opportunity on the relevant directorate/service level risk/opportunity register. Regular reviews of risk/opportunity are undertaken by appropriate board, manager or team as part of the monitoring and reporting of performance against programme/project or partnership plan.

Escalation and De-escalation

The considerations for when to escalate risk/opportunity up or de-escalate items down, whether it is between programme, project or partnership and directorate/service or directorate/service include:

Escalation to higher level:

- The risk/opportunity becomes unmanageable at the current level and/or need higher level overview and management.
- The risk/opportunity will impact multiple teams/services/directorates/projects should it materialize or develop.
- At the current level the risk rating cannot be controlled/contained.
- The risk rating remains high despite the mitigations in place or implemented.

Further practice that will be applied for when risk/opportunity are escalated up to strategic/corporate or directorate/service level include:

Strategic/Corporate Level:

- The Corporate Risk team should be consulted if a risk/opportunity is to be moved to strategic/corporate level so that they can make the proposal to Senior Leadership Team.
- If Senior Leadership Team agree with the inclusion of the risk/opportunity on the Strategic/Corporate Risk Register, the Corporate Risk Team will include the item in the regular monitoring cycle and coordinate reviews with the risk/opportunity owner and appropriate Director (SLT member).
- Through the regular review process the Corporate Risk Team will ensure that the risk/opportunity owner and appropriate Director (SLT member) are confident that the item should remain on the strategic/corporate risk and opportunity register, and if not facilitate the de-escalation, through Senior Leadership Team to directorate/service level.

Directorate/Service Level:

- If a risk/opportunity is to be considered for escalation up to directorate/service level (e.g., item from project or programme), or down to directorate/service level from the strategic/corporate risk and opportunity register, then consultation between the risk/opportunity owner, the risk co-ordinator and the appropriate Director should be undertaken to discuss the arrangement. This could be discussed at Directorate Management Team meeting, or remotely if appropriate.

De-escalation to lower level:

- The risk/opportunity can be controlled/managed and monitored at a lower level.
- The risk rating has decreased significantly.
- The risk/opportunity will only impact one team/service/directorate/project should it materialize or develop.
- The impact of the risk/opportunity will be limited and therefore controlled/managed and monitored at a lower level.

Guidance, Education and Training

The Corporate Risk Team is responsible for developing the provision of guidance, education, training and support for risk and opportunity management. The risk and opportunity intranet page, along with the supporting material will be reviewed and updated to support the delivery of the ROM strategy and framework. New ways to engage with officers and members to help with the understanding and embedding of effective risk and opportunity management is under review, with the options for digital learning and development on the agenda. New guidance and training modules are to be developed and rolled out in line with the strategy and improvement plan for risk and opportunity management.

Integration with Performance , Control & Assurance Frameworks

The links between Performance, Control, Assurance and Risk/Opportunity are recognised by the Council. In general, the performance management framework facilitates the delivery of planned services and the delivery of objectives. Risk and opportunity management and internal control are integral parts of the performance management and support the achievement of objectives through the identification and management of the key risks/opportunities facing the authority.

Auditing of the risk and opportunity management framework is undertaken by Internal Audit in accordance with the audit plan and recommendations arising are fed back through the risk management framework to ensure continued improvement. The information from reviews of the risk and opportunity management framework also informs Internal Audits annual opinion of the robustness of the Council's risk and opportunity management arrangements.

The strategic/ corporate risk and opportunity register along with other key sources of information are reviewed and considered by Internal Audit to inform the development of the Audit Strategy and Audit Plan.

To provide assurances that adequate measures have been taken to manage risk and opportunity it is important that risk and opportunity management is applied across the organisation. To support this risk and opportunity management has been incorporated into the performance management framework and service planning processes and through the application of the risk and opportunity methodology, the key risks and opportunities facing the council and its services are identified and managed.

The Corporate Risk Team continues to work closely with Internal Audit and the Strategy teams to ensure the principles of risk and opportunity management, performance management and internal control remain integrated. It is recognised that to help move the Council forward the organisation needs to establish a revised Performance Management and Assurance Framework and the Strategy, Corporate Risk and Internal Audit teams are to work with a wider group to develop the framework.

Roles and Responsibilities

Responsibility for risk and opportunity management runs throughout the Council and everyone has a role to play. Risk and opportunity management is only considered to be truly embedded when its functions as part of the Council's day-to-day operations. To enable this to be achieved it is important that clarity exists to determine the various roles and responsibilities of individuals and groups involved throughout the organisation in the risk/opportunity management process and this strategy formalises those responsibilities. The roles and responsibilities for risk and opportunity management are set out in Annex B, page 19.

Criteria Guide for Impact and Likelihood

Risk

Opportunity

Risk		Opportunity	
Negative Impact	Indicator	Positive Impact	Indicator
4 Critical	<ul style="list-style-type: none"> Inability to deliver a number of strategic objectives or a priority. Major loss of service, including several important service areas Major reputation damage - adverse central government response, involving threat of / removal of delegated powers or adverse and persistent national media coverage Loss of Life Major personal privacy infringement - All personal details compromised Huge financial loss/cost - >£1M in a year. Up to 75% of budget. Major disruption or huge impact on ability to achieve project objectives. 	4 Exceptional	<ul style="list-style-type: none"> Exceptional improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objectives/priorities National award or recognition/elevated status by national government Positive national press/media coverage Major improvement to the health, welfare & safety of stakeholders Income/savings of >£500K in a year or exceptional saving of resource (e.g. time and labour)
3 Substantial	<ul style="list-style-type: none"> Inability to deliver an organisational priority or strategic objective. Major disruption to important service or a number of service areas. Significant reputation damage - adverse publicity in professional/municipal press or adverse local publicity of a major and persistent nature. Major injury. Many individual personal details compromised / revealed Major financial loss/cost - >£500K - <£1M in a year. Up to 50% of budget Significant disruption or impact on ability to achieve project objectives. 	3 Major	<ul style="list-style-type: none"> Major improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. Regional recognition for initiative, partnership or arrangement. Positive publicity in professional/municipal press or sustained positive local publicity. Significant improvement to the health, welfare & safety of stakeholders Income and/or savings of >£250K - <£500K or major savings of resource (e.g. time and labour).
2 Marginal	<ul style="list-style-type: none"> Significant disruption to important service or major disruption to non crucial service. Moderate reputation damage - adverse local publicity / local public awareness Serious injury Some individual personal details compromised / revealed High financial loss/cost – >£100K - <£500K in a year. Up to 25% of budget Moderate disruption or impact on ability to achieve the project objectives. 	2 Moderate	<ul style="list-style-type: none"> Moderate improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. Borough or County wide recognition for initiative, partnership or arrangement. Positive local publicity / local public awareness Moderate improvement to the health, welfare & safety of stakeholders. Income and/or savings of >£100K - <£250K or moderate savings of resource (e.g. time and labour).
1 Negligible	<ul style="list-style-type: none"> Brief disruption to important service or significant disruption to non crucial service. Minimal reputation damage - no external publicity and contained within Council Minor injury or discomfort. Isolated individual personal detail compromised/ revealed Low or medium financial loss/cost <£100K in a year. Up to 10% of budget Minor disruption or impact on ability to achieve the project's objectives. 	1 Minor	<ul style="list-style-type: none"> Minor improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. Local level recognition for initiative, partnership or arrangement. Minor positive local publicity Minor improvement to the health, welfare & safety of stakeholders. Income and/or savings of <£100K or minor saving of resource (e.g. time and labour)

Criteria Guide for impact levels

Risk

Likelihood	Indicator
4 Very Likely	<ul style="list-style-type: none"> • More than 75% chance of occurrence • Will probably occur at some time or in most circumstances. • Circumstances frequently encountered - daily, weekly, monthly and quarterly.
3 Likely	<ul style="list-style-type: none"> • Between 40% and 75% chance of occurrence. • Fairly likely to occur at some time or in some circumstances. • Circumstances occasionally encountered - occurs once every 1 to 2 years.
2 Unlikely	<ul style="list-style-type: none"> • Between 10% and 40% chance of occurrence. • Fairly unlikely to occur, but could occur at some time. • Occurs once every 2 to 3 years
1 Very Unlikely	<ul style="list-style-type: none"> • Less than 10% chance of occurrence. • May occur only in exceptional circumstances. • Has never or very rarely happened before.

Opportunity

Likelihood	Indicator
4 Very Likely	<ul style="list-style-type: none"> • More than 75% chance of happening. • A clear opportunity already apparent, which can easily be achieved with a bit of further work or management. • Achievable in under 1 year (12 months)
3 Likely	<ul style="list-style-type: none"> • Between 40% and 75% chance of happening. • An opportunity that has been identified and/or explored and may be achievable but will require some further work or management. • Achievable between 1 to 2 years
2 Unlikely	<ul style="list-style-type: none"> • Between 10% and 40% chance of happening • Opportunity that is fairly unlikely to happen that will need full investigation and require considerable work or management. • Achievable between 2 to 3 years
1 Very Unlikely	<ul style="list-style-type: none"> • Less than 10% chance of happening. • Opportunity that is very unlikely to happen that will need full investigation and require considerable work or management. • Achievable in more than 3 years

Criteria guide for likelihood levels

Page 28

Risk					Opportunity							
<i>Very Likely</i>	4	4	8	12	16	<i>High Priority</i>	16	12	8	4	4	<i>Very Likely</i>
<i>Likely</i>	3	3	6	9	12	<i>Medium Priority</i>	12	9	6	3	3	<i>Likely</i>
<i>Unlikely</i>	2	2	4	6	8	<i>Low Priority</i>	8	6	4	2	2	<i>Unlikely</i>
<i>Very Unlikely</i>	1	1	2	3	4		4	3	2	1	1	<i>Very Unlikely</i>
		1	2	3	4		4	3	2	1		
		<i>Negligible</i>	<i>Marginal</i>	<i>Substantial</i>	<i>Critical</i>		<i>Exceptional</i>	<i>Major</i>	<i>Moderate</i>	<i>Minor</i>		

Priority Risk	Rating	Priority Opp.
High	12 - 16	High
Medium	6 - 9	Medium
Low	1 - 4	Low

Risk & opportunity matrix - priority classifications and ratings

Risk and Opportunity Management Framework

Who	Key Roles & Responsibilities	Report Type	By Whom	Frequency
Council	Monitor and act upon: <ul style="list-style-type: none"> Reports from Cabinet, S&AC, PH for Finance and Head of Paid Service. Reports, recommendations and advice from S&AC 	<ul style="list-style-type: none"> e.g. ROM Strategy and Framework report and other relevant reports. 	Cabinet, S&AC, PH for Finance, Head of Paid Service.	Annual or as appropriate
Cabinet	<ul style="list-style-type: none"> Agree the ROM Strategy & Framework and receive reports on them. Hold the political responsibility for ROM within each individual portfolio. Identify a lead Portfolio Holder for ROM 	<ul style="list-style-type: none"> ROM Strategy & Framework and other relevant reports. Receive updates on the Strategic/Corporate R&Os & action plans 	Standards & Audit Committee and Senior Leadership Team	Annual or as appropriate
Standards & Audit Committee (S&AC)	<ul style="list-style-type: none"> Oversee and challenge assurance and the ROM arrangements 	<ul style="list-style-type: none"> Review of ROM Strategy & Framework Receive updates on the Strategic/Corporate R&Os & action plans Receive assurance on effectiveness of ROM 	Director of Finance	<ul style="list-style-type: none"> Annual Quarterly or as required by S&AC Annual
Councillors	<ul style="list-style-type: none"> Support and promote risk & opportunity management Consider risks/opportunities involved in any key decisions made 	<ul style="list-style-type: none"> Report risks/issues in line with procedures (e.g. service requests, enquiries, etc). 	Councillors	<ul style="list-style-type: none"> As appropriate
Senior Leadership Team	<ul style="list-style-type: none"> Strategic leadership group for ROM Oversee the ROM Strategy & Framework Responsible for effectiveness of R&O and assurance arrangements and any management or mitigation. Quarterly monitoring of Strategic/Corporate R&Os/associated action plans. 	<ul style="list-style-type: none"> Review of ROM Strategy & Framework. Reviews of Strategic/Corporate R&Os and action plans. Annual Review of ROM 	Director of Finance	<ul style="list-style-type: none"> Annual Quarterly Annual
Corporate Risk Team	<ul style="list-style-type: none"> Establish the ROM Strategy & Framework Stewardship of the Strategic/Corporate R&O Register Review of ROM Establish Operational ROM, ROM IT System, Guidance & Training Provide consultancy and advice on ROM 	<ul style="list-style-type: none"> Review of ROM Strategy & Framework. Reviews of Strategic/Corporate R&Os and action plans. Annual Review of ROM 	Corporate Risk Team, Corporate Risk & Insurance Manager.	<ul style="list-style-type: none"> Annual Quarterly Annual
Directors & Assistant Director	<ul style="list-style-type: none"> Monitoring of Strategic/Corporate R&Os for the directorate or Council. Escalation as appropriate of Strategic/Corporate R&Os to SLT Monitoring of high priority R&Os facing the directorate or Council (e.g. directorate, service, programme, project, partnership R&Os) 	<ul style="list-style-type: none"> Reviews of Strategic/Corporate R&Os and action plans to SLT Report to Portfolio Holders on the high priority R&Os facing the Directorate or Council 	Directors & Assistant Directors	Quarterly or as required by Director or PH
Directorate/Department Management Team	<ul style="list-style-type: none"> Identification and monitoring of Strategic/Corporate and other key risks/opportunities facing the directorate/department Escalation as appropriate of S/C R&Os to SLT Appoint coordinator to drive forward ROM for the directorate 	<ul style="list-style-type: none"> Review of R&Os and R&O Registers as a standing agenda item at DMT meetings DMT to receive & approve updates to S/C R&Os and action plans DMT agree escalation of items to the S/C R&O Register (e.g., high priority items) 	Directors, Assistant Directors, Heads of Service	Quarterly or as required by Director or DMT
Directorate ROM Coordinator	<ul style="list-style-type: none"> Support the review and development of ROM Strategy & Framework. Support the review of the Strategic/Corporate R&Os register. Support the Review of ROM Support the development/establishment of Directorate/Service level ROM 	<ul style="list-style-type: none"> Review of ROM Strategy & Framework. Reviews of Strategic/Corporate R&Os and action plans. Annual Review of ROM 	Corporate Risk Team, Corporate Risk & Insurance Manager	<ul style="list-style-type: none"> Annual Quarterly Annual
Head of Service	<ul style="list-style-type: none"> Identification, management and review of R&Os within their Service or area of responsibility. Monitoring and escalation as appropriate of R&Os to either Director/Assistant Director or relevant DMT 	<ul style="list-style-type: none"> Review of R&Os and R&O Registers as a standing agenda item at Service SMT meetings. Review of Strategic/Corporate R&Os and action plans to DMT 	Heads of Service	Quarterly or as required by Director, Assistant Director or DMT
Programme/Partnership Board & Project Manager	Responsible for the identification, management and monitoring of R&Os within their given areas.	<ul style="list-style-type: none"> Report on the management of R&Os and escalation of high priority R&Os as required or necessary 	Programme Boards, Partnership Boards and Project Managers	Quarterly or as required by Director, AD or DMT
Employee	<ul style="list-style-type: none"> To manage risk effectively in their job and report hazards, risks or opportunities to their Head of Service, Assistant Director or Director. Identify and manage R&Os to the delivery of individual objectives 	<ul style="list-style-type: none"> Report incidents/risks in line with corporate procedures/policies. Report R&Os to the delivery of individual objectives 	All Employees	<ul style="list-style-type: none"> As necessary Regular PDR

This page is intentionally left blank

30 October 2023	ITEM: 6
Standards & Audit Committee	
Internal Audit Progress Report 2023/24	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Director: Asmat Hussain – Interim Director of Legal & Governance and Monitoring Officer	
This report is Public	

Executive Summary

The 6-month Internal Audit Plan 2023/24 was discussed and agreed by the Standards & Audit Committee at their meeting of 19th July 2023. This is the first progress report since that meeting and covers final reports issued, draft reports issued and work in progress.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Consider the work being carried out by Internal Audit in relation to the 2023/24 audit plan.

Agree changes to the protocol for the circulation of final internal audit reports.

2. Introduction and Background

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

2.2 The Internal Audit Service carries out the work to satisfy this legislative requirement and part of this is reporting the outcome of its work to the Standards & Audit Committee.

2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and formally approving the Annual Governance Statement. The audit work carried

out by the Internal Audit Service is a key source of assurance to the Standards & Audit Committee about the operation of the internal control environment.

- 2.4 The audits contained in the 6-month Internal Audit Plan 2023/24 are based on an assessment of risk for each system or operational area. The assessment of risk includes elements such as the level of corporate importance, materiality, service delivery/importance and sensitivity.

3. Issues, Options and Analysis of Options

- 3.1 The reports issued by Internal Audit provide 4 levels of assurance opinion. The 4 opinions use a Red/Amber/Green (RAG) assurance level and reports are now categorised as:

- Green; Amber/Green (positive assurance opinions);
- Amber/Red (negative assurance opinion that provides some assurance but a number of weaknesses were identified); and
- Red (negative assurance opinion).

- 3.2 The purpose of this progress report is not only to highlight reports issued as final but to provide members with an update on work which has reached the draft report stage and work currently in progress. The status of work currently being undertaken is shown in the table at Appendix 1.

- 3.3 During the period being reported on, we have finalised 1 report on the Contract Waiver Process which received an Amber/Red (negative) assurance opinion. Following a 1 to 1 meeting with the Chair of the Standards and Audit Committee on 1st August 2023, the level of detail provided when reporting final reviews has been increased to include the results of the testing.

- 3.4 Further 1 to 1 meetings were held with the Chief Executive and Chair of the Standards and Audit Committee where the circulation list for the issuing of final reports was discussed. The current arrangements limit circulation to the senior management of the service area and Section 151 Officer. Both the Chief Executive and Chair agreed an amended increased circulation as detailed in Appendix 1 of the report.

- 3.5 We also continue to support Children's Service by undertaking monthly assessments of 20% of the claims being submitted as part of the Supporting Families Programme. It is a requirement of the programme that these are carried out by internal audit.

- 3.6 Following meetings with Mazars, the APEX framework is being utilised to provide additional resources to support the service in the delivery of the plan. Dates have been agreed with work to commence during September and October.

3.7 An internal self-assessment of the service against the Public Sector Internal Audit Standards has been undertaken and is included as a separate item on the agenda of this meeting.

4. Reasons for Recommendation

4.1 To assist the Standards & Audit Committee in satisfying itself that progress against the Internal Audit Plan is sufficient as one of the means of assuring itself of the effective operation of internal controls.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The 6-month audit plan is periodically discussed with the Chief Executive, Directors and Assistant Directors before being reported to Senior Leadership Team and the Standards & Audit Committee.

5.2 All terms of reference and draft reports are discussed and agreed with the relevant Corporate Directors, Directors, Assistant Directors and/or management before being finalised.

5.3 The Internal Audit Service also consults with the council's External Auditors to ensure that respective audit plans provide full coverage whilst avoiding duplication.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The council's corporate priorities were used to inform the annual audit plan 2022/23. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead Finance

The costs associated with the implementation of audit recommendations will be considered and, where possible, met from existing budgets within the services.

7.2 Legal

Implications verified by: **Jayne Middleton-Albooye**
Interim Head of Legal Services and Deputy Monitoring Officer

The contents of this report and appendix form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. The council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and achievement of its aims and objectives; ensures that the financial and operational management of the council is effective; and includes effective arrangements for the management of risk.

At least annually the council must undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no direct diversity or equality implications arising from this progress report.

7.4 Other implications (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

In terms of risk and opportunity management, the 6-month Internal Audit Plan and its outcomes are a key part of the council's risk management and assurance frameworks. The Internal Audit Plan is based on risk assessments that include a review of the council's risk and opportunity register.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Strategy for Internal Audit and 6-month Internal Audit Plan 2023/24
- Internal Audit Reports issued in 2023/24.

9. Appendices to the report

Appendix 1 – Internal Audit Progress Report 2023/24

Report Author Contact Details:

Name: Gary Clifford

Title: Chief Internal Auditor

Department: Internal Audit Service

This page is intentionally left blank

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2023/24

Date of Committee: 30th October 2023

Introduction

The 6-month internal audit plan for 2023/24 was presented to the Standards & Audit Committee on 19th July 2023.

Table showing reports issued as Final, in Draft and the status for Work in Progress (i.e. Planning or Fieldwork)

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Contract Waiver Process	Final	Amber/Red	1	4	1
Public Sector Internal Audit Standards Self-Assessment	Complete	N/A	N/A	N/A	N/A
Risk Management	Draft	N/A	N/A	N/A	N/A
Supporting Families Programme	On-going throughout the year	N/A	N/A	N/A	N/A
Financial Strategy - Divestments	Draft	N/A	N/A	N/A	N/A
Registrars Stock and Security review	Fieldwork	N/A	N/A	N/A	N/A
Council Tax	Fieldwork	N/A	N/A	N/A	N/A
National non-Domestic Rates (NNDR)	Fieldwork	N/A	N/A	N/A	N/A
Follow-up of outstanding recommendations	Fieldwork	N/A	N/A	N/A	N/A
Housing – Payments to contractors	Planning	N/A	N/A	N/A	N/A

Other Work

We continue to develop the implementation of the upgraded version of our Teammate audit working papers software. This is now being used for all audits undertaken as part of the 2023/24 6-month plan. This has resulted in changes to our processes and procedures which only enhance the quality of the output and the evidence to support our recommendations. This provides demonstrable evidence of the progress being made and that we are working towards compliance with the Performance Standards which form part of the Public Sector Internal Audit Standards.

Initial meetings have been held with Directorate Management Teams (DMT's) to raise awareness and the profile of the service. This was initially a 15-minute slot to discuss how our attendance, on a quarterly basis, will allow us to give the service advanced warning of upcoming work and report progress on current work. We will also be able to identify any new or emerging risks, changes to systems or new practices and procedures that may impact on the plan. It also allows us to identify any major projects that may be coming up so we can provide embedded assurance by being involved from the outset.

Regular 1to1 monthly meetings have been set up with the Chair of the Standards and Audit Committee to provide updates on the work currently being carried out and any other issues that the Chief Internal Auditor feels need to be brought to his attention in relation to the

service. Two meetings have been held to date on 1st August and 4th September. A 1to1 meeting was also held with the Chief Executive on 29th August. At these meetings, the issue of the circulation of reports was discussed. Currently, reports are only circulated to the Director/Assistant Director/Strategic Lead/Operational Manager and Section 151 Officer (Key financial reviews are also shared with external Audit). To raise the profile and awareness of the work undertaken by the service and enhance members awareness of the risks in service areas, both the Chair of the Standards and Audit Committee, and the Chief Executive agreed to a significant increase in the distribution of final audit reports. It was agreed that the circulation list for final audit reports should be expanded as follows:

- Leader of the Council
- Deputy Leader of the Council
- Relevant Portfolio Holder
- Opposition Leader of the Council
- Relevant Shadow Portfolio Holder
- Chair of the Standards and Audit Committee
- Chief Executive
- Commissioners – Gavin Jones and Nicole Wood
- Section 151 Officer
- Monitoring Officer
- Director/Assistant Director/Strategic Lead/Operational Manager in the service area

This will significantly enhance the reporting process and ensure members and senior management are better informed around the risks the Council faces and much more engaged with the internal audit service.

The self-assessment against the Public Sector Internal Audit Standards is completed and is reported separately on this agenda.

In addition, an indicative draft plan for the second half of 2023/24 was discussed with the Chief Executive and Chair of the Standards and Audit Committee. Both felt the work being programmed addressed the key issues facing the Council. Once completed, this plan will be shared with members of the Senior Leadership Team and Standards and Audit Committee for comment.

Meetings have been held with Mazars around the work they will be undertaking to support the service in meeting the plan. One of these meetings was attended by the Interim Chief Finance Officer and Interim Director of Legal and Governance and Monitoring Officer. It has been agreed with Mazars that they will initially undertake reviews around Accounts Payable, Accounts Receivable, Housing Benefits and Cyber Security. High level scopes and areas to be covered and Mazars are in the process of contacting the relevant service areas to agree the work to be undertaken and the timing of the work. These meetings are scheduled to take place in late September with fieldwork commencing in October.

As part of the Council's Improvement & Recovery Plan, Internal Audit forms one of the workstreams under the Governance & Scrutiny Programme. As part of this work, the Chief Internal Auditor contacted all Members of the Standards and Audit Committee requesting that they complete a questionnaire based on the CIPFA Skills and Knowledge Framework. All Members and the Co-opted Members replied. An initial analysis of this has now been undertaken and this will be used to inform a programme of awareness and training sessions. 3 areas were highlighted by Members as "Requires Improvement" but further analysis of the responses that were highlighted as "Acceptable" has been undertaken. This work will be used to inform a programme of training events for members which is currently being discussed with the Local Government Association.

Changes to the Plan

The Chief Internal Auditor contacted the Chair of the Standards and Audit Committee to inform him of a change to providing assurance relating to the two of the audits on the current Audit Plan. Both were linked to the Council's Financial Strategy. The affected audits are:

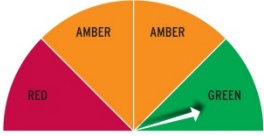
- Divestments – including Asset Disposals
- Investments

In the case of the review into the Council's divestments, it was identified that, on 27 September, full Council will receive an update on the Financial Strategy that will cover those aspects of the divestment strategy that are not commercially sensitive. It was recognised that there is more value in providing an audit opinion that accompanies the update. The Chief Internal Auditor approved an accelerated review of the Council's approach to selling the 14 investment assets. The name of this review has also been changed to Financial Strategy – Divestments.

This review splits out the property disposals aspect, which we will review through an embedded assurance approach during the second half of 2023/24.

With regards to the proposed review into the Council's new investment policies and procedures, Jonathan Wilson, Interim Director of Finance and Section 151 Officer, informed us that work on developing the new investment policy has not yet started. Given this situation, I have proposed that Internal Audit provide embedded assurance to the team that will develop the policy. This will entail joining any steering group or otherwise maintaining regular engagement with the team while it develops the new strategy.

Key Findings from Internal Audit Work

Assignment: Contract Waiver Process	Opinion: Amber/Red		
<p>Headline Findings: Our review of the Contract Waiver Process identified 1 high, 4 medium and 1 low recommendation around the adequacy of the control framework.</p> <p>Objective of the review Over recent years, there has been wider than expected acceptance within the Council to waive the competitive purchasing process. It was requested that Internal Audit review the use of such waivers and assess the adequacy and effectiveness of the control environment around the use of the waivers.</p> <p>Key Risk If there is inadequate or inappropriate preparation for letting or re-letting contracts, the Council may resort to non-competitive means to procure supplies, services or works. In such cases, the Council faces reputational damage for potential breaches of the Public Contracts Regulations and poor outcomes. It also faces financial loss through poor value for money.</p> <p>Control activities to be tested</p> <ul style="list-style-type: none"> • The Council's guidance promoting competitive purchasing / procurements • Design principles for developing commercial strategies for purchases / procurements valued over £25,000 • Planning of procurements • Publication of the Council's forward programme of commercial opportunities • Outcomes described in business cases • Staged approval process • Management information about the status of the Council's procurements. 			
Action and Response	Responsible Officer	Date	
<p>Results of Testing - In 16 of the 18 sampled procurements, the procurement approval documentation did not clearly identify how the contracted supplies, services or works would advance delivery of the Council's key priorities.</p> <p>Recommendation – Procurement Services' procedures for signing off completed Stage 1 Forms "Approval to Proceed to Tender" or "Contract Waiver Approval" forms should include a check to ensure that the business case clearly documents the relevant corporate objective / key priority that is advanced through the proposed purchase. (LOW)</p> <p>Management Response - As of the time of completing this there are no published council corporate objectives. However, category managers will check to ensure that service areas have documented the relevant links (if and where applicable) to meeting the Council's improvement plan, the Council's vision/priorities as indicated on the Council's internet page and directorate plans/objectives.</p>	Strategic Lead Procurement	By end of July 2023	
<p>Results of Testing - The Council's procurement pipeline, while showing the end dates over the next two years for approximately 500 contracts, is heavily caveated regarding the likelihood of the opportunities crystallising and does not categorise the opportunities to facilitate easy identification by potential bidders.</p> <p>While the Step-by-Step guides within the Quick Procurement Guide encourage Service Areas to conduct initial market research,</p>	Strategic Lead Procurement	By end of September 2023	

<p>Internal Audit noted that 2 of the 9 reviewed Contract Waiver Approval Forms contained documented market assessments, with four others providing grounds for not conducting market assessments. For the sampled competitive procurements, none of the reviewed Stage 1 "Approval to Proceed to Tender" Forms contained evidence of market assessments. When Internal Audit reviewed 9 completed Stage 2 Forms, "Approval to Award a Competitively Procured Contract", for recent procurements, only one had received more than 2 bids. Five of these procurements had only received one bid.</p> <p>Recommendation – Procurement Services should consult providers of services, supplies, and works to ascertain their views about, the usefulness of the Council’s procurement pipeline in flagging opportunities, and ways in which it can be improved. Procurement Services should also investigate the extent that procuring Service Areas realistically assess and build market interest. It should use the findings to benchmark targeted improvements. (MEDIUM)</p> <p>Management Response - Procurement will include a feedback link on the intranet page where the pipeline report is published on the Council’s intranet page to get feedback from the suppliers who access the page.</p> <p>Also, the format of the pipeline documentation is currently being reviewed and will be updated to include forward plans for each contract.</p> <p>Early market engagement is already being promoted to service areas as a key first step within the procurement process to not only build market interest, but also to understand current delivery models within the market, get early supplier input which feeds into the specification development. The aim is to continue with this process, so it becomes the norm when undertaking procurement processes across the Council.</p>		
<p>Results of Testing - The Council's procurement procedures promote competition; however, the guidance, the training, and the Contract Procurement Rules do not include:</p> <ul style="list-style-type: none"> ○ A description of the factors that promote effective competition. ○ Clear guidance about appropriate timetabling of procurements including good practice examples indicating the time and resources needed to prepare business requirements in consultation with the market and to foster market interest in bidding for contracts. ○ A description of the Council’s policy for using frameworks to procure services, supplies, or works. ○ A definition of the factors that constitute “exceptional circumstances” for waiving the competitive procurement process. <p>The Procurement Services' Category Managers are key parties in the process for selecting the choice of the procurement route. Their role has recently been enhanced but they need to be effective if waivers of the competitive procurement process are genuinely used in exceptional circumstances.</p> <p>Recommendation – Procurement Services should produce guidance and training material that describes the factors that promote effective competition. The material should provide guidance about the proportionate effort, time required, and the support that can be sourced from Category Managers. The</p>	<p>Strategic Lead Procurement</p>	<p>By end of December 2023</p>

<p>guidance and training should provide a description of the Council’s policy for conducting procurements through frameworks and define the factors that constitute “exceptional circumstances” for waiving the competitive procurement process. (HIGH)</p> <p>Management Response - The Quick Procurement Guide will be updated to include the information requested within the recommendation.</p> <p>Procurement will define the factors that constitute “exceptional circumstances” for waiving the competitive procurement process, However, note the definition will need to be agreed with the relevant stakeholders i.e. SLT and Legal to prevent a disconnect between the Quick Procurement Guide and the contract procedure rule.</p>		
<p>Results of Testing - The Strategic Lead Procurement informed Internal Audit that her team often alerted Service Areas well in advance of contract expiry dates, but some Service Areas were slow to engage. However, early engagement between procuring Service Areas and Procurement Services was not documented in any of the sampled procurements. Internal Audit noted that the recently modified templates for approving tendering of competitive procurements or waivers of the competitive process included a section on Procurement Implications. Within the few completed new style of forms reviewed by Internal Audit, Procurement Services had not reported whether the procuring Service Areas had made appropriate allowance within their planning and resourcing to generate interest in their contract opportunities and so reduce the risk of non-competitive procurements.</p> <p>Recommendation – Procurement Services’ guidance and procedures for Category Managers should include a description of the material that the Category Managers should cover when completing the “Procurement Implications” sections in the Stage 1 Forms “Approval to Proceed to Tender” or “Contract Waiver Approval” forms. The information that the Category Manager provides should include commentary about the steps taken to generate market interest in the proposed procurement. A structured approach will facilitate consistency in data collection. (MEDIUM)</p> <p>Management Response - The Procurement team will discuss, agree, and implement a description of the material that the Category Managers should cover when completing the “Procurement Implications” sections in the Stage 1 Forms “Approval to Proceed to Tender” or “Contract Waiver Approval” forms.</p>	<p>Strategic Lead Procurement</p>	<p>By end of September 2023</p>
<p>Results of Testing - Five of the nine sampled procurements that were granted waivers to the competitive process related to information technology licences. Continuity of the service or the proprietary nature of the service were justifications for the waivers. However, for four of these five procurements, Internal Audit did not see evidence that priced exit strategies for these types of contracts had been prepared or considered in setting either the durations of the current contracts or the approaches to exiting them in the future.</p> <p>Recommendation – Procurement Services should develop guidance that specifically addresses procurements where the product is proprietary or where continuity of service is likely to be influential in future procurements. This guidance should require</p>	<p>Strategic Lead Procurement</p>	<p>By end of December 2023</p>

<p>procuring Service Areas to build in a priced future exit strategy that is incorporated in the value for money assessment. (MEDIUM)</p> <p>Management Response - Guidance will be developed and implemented but note guidance will need to be agreed with relevant Council stakeholders to ensure a one Council approach.</p>		
<p>Results of Testing - Internal Audit did not see evidence of management information shared with stakeholders that summarised:</p> <ul style="list-style-type: none"> ○ the level of engagement between Services Areas and Procurement Services for current and future procurements valued above £25,000 ○ indicators of market interest <p>Planning by Service Areas to promote competition.</p> <p>Recommendation – Procurement Services should produce regular management information for stakeholders, including directors and heads of service, that includes the level of engagement between Service Areas and Procurement Services for current and future procurements, indicators of market interest, and planning by Service Areas to promote competition. (MEDIUM)</p> <p>Management Response - Management information is already provided to contract managers and responsible officers about contract expiry. Furthermore, the category managers alert service areas in advance of contract expiry to facilitate early planning. To enhance this, quarterly reports will be sent to DMTs and the Procurement team will attend DMTs on a quarterly basis.</p>	<p>Strategic Lead Procurement</p>	<p>By end of September 2023</p>

30 October 2023		ITEM: 7
Standards & Audit Committee		
Public Sector Internal Audit Standards Self-Assessment 2023		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Gary Clifford – Chief Internal Auditor		
Accountable Director: Asmat Hussain – Interim Director of Legal & Governance and Monitoring Officer		
This report is Public		

Executive Summary

The Institute of Internal Auditors (IIA) is the global professional body for internal auditing. It publishes the International Professional Practices Framework (IPPF) which includes the definition of internal auditing; a Code of Ethics for internal auditors; International Standards for the Professional Practice of Internal Auditing.

In the UK, the Public Sector Internal Audit Standards (PSIAS) are based on the mandatory elements of the IPPF and are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

In accordance with the PSIAS, the Chief Internal Auditor is required to provide an annual opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Consider the work being carried out by Internal Audit in relation to the Public Sector Internal Audit Standards Self-Assessment.

2. Introduction and Background

2.1 The PSIAS defines the nature of internal auditing across the UK public sector and were introduced in 2013, and later updated in 2017. They set basic principles and a framework for internal audit services, that will provide value to organisations. The PSIAS apply to all internal audit service providers, whether

in-house, shared services or outsourced and therefore, establish the basis for the evaluation of internal audit performance.

- 2.2 The PSIAS are broken down into 2 specific areas around the Attribute Standards, which looks at the characteristics of the organisation and the individuals performing internal audits, and the Performance Standards, which describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured.
- 2.3 The Attribute Standards cover the following areas:
 - Purpose, Authority, and Responsibility;
 - Independence and Objectivity;
 - Proficiency and Due Professional Care; and
 - Quality Assurance and Improvement Program.
- 2.4 The Performance Standards cover the following areas:
 - Managing the Internal Audit Activity;
 - Nature of Work;
 - Engagement Planning;
 - Performing the Engagement;
 - Communicating Results;
 - Monitoring Progress; and
 - Communicating the Acceptance of Risks.
- 2.5 It against the above areas that the self-assessment is undertaken.

3. Issues, Options and Analysis of Options

- 3.1 It has previously been reported through the Chief Internal Auditor's Annual Reports for 2021/22 and 2022/23, presented to the Standards and Audit Committee on 19th July 2023, that the Internal Audit Service is non-compliant with the PSIAS.
- 3.2 The issues highlighted within the Best Value Inspection Report issued on 15th June 2023, and the Improvement & Recovery Plan developed in response to the intervention and appointment of Essex Commissioners in September 2022 confirmed this and identified that the service was starting from a low base. Compliance with the PSIAS is a key piece of work in the Council's Improvement and Recovery Plan as part of the Governance and Scrutiny workstream.
- 3.3 The results of the self-assessment have identified 1 area of non-compliance and 2 of part compliance around the Attribute Standards. The area of non-compliance relates to the Quality Assurance Improvement Program. The area where there was part compliance were Independence and Objectivity and Proficiency and Due Professional Care. The results of this are attached as Appendix 2.

- 3.4 In respect of the Performance Standards, there were no areas identified as non-compliant but 3 areas were part compliant. These were Managing the Internal Audit Activity, Nature of the Work and Monitoring Progress. The results of this are attached as Appendix 2.
- 3.5 The current Global Standards (which include the IPPF and Public Sector Internal Audit Standards) are being revised and a consultation on a new set of Standards has recently concluded. A report on the revised Standards is due to be issued in January 2024 with implementation of the new Standards expected from January 2025.

4. Reasons for Recommendation

- 4.1 To assist the Standards & Audit Committee in satisfying itself that progress against the Public Sector Internal Audit Standards is progressing and will be sufficient as one of the means of assuring itself of the continuing development of effectiveness and efficiency of the service.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 This report has been shared with members of the Senior Leadership Team before being reported to the Standards & Audit Committee.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 Compliance with the Public Sector Internal Audit Standards is one of the key workstreams in the Governance and Scrutiny programme within the Council's Improvement and Recovery Plan.

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead Finance

There are no direct financial implications to this report.

7.2 Legal

Implications verified by: **Jayne Middleton-Albooye**
Interim Head of Legal Services and Deputy Monitoring Officer

The contents of this report and appendix form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and

the Accounts and Audit Regulations 2015. The council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and achievement of its aims and objectives; ensures that the financial and operational management of the council is effective; and includes effective arrangements for the management of risk.

At least annually the council must undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal audit standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no direct diversity or equality implications arising from this report.

7.4 **Other implications** (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

In terms of risk and opportunity management, the 6-month Internal Audit Plan and its outcomes are a key part of the council's risk management and assurance frameworks. The Internal Audit Plan is based on risk assessments that include a review of the council's risk and opportunity register.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards

9. **Appendices to the report**

Appendix 1 – Public Sector Internal Audit Standards Self- Assessment 2023 report.

Appendix 2 – THURROCK Internal Audit Service - Conformance with the Public Sector Internal Audit Standards - Checklist

Report Author Contact Details:

Name: Gary Clifford

Title: Chief Internal Auditor

Department: Internal Audit Service

Thurrock Council

Public Sector Internal Audit Standards Self-Assessment 2023

Presented at the Standards & Audit Committee meeting of 30th
October 2023

Contents

Section	Page
1. Introduction	1
2. Compliance with the Public Sector Internal Audit Standards	2
3. Overall Conclusion and Actions Moving Forward	5

1. Introduction

The International Standards for the Professional Practice of Internal Auditing

The Institute of Internal Auditors (IIA) is the global professional body for internal auditing. It publishes the International Professional Practices Framework (IPPF) which includes the definition of internal auditing; a Code of Ethics for internal auditors; International Standards for the Professional Practice of Internal Auditing; plus other strongly recommended guidance for internal auditors, designed to help them to implement and interpret the standards.

Public Sector Internal Audit Standards (PSIAS)

In the UK, the Public Sector Internal Audit Standards (PSIAS) are based on the mandatory elements of the IPPF and are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

The PSIAS apply to all internal audit service providers, whether in-house, shared services or outsourced. In accordance with the PSIAS, the Chief Internal Auditor is required to provide an annual opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The report 2022/23 was presented to the Standards and Audit Committee meeting on 19th July 2023.

The PSIAS are broken down into 2 specific areas around the Attribute Standards, which looks at the characteristics of the organisation and the individuals performing internal audits, and the Performance Standards, which describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured.

The Attribute Standards and Performance Standards cover the following areas:

Attribute Standards:

1000 – Purpose, Authority, and Responsibility:

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework

1100 – Independence and Objectivity:

The internal audit activity must be independent, and internal auditors must be objective in performing their work.

1200 – Proficiency and Due Professional Care:

Engagements must be performed with proficiency and due professional care.

1300 – Quality Assurance and Improvement Program:

The Chief Internal Auditor must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

Performance Standards:**2000 – Managing the Internal Audit Activity:**

The Chief Internal Auditor must effectively manage the internal audit activity to ensure it adds value to the organisation.

2100 – Nature of Work:

The internal audit activity must evaluate and contribute to the improvement of the organisation's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.

2200 – Engagement Planning:

Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations. The plan must consider the organisation's strategies, objectives, and risks relevant to the engagement.

2300 – Performing the Engagement:

Internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.

2400 – Communicating Results:

Internal auditors must communicate the results of engagements.

2500 – Monitoring Progress:

The Chief Internal Auditor must establish and maintain a system to monitor the disposition of results communicated to management.

2600 – Communicating the Acceptance of Risks:

When the Chief Internal Auditor concludes that management has accepted a level of risk that may be unacceptable to the organisation, the Chief Internal Auditor must discuss the matter with senior management. If the Chief Internal Auditor determines that the matter has not been resolved, the Chief Internal Auditor must communicate the matter to the board.

It is against the above Standards that the self-assessment is undertaken.

2. Compliance with the Public Sector Internal Audit Standards

It has previously been reported through the Chief Internal Auditor's Annual Reports for 2021/22 and 2022/23 that the Internal Audit Service is non-compliant with the PSIAS. The issues highlighted within the Best Value Inspection Report issued on 15th June 2023, and the Improvement & Recovery Plan developed in response to the intervention and

appointment of Essex Commissioners in September 2022, identified that the service was starting from a low base. Compliance with the Standards has been identified as key to the Council's Improvement and Recovery Plan as part of the Governance and Scrutiny workstream.

Attribute Standards:

1000 – Purpose, Authority, and Responsibility:

The existing Internal Audit Charter sets out the purpose, authority and responsibility of the Council's Internal Audit Service. It was presented to the Standards and Audit Committee on 23rd February 2023 for endorsement and adoption. (Compliant)

1100 – Independence and Objectivity:

It is clear from the outcomes of the Best Value Report that the internal audit activity was not independent, and the resourcing issues meant little work was being completed. However, this is being addressed and the Chief Internal Auditor now has regular monthly meetings with the Chair of the Standards and Audit Committee, quarterly meeting with the Chief Executive and now attends DMT's on a quarterly basis. (Part compliant)

1200 – Proficiency and Due Professional Care:

The Head of Audit is suitably qualified and experienced. He has been supported since April 2023 by a very competent Senior Internal Auditor. However, the other 2 more junior members of the team do not have the level of competencies, skills and experience that they require to work independently so additional close supervision has had to be provided. The APEX framework with Mazars is being utilised to provide additional support. (Part compliant)

1300 – Quality Assurance and Improvement Program:

The Service does not currently have a quality assurance and improvement program. The Chief Internal Auditor and the Senior Internal Auditor have, however, been progressing improvements to address shortfalls in the services' compliance with the Performance Standards. In response to this self-assessment, the Chief Internal Auditor will be developing a formal quality assurance and improvement plan and program that covers all aspects of the internal audit activity. This will be presented to the Senior Leadership Team and Standards and Audit Committee. (Non-compliant)

Performance Standards:

2000 – Managing the Internal Audit Activity:

There is a 6-month rolling plan in place which was developed through discussions with senior management and considered the Council's Corporate Risk and Opportunity Register and the work of other assurance providers. Changes to the plan have to be agreed with the Chair of the Standards and Audit Committee and reported to its next meeting. The Internal Audit Manual is currently being revised and updated to reflect the changes brought about by the introduction of the new TeamMate Working Papers software. A formal assurance mapping exercise has not been carried out. Progress

reports are presented to the Standards and Audit Committee which highlight any specific risks or governance issues as they arise. (Part compliant)

2100 – Nature of Work:

The internal audit service does contribute to the Council's governance, risk management and internal control frameworks through the 6-month plan. However, due to past issues with resourcing, the work undertaken in the previous year was very limited. This is being addressed in the current year. Whilst the service promotes appropriate ethics and values within the organisation, it has not undertaken any specific work around the ethical framework or IT governance arrangements. It is currently undertaking a review of the risk management culture within the Council. Implementation of the new Teammate software has resulted in a more disciplined and systematic approach to the work being carried out, Internal Auditors do evaluate internal controls when carrying out work assigned to them from the audit plan. (Part compliant)

2200 – Engagement Planning:

The engagement planning arrangements require Internal auditors to develop an Assignments Planning Sheet (APS) for each review. This sets out the engagement's objectives, risks, any managements concerns, the scope of the review and the controls being tested, any limitations to the scope, document requirements before the review commences, timing, and resource allocations. All of this information is entered on to TeamMate which automatically generates a draft APS. Following consultation with the client and approval from the Chief Internal Auditor, a final version of the APS is signed off by the Internal Audit team and the Client Sponsor. (Compliant)

2300 – Performing the Engagement:

Internal auditors do identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives. All the evidence to support this is recorded on TeamMate. However, as previously stated, this currently involves quite a lot of additional supervision. The expectation is that this level of support will reduce as the Internal Auditors develop their skills and knowledge, and become familiar with meeting their obligations under the Performance Standards. All work undertaken through TeamMate has to be reviewed and formally signed off by either the Chief Internal Auditor or Senior Internal Auditor. (Compliant)

2400 – Communicating Results:

A debrief meeting is held with the client following completion of the review explaining what has been found and the recommendations arising from the work carried out. A draft report is produced which is split into three sections.

- The first section is the Executive Summary which details: the scope of the review including the objective(s) of the review and risk(s) considered as part of the review; an overall conclusion; a summary of the effectiveness and design of the control framework, application of and compliance with the control framework and a summary of the recommendations.
- The second section is the Action Plan which details: the recommendations; the risk rating (high, medium or low); whether the client agrees with each of the

recommendations; the management actions to address the recommendations; implementation dates; and, identifies each responsible officer.

- The third section is the Detailed Findings and Recommendations which provides; a breakdown of the controls that internal audit tested; the results of the testing and implications of non-compliance; the recommendations; and the risk ratings

A draft report is issued to the client's team with a request to confirm the factual accuracy of the report and supply action plans that address the recommendations. A response deadline of ten working days is usually set for the client to respond. Upon receipt of the client's responses, internal audit's team reviews the completeness and appropriateness of the responses. Where there are concerns, the internal audit team resolves these through documented and direct engagement. When this engagement concludes, the internal audit team produces a final report that is approved by the Chief Internal Auditor before being issued to all those named on the distribution list. Final reports are then presented to the Standards and Audit Committee as part of the progress reporting cycle.

The Chief Internal Auditor provides the Standards and Audit Committee with an annual report which gives an overall opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks. This was presented to the Standards and Audit Committee at its meeting on 19th July 2023. (Compliant)

2500 – Monitoring Progress:

Arrangements are already in place to monitor and follow up on recommendations made to management to enhance the control environment. For low level risks, confirmation is sought from management. For medium and high level recommendations, evidence is sought to confirm they have been implemented. However, during 2022/23, the resourcing issues resulted in little work being undertaken so no follow-up work was carried out. The Internal Audit Service is in the process of re-activating its tracking of management actions. (Part compliant)

2600 – Communicating the Acceptance of Risks:

When the Chief Internal Auditor concludes that management has accepted a level of risk that may be unacceptable to the organisation, the Chief Internal Auditor would discuss the matter with senior management. If the Chief Internal Auditor determines that the matter has not been resolved, the Chief Internal Auditor will communicate the matter to the Standards and Audit Committee. However, to date, this has not happened. (Compliant)

3. Overall Conclusion and Actions Moving Forward

Compliance with the Standards is a three staged approach. The first stage is to undertake the self-assessment. This report represents completion of this first stage. The next stage is the development of a quality assurance improvement plan/program to address the issues arising from the self-assessment. The final stage is to have an external assessment undertaken to provide independent assurance that the service is meeting the Standards.

The result of this self-assessment is that whilst the service is meeting most of the Performance Standards, more work is required to meet the Attribute Standards, particularly around the Independence and Objectivity of the service and the quality assurance improvement plan/program. Some of this work has started with the Chief Internal Auditor setting up regular meetings with the Chair of the Standards and Audit Committee and quarterly meetings with the Chief Executive.

The Internal Audit Service only fully implemented the TeamMate audit software in June 2023. While this has had a significant positive impact on demonstrating the service's compliance with the majority of the Performance Standards, evidence to support an external assessment is naturally very limited.

A key outcome of this self-assessment will be the second stage, which is the development of a quality assurance improvement plan to address areas of non-compliance or part compliance. This will be aligned to the requirements of the PSIAS and provide a baseline against which service improvements can be measured. This will be shared with both the Senior Leadership Team and the Standards and Audit Committee.

In respect of the third stage, the current Global Standards (which include the IPPF) are being revised and a consultation on a new set of Standards has recently concluded. A report on the revised Standards is due to be issued in January 2024 with implementation of the new Standards expected from January 2025. The Global Standards underpin the PSIAS so are very likely to result in some new elements being added to them. The general consensus amongst the various heads of internal audit forums is that these changes will not result in a wholesale review of the PSIAS but will enhance the current Standards. However, this should not be a reason to wait and see but provides an opportunity for the service to undertake more reviews and develop further evidence during the next 16 months to work towards an external assessment against the new PSIAS in early 2025.

THURROCK Internal Audit Service - Conformance with the Public Sector Internal Audit Standards - Checklist

Ref	Conformance with the Standard	Y	P	N	Evidence
1	Definition of Internal Auditing				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity: a) Independent? b) objective?			✓	It is clear from the Best Value report that the Chief Internal Auditor (CIA) was not acting independently and his objectivity was being impaired through the reporting lines.
	Using evidence gained from assessing conformance with other Standards, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?		✓		It does now through the use of TeamMate. However, this has only effectively been being used since June 2023.
2	Code of Ethics				
	Integrity Using evidence gained from assessing conformance with other Standards, do internal auditors: a) Perform their work with honesty, diligence and responsibility? b) observe the law and make disclosures expected by the law and the profession? c) Not knowingly partake in any illegal activity nor engage in in acts that are discreditable to the profession of internal auditing or to the organisation? d) Respect and contribute to the legitimate and ethical objectives of the organisation?	✓			Nothing has come to our attention to suggest the team are not working with integrity. In addition, they have to make a declaration of interest annually and also for every review.
	Objectivity Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not: a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment? b) Accepting anything that may impair or be presumed to impair their professional judgement? c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	✓			Nothing has come to our attention to suggest the team are not working with integrity. In addition, they have to make a declaration of interest annually and also for every review.
	Confidentiality Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:	✓			All staff have received GDPR and Information Security training so are aware of their responsibilities in respect of confidentiality.

	<p>a) Acting prudently when using information acquired in the course of their duties and protecting that information?</p> <p>b) Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?</p>			
	<p>Competency Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <p>a) only carrying out services for which they have the necessary knowledge, skills and experience?</p> <p>b) Performing services in accordance with the PSIAS?</p> <p>c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</p>			<p>✓ Further development is being undertaken to enhance the knowledge and skills of the team. All of the team are using TeamMate which does drive them towards compliance with the Standards and all work has to be reviewed and signed off by either the CIA or Senior Internal Auditor. Due to the section 114 notice, most training is currently on hold including CDP.</p>
	Do internal auditors have regard to the on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	✓		These are detailed in the Council's Constitution (Chapter 7, part 4) Officer's Code of Conduct. All staff have access.
	Standards			
	3 Attribute Standards			
	3.1 1000 - Purpose, Authority and Responsibility			
	<p>Does the internal audit charter include a formal definition of:</p> <p>a) the purpose</p> <p>b) the authority, and</p> <p>c) the responsibility</p> <p>of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?</p>	✓		<p>The Chartered Institute of Internal Auditor's definition is included in the Internal Audit Charter (IAC). See IAC.</p> <p>The IAC does defines the purpose of the Internal Audit Service. See IAC.</p> <p>Th IAC does defines the authority of the Internal Audit Service. See IAC.</p> <p>The IAC does defines the responsibility of the Internal Audit Service. See IAC.</p> <p>Consistency with the PSIAS is covered in the breakdown of the definitions. See IAC.</p>
	Does the internal audit charter define the terms 'board' and 'senior management', for the purposes of the internal audit activity? Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.	✓		The IAC does define "Board" and "senior management" for the purpose of internal audit activity . See IAC.
	<p>Does the internal audit charter also:</p> <p>a) Set out the internal audit activity's position within the organisation?</p> <p>b) Establish the Chief Internal Auditor's (CIA) functional reporting</p> <p>c) Establish the accountability, reporting line and relationship between the CIA and those to whom the CIA may report administratively?</p>	✓		<p>See IAC</p> <p>See IAC</p> <p>See IAC</p>

	d) Establish the responsibility of the board and also the role of the statutory officers (such as the Chief Finance Officer (CFO), the monitoring officer and the head of paid service) with regards to internal audit?			See IAC
	e) Establish internal audit's right of access to all records, assets, personnel and premises and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?			See IAC
	f) Define the scope of internal audit activities?			See IAC
	g) Recognise that internal audit's remit extends to the entire control environment of the organisation?			See IAC
	h) Identify internal audit's contribution to the review of effectiveness of the control environment, as set out in the Accounts and Audit (England) Regulations 2011?			See IAC
	i) Establish the organisational independence of internal audit?			See IAC
	j) Cover the arrangements for appropriate resourcing?			See IAC
	k) Define the role of internal audit in any fraud-related work?			See IAC
	l) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?			See IAC
	m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?			See IAC
	n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?			Not specifically
	o) Define the nature of consulting services?			Not specifically
	p) Recognise the mandatory nature of the PSIAS?			See IAC
	Does the chief audit executive (CIA) periodically review the internal audit charter and present it to senior management and the board for approval?	✓		IAC is reviewed and presented to the Standards and Audit Committee (SAC) annually. Also goes to the Senior Leadership Team (SLT).
	Does the CIA attend audit committee meetings?	✓		CIA attends every meeting of SAC and does contribute to the work programme which details reports being presented. See minutes and attendance details.
	Does the CIA contribute to audit committee agendas?	✓		
3.2	1100 - Independence and Objectivity			
	Does the CIA have direct and unrestricted access to senior management and the board?		✓	Copy of the Constitution. The access rights in the IAC are not as extensive as in the Constitution. Regular meetings were started in 2023. CIA maintains a log of his meetings.

Does the CIA have free and unfettered access to, as well as communicate effectively with, the chief executive or equivalent and the chair of the audit committee?		✓	Constitution provides right of access IAC confirms independent access CIA requested meetings with the Chief Executive Officer (CEO). There wasn't regular engagement with CEO and Chair of SAC until recently.
Are threats to objectivity identified and managed at the following levels: a) Individual auditor? b) Engagement? c) Functional? d) Organisation?		✓	No record of any interference. Self assessments not part of the audit process. Reporting procedure not documented No record of any interference. Self assessments not part of the audit process. CIA's annual report, but not supported by evidence from say self assessments. Not conducted assessments at an organisational level to the Service's independence.
<i>1110 Organisational Independence</i>			
Does the CIA report to an organisational level equal or higher to the corporate management team?	✓		The IAC has the CIA reporting to the s151 officer, who is part of the corporate management team. However, he actually reports to the Interim Director of Legal & Governance (Monitoring Officer) who is on SLT. Charter needs updating. The Internal Audit Protocol states that reports with a negative opinion are reported to SLT.
Does the CIA report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	✓		Reports to the Interim Director of Legal and Governance (Monitoring Officer) who is a member of SLT.
Have reporting and management arrangements been put in place that preserve the CIA's independence and objectivity? This is of particular importance when the CIA is line managed by another officer of the authority.		✓	Constitution provides right of access IAC confirms independent access CIA requested meetings with CEO but has not had a response. There wasn't regular engagement with CEO and Chair of SAC until recently.
Does the CIA's position in the management structure: a) Reflect the influence he or she has on the control environment? b) Provide the CIA with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?	✓		CIA reports directly to the Interim Director of Legal & Governance. Minutes available to evidence that audit plan, reports and action plans are discussed with members of SAC. All reports to SAC also have to go to SLT as part of the reporting process which provides an opportunity to provide challenge when appropriate. The CIA also attends DMT's quarterly.
Does the CIA confirm to the board, at least annually, that the internal audit activity is organisationally independent?		✓	In the Audit Strategy through the definition of Internal Audit. However, it is clear from the BVI report that this was a false impression and independence was compromised.

<p>The following examples can be used by the CIA when assessing the organisational independence of the internal audit activity: The board:</p> <p>a) approves the internal audit charter</p> <p>b) approves the risk-based audit plan</p> <p>c) approves the internal audit budget and resource plan</p> <p>d) receives communications from the CIA on the activity's performance (in relation to the plan, for example)</p> <p>e) approves decisions relating to the appointment and removal of the CIA</p> <p>f) seeks reassurance from management and the CIA as to whether there are any inappropriate scope or resource limitations.</p>			<p>The Internal Audit Charter was approved SAC on 23rd Feb 23 and this was minuted.</p> <p>Internal Audit 6-month plan was agreed at SAC on 19th July 23 but final minutes not yet available.</p> <p>Internal Audit budget is approved centrally as part of the Council's annual budget setting process.</p> <p>SAC was receiving regular progress reports but this deteriorated during 2022/23 due to the resourcing issues within the service.</p> <p>The appointment of the CIA is undertaken through the Council's HR Recruitment Team.</p> <p>SAC regularly updated on resource limitations to the service which is minuted.</p>
Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CIA?	✓		Never involved in the past. However, the CIA's appraisal is undertaken by his line manager who is a member of SLT.
Is feedback sought from the chair of the audit committee for the CIA's performance appraisal?		✓	CIA meets independently with the Chair of SAC so there is an opportunity to raise issues if there is a concern.
<i>1111 Direct Interaction with the Board</i>			
Does the CIA communicate and interact directly with the board?	✓		At Committee. Minutes available.
<i>1112 Chief Audit Executive Roles Beyond Internal Auditing</i>			
NOT INCLUDED	N/A		No roles beyond Internal Audit
<i>1120 Individual Objectivity</i>			
Do internal auditors have an impartial, unbiased attitude?		✓	Auditors have not been asked to confirm compliance with the Code of Ethics but do have to complete a declaration of interests for each assignment. Clients are provided with a feedback questionnaire after each review to provide feedback.
Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓		There is guidance within the Council's Constitution under the Officer Code of Conduct. Internal Auditors have to declare any conflicts on each individual assignment in TeamMate, They also are required to sign an annual declaration.
<i>1130 Impairment to Independence or Objectivity</i>			

If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CIA and senior management/the board as set out in the internal audit charter)?	✓		The CIA reports any impairments to SAC as part of the progress reporting process. Auditors have to complete a conflict of interest form annually but also declare any conflict on each individual audit review. The APS addresses any limitations to the scope. Any restrictions to access or resource limitations would be raised in the final report.
Have internal auditors assessed specific operations for which they have been responsible within the previous year?	✓		New team
If there have been any assurance engagements in areas over which the CIA also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?	✓		No roles beyond Internal Audit
Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	✓		New team so no rotation at this stage.
Have internal auditors declared interests in accordance with organisational requirements?	✓		All internal audit staff complete an annual declaration and also have to make a declaration for each assignment on TeamMate which gets reviewed and signed off.
Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully?	✓		No Internal Auditors have received any gifts or hospitality. They do have to complete an officer register of interests each year.
Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	✓		No instances have been discovered.
Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	✓		The conflict of interest form is taken into account when allocating work, however Auditors will point out to the Senior Internal Auditor or CIA where they believe to be any conflicts prior to undertaking audit reviews. Where Auditors are refused access to records this will be escalated to the CIA. Scope agreed is agreed with the client and any scope limitation issues would be identified then
Have internal auditors complied with the Bribery Act 2010?	✓		Team members have undertaken Fraud & Corruption training but 1 needs to refresh.
If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	N/A		Do not undertake specific consultancy work.

	Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	N/A			Do not undertake specific consultancy work.
3.3	1200 Proficiency and Due Professional Care				
	<i>1210 Proficiency</i>				
	Does the CIA hold a professional qualification, such as CMIIA/CCAB or equivalent?	✓			CIA is professionally qualified (CMIIA)
	Is the CIA suitably experienced?	✓			CIA has been in post for 7 years.
	Is the CIA responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	✓			Yes. However, this is not defined in the job description
	Does the CIA ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?		✓		Senior Internal Auditor job description updated April 22. Internal Auditor descriptions need updating.
	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?			✓	Learning and development is being provided to ensure the service will collectively possess the skills, knowledge and other competencies to meet its responsibilities.
	Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CIA obtain competent advice and assistance?	✓			If the skills and knowledge are not available through the in-house team, the APEX framework with Croydon Council can be utilised to provide this specialist support e.g. IT Audit, Contract Audit etc.
	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	✓			Staff have all completed on-line fraud awareness training. A register of this is held within the Oracle system.
	Do internal auditors have sufficient knowledge of key information technology risks and controls?		✓		This service is brought in through the APEX framework contract. However, work is based upon available budget, which is limited due to issuing of Section 114 Notice.
	Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?		✓		Some knowledge within the team but not widely used.
	<i>1220 Due Professional Care</i>				
	Do internal auditors exercise due professional care by considering the: a) Extent of work needed to achieve the engagement's objectives?	✓			Each engagement's objectives are clearly documented on TeamMate and structured logically. The objectives have to be reviewed and approved by the CIA or Senior Internal Auditor. There is a disclaimer in each engagement plan that provides a clear statement that assurance procedures, even when performed with due professional care, do not guarantee that all risks will be identified. This is all detailed on the Assignment Planning Sheet (APS).

	b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?	✓			Assurance procedures are identified in discussions with the client as part of the early planning of the engagement to determine the level of reliance that can be placed upon them and reduce duplication.
	c) Adequacy and effectiveness of governance, risk management and control processes?	✓			The APS and scope of the audit, which is discussed and agreed with the client, identifies the governance, risk management and control processes that will be reviewed.
	d) Probability of significant errors, fraud, or non-compliance?	✓			The APS and scope of the audit, which is discussed and agreed with the client, will consider the risks relating to significant errors, fraud or non-compliance during the planning stage.
	e) Cost of assurance in relation to potential benefits?	✓			A budget for each audit is recorded on TeamMate. Each audit is assessed to determine the potential benefits as part of the 6-month planning process.
	Do internal auditors exercise due professional care during a consulting engagement by considering the: a) Needs and expectations of clients, including the nature, timing and communication of engagement results? b) Relative complexity and extent of work needed to achieve the engagement's objectives? c) Cost of the consulting engagement in relation to potential benefits?	N/A			Do not undertake specific consultancy work.
	<i>1230 Continuing Professional Development</i>				
	Has the CIA defined the skills and competencies for each level of auditor?		✓		There are job descriptions but the those for the Internal Auditors need to be reviewed and refreshed.
	Does the CIA periodically assess individual auditors against the predetermined skills and competencies?	✓			This forms part of the Council's Performance and Development Review (PDR) process. Mid-year and end of year review meetings are undertaken and results recorded on Oracle.
	Do internal auditors undertake a programme of continuing professional development?			✓	Development of team is being managed internally. Section 114 Notice resulted in CPD being restricted.
	Do internal auditors maintain a record of their professional development and training activities?		✓		Not specifically. In-house training is recorded on Oracle.
3.4	1300 Quality Assurance & Improvement Programme				
	Has the CIA developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?			✓	No QAIP exists. One will be developed as part of this self-assessment and shared with SLT and SAC.
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?				
	Does the CIA maintain the QAIP?				

	If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?			
	<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>			
	Does the QAIP include both internal and external assessments?			
	<i>1311 Internal Assessments</i>			
	Does the CIA ensure that audit work is allocated to staff with the appropriate skills, experience and competence?			
	Do internal assessments include ongoing monitoring of the internal audit activity, such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?			
	Does ongoing performance monitoring include comprehensive performance targets?			
	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?			
	Does the CIA measure, monitor and report on progress against these targets?			
	Does ongoing performance monitoring include obtaining stakeholder feedback?			
	Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.			
	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?			
	<i>1312 External Assessments</i>			
	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?			
	Has the CIA considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?			

	Has the CIA discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?			
	Has the CIA agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?			
	Has the CIA agreed the scope of the external assessment with the external assessor or assessment team?			
	<p>Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process?</p> <p>Competence can be determined in the following ways:</p> <ul style="list-style-type: none"> a) experience gained in organisations of similar size b) complexity c) sector (i.e. the public sector) d) industry (i.e. local government), and e) technical experience. <p>Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.</p>			
	How has the CIA used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?			
	Does the assessor or assessment team have any real or apparent conflicts of interest with the organisation? This may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.			
	<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>			
	<p>Has the CIA reported the results of the QAIP to senior management and the board? Note that:</p> <ul style="list-style-type: none"> a) the results of both external and periodic internal assessment must be communicated upon completion b) the results of ongoing monitoring must be communicated at least annually c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS. 			

	Has the CIA included the results of the QAIP and progress against any improvement plans in the annual report?			
	<i>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</i>			
	Has the CIA stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?			
	<i>1322 Disclosure of Non-conformance</i>			
	Has the CIA reported any instances of non-conformance with the PSIAS to the board?			
	Has the CIA considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?			
4	Performance Standards			
4.1	2000 Managing the Internal Audit Activity			
	Do the results of the internal audit activity's work achieve the purposes and responsibility of the activity, as set out in the internal audit charter?	✓		The IAC was last presented to and approved by SAC at its meeting on 23rd Feb 2023. Neither the Chair of SAC or Statutory Officers have provided feedback on the services' activities. A questionnaire is sent to auditees to obtain feedback.
	Does the internal audit activity conform with the Definition of Internal Auditing and the Standards?			✓ The service is non-compliant with the Standards as it has not been externally assessed in the last 5 years and does not have a QAIP. The loss of all resources during the pandemic meant the CIA could not give an opinion on the governance, risk management and control frameworks as insufficient work was carried out. The introduction of TeamMate from June 23 has benefitted the service by significantly improving internal audit
	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the Code of Ethics and the Standards?		✓	Whilst individual auditors do demonstrate conformance to the code of ethics, they are not required to formally evidence this. Understanding of conformance to the Standards is limited at the Internal Auditor level but good at the CIA/Senior Internal Auditor level. Therefore, as part of the review of their work, any non-compliance would be identified.
	Does the internal audit activity add value to the organisation and its stakeholders by:			✓ Resourcing issues have resulted in no assurances being provided in the CIA's annual report. The service has not been effective in contributing to the effectiveness and efficiency of the organisation.
	a) Providing objective and relevant assurance?			
	b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?			
	<i>2010 Planning</i>			

Has the CIA determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?	✓			6-month plan presented to SAC on 19th July 23. Agreement was minuted. Senior management all consulted as part of the development of the plan and meeting notes taken.
Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	✓			Included within non-audit time.
Does the risk-based plan take into account the organisation's assurance framework?			✓	The Council's assurance framework is currently being developed.
Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities?	✓ ✓		✓	See Audit Plan Does not specifically mention the IAC See Audit Plan
Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	✓			Known and Emerging risks are identified.
In developing the risk-based plan, has the CIA taken into account the organisation's risk management framework and relative risk maturity of the organisation?	✓			Risk and Opportunity Management Strategy and Corporate Risk Register are used to inform the plan.
If such a risk management framework does not exist, has the CIA used his or her judgement of risks after input from senior management and the board and evidenced this?	✓			Risk and Opportunity Management Strategy and Corporate Risk Register are used to inform the plan.
Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	✓			By quarter. Resources are not allocated to each review in the plan. However, budgets for individual reviews are allocated on TeamMate.
Does the risk-based plan differentiate between audit and other types of work?	✓			Broken down between audit areas and non-audit work.
Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	✓			6-month rolling plan.
Does the CIA review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	✓			Reported to SAC.

Is the internal audit activity's plan of engagements based on a documented risk assessment?	✓		The 6-month rolling audit plan is derived from the corporate risk register, meetings with Directors/AD's/Strategic Leads and individual areas service plans are obtained where they are available (which detail their risks). The CIA has started attending DMT's on a quarterly basis to discuss the audit plan and the risks each service area is facing. The plan is a working document and reviews can be re-prioritised throughout the year but unplanned work is also undertaken
Is the risk assessment used to develop the plan of engagements undertaken at least annually?	✓		As this is a 6-month rolling plan, it constantly being reviewed to reflect changes in the risk landscape.
In developing the risk-based plan, has the CIA also considered the following: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, e.g. IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CIA opinion?	✓		Auditors have to declare any interests on TeamMate as part of the planning. There is no specialist IT Auditors in the team so this service is bought in through APEX framework with Croydon and Mazars. Audit plan does include contingency and management time.
Is the input of senior management and the board considered in the risk assessment process?	✓		Meeting notes with SLT members.
Does the CIA identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	✓		The expectations of senior management, SAC and other stakeholders are considered as part of the planning process. The plan is presented to SLT and SAC for agreement.
Does the CIA take into consideration any proposed consulting engagements to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	N/A		Do not undertake specific consultancy work
Are consulting engagements that have been accepted included in the risk based plan?	N/A		Do not undertake specific consultancy work
<i>2020 Communication and Approval</i>			
Has the CIA communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	✓		Presented to SLT and SAC.
Has the CIA communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	✓		Reported to relevant senior management, SLT and SAC.

	Has the CIA communicated the impact of any resource limitations to senior management and the board?	✓			Reported to SLT and SAC.
	<i>2030 Resource Management</i>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	✓			Plan is based upon available productive time.
	Has the CIA planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	✓			Discussed with management as part of assignment planning.
	If the CIA believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.	✓			Lack of resources has been constantly highlighted to senior management and SAC and is identified within the BV report.
	<i>2040 Policies and Procedures</i>				
	Has the CIA developed and put into place policies and procedures to guide the internal audit activity?		✓		Audit manual currently under development following introduction of new TeamMate software.
	Has the CIA established policies and procedures to guide staff in performing their duties in a manner than conforms to the PSIAS? Examples include maintaining an audit manual and/or using electronic management systems.		✓		Audit manual currently under development following introduction of new TeamMate software.
	LGAN Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?		✓		Audit manual currently under development following introduction of new TeamMate software.
	<i>2050 Coordination</i>				
	Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	✓			When developing the annual plan the work of other services / assurance bodies is taken into account, i.e. CQC, Ofsted, external audit etc in order to provide assurance and this is also reflected in the annual governance statement.
	Has the CIA carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance			✓	No assurance mapping exercise has been carried out to identify wider sources of assurance.
	Does the CIA share information and coordinate activities with other internal and external providers of assurance and consulting services?		✓		Meetings were held with external audit but reduced during the pandemic. Final reports on key financial systems are shared with external audit.
	Does the CIA meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?		✓		Meetings were held with external audit but reduced during the pandemic. Meeting held 26th May 23 and plan shared with external auditors.
	<i>2060 Reporting to Senior Management and the Board</i>				

	Does the CIA report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?	✓		Through IAC and progress reports which are presented to SAC regularly.
	Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	✓		Progress reports do highlight risks and governance issues through the recommendations made in individual audits.
	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?	✓		Form part of the SAC work programme which is updated as appropriate at every meeting. See meeting minutes.
	<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>			
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	N/A		In-house team.
4.2	2100 Nature of Work			
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	✓		Through the agreed 6-month rolling plan.
	Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	✓		All work has to be stored on TeamMate and formally signed off.
	<i>2110 Governance</i>			
	Does the internal audit activity: a) Promote appropriate ethics and values within the organisation? b) Ensure effective organisational performance management and accountability? c) Communicate risk and control information to appropriate areas of the organisation? d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	✓		IA activity directly linked to corporate/service level objectives and the associated risk of not achieving these objectives. A risk based approach is used both at the audit planning level and the audit assignment level. IA have a set process for all audits which starts with a scoping meeting with the client to identify strategic risks, links to the corporate priorities, and the risk of not achieving the objectives.
	Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	✓		See audit reports.
	Has the internal audit activity evaluated the:		✓	An specific ethical governance review has not been undertaken although

a) design b) implementation, and c) effectiveness of the organisation's ethics-related objectives, programmes and activities?			ethical issues are picked up in specific reviews that have been undertaken in the past e.g. review of the members and officers register of gifts, interests and hospitality.
Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	✓		IT reviews are undertaken through the APEX framework arrangement with Mazars.
Has the CIA considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?		✓	In respect of IT work, this is dependent on available budget.
<i>2120 Risk Management</i>			
Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: a) Organisational objectives support and align with the organisation's mission? b) Significant risks are identified and assessed? c) Appropriate risk responses are selected that align risks with the organisation's risk appetite? d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities?		✓	Whilst significant risks are identified in the Corporate Risk Register, the BV report highlights that it is not fit for purpose. Risk Management Strategy currently under review as part of Improvement Recovery Plan. Individual audit reviews do consider the objectives and risks as part of the review process. A review of the risk management culture is currently being undertaken to inform the effectiveness of the risk management processes.
Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?		✓	This was another area highlighted in the BV report. Whilst individual audits may look at the governance within the audited area, governance is rarely audited on a corporate basis.
Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	✓		If fraud or potential fraud is identified, discussions would be held with the Assistant Director of the Counter Fraud and Investigation Team. This is in the Audit Protocol.
Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	N/A		Do not undertake specific consultancy work.
Are internal auditors alert to other significant risks when undertaking consulting engagements?	N/A		Do not undertake specific consultancy work.

	Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	✓		Auditors understand and are mindful that they are not responsible for managing risks in service areas.
	<i>2130 Control</i>			
	Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?		✓	These are picked up as part of the audit planning process where the plan is linked to the strategic and operational objectives of the organisation. The final audit report also categorise recommendations as high, medium and low. However, no IT system work has been undertaken for a number of years.
	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	N/A		Do not undertake specific consultancy work.
4.3	2200 Engagement Planning			
	Do internal auditors develop and document a plan for each engagement? Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations?	✓		On Assignment Planning Sheet (APS)
	Do internal auditors consider the following in planning an engagement, and is this documented: a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	✓		Through the gathering of background information, discussion with the client and then set out in APS. All documentation and meeting notes are stored on Teammate.

	h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?		
	Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following: a) Objectives? b) Scope? c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?	N/A	Do not undertake work outside of the Council.
	For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations?	✓	Through the APS.
	For significant consulting engagements, has this understanding been documented?	✓	Is documented within Teammate.
	<i>2210 Engagement Objectives</i>		
	Have objectives been agreed for each engagement?	✓	On APS
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	✓	Risks identified on APS and following discussion with the client any concerns they have may be added.
	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	✓	On APS
	Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	✓	Auditors are aware of the need to be vigilant to these when developing the APS. The APS is then reviewed by the CIA or Senior Internal Auditor who would pick up on these areas if required.
	Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	✓	This is undertaken as part of the initial scoping meeting with the auditee which results in a final version of the APS which is agreed with the relevant Director/AD or Strategic Lead who acts as the client sponsor.

	If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	✓		This is undertaken as part of the initial scoping meeting with the auditee which results in a final version of the APS which is agreed with the relevant Director/AD or Strategic Lead who acts as the client sponsor.
	If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	✓		This is undertaken as part of the initial scoping meeting with the auditee which results in a final version of the APS which is agreed with the relevant Director/AD or Strategic Lead who acts as the client sponsor.
	If the value for money criteria have been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	✓		This is undertaken as part of the initial scoping meeting with the auditee which results in a final version of the APS which is agreed with the relevant Director/AD or Strategic Lead who acts as the client sponsor.
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	✓		On APS
	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	N/A		Do not undertake specific consultancy work.
<i>2220 Engagement Scope</i>				
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	✓		See APS
	Does the engagement scope include consideration of the following relevant areas of the organisation: a) Systems? b) Records? c) Personnel? d) Premises?	✓		Where relevant to the area under review. Information requirements are laid out in the APS.
	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate: a) Systems? b) Records? c) Personnel? d) Premises?	✓		A number of the Council services are reliant on external systems e.g. Oracle, Northgate etc. Records tend to be held by the Council. Personnel are normally Council employees and they work in Council premises in the majority of cases.
	Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	N/A		Do not undertake specific consultancy work.
	Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting Standards?	N/A		Do not undertake specific consultancy work.

	For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	N/A		Do not undertake specific consultancy work.
	If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	N/A		Do not undertake specific consultancy work.
	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	N/A		Do not undertake specific consultancy work.
	During consulting engagements, were internal auditors alert to any significant control issues?	N/A		Do not undertake specific consultancy work.
	<i>2230 Engagement Resource Allocation</i>			
	Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available?	✓		This is agreed as part of the planning process and resources are entered on to TeamMate at this stage.
	<i>2240 Engagement Work Programme</i>			
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	✓		Work programmes are recorded on TeamMate and signed off by the CIA or Senior Internal Auditor.
	Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information? c) Evaluating information? d) Documenting information?	✓		Work programmes are recorded on TeamMate and signed off by the CIA or Senior Internal Auditor.
	Were work programmes approved prior to implementation for each engagement?	✓		Work programmes are recorded on TeamMate and signed off by the CIA or Senior Internal Auditor.
	Were any adjustments required to work programmes approved promptly?	✓		Daily catch-up meetings provide an opportunity to react promptly to changes.
4.4	2300 Performing the Engagement			
	Have internal auditors carried out the following in order to achieve each engagement's objectives: a) Identify sufficient information? b) Analyse sufficient information? c) Evaluate sufficient information? d) Document sufficient information?	✓		All work is recorded on TeamMate, together with all the information relating to the engagement. This has to be reviewed and signed off by either the Chief Internal Auditor or Senior Internal Auditor.

	<i>2310 Identifying Information</i>			
	Have internal auditors identified the following in order to achieve each engagement's objectives: a) Sufficient information? b) Reliable information? c) Relevant information? d) Useful information?	✓		All work is recorded on TeamMate, together with all the information relating to the engagement. This has to be reviewed and signed off by either the Chief Internal Auditor or Senior Internal Auditor.
	<i>2320 Analysis and Evaluation</i>			
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	✓		Has to be reviewed and signed off by CIA or Senior Internal Auditor on TeamMate.
	Have internal auditors remained alert to the possibility of the following: a) intentional wrongdoing b) errors and omissions c) poor value for money d) failure to comply with management policy, and e) conflicts of interest when performing their individual audits, and has this been documented?	✓		Auditors are aware of the need to be vigilant to these and would highlight to the CIA or Senior Internal Auditor. Would be recorded on TeamMate.
	<i>2330 Documenting Information</i>			
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	✓		On TeamMate.
	Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?	✓		On TeamMate.
	Does the CIA control access to engagement records?	✓		Only the CIA and Senior Internal Auditor have admin access rights.
	Has the CIA obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	✓		Not released to external parties.
	Has the CIA developed and implemented retention requirements for all types of engagement records?	✓		All are stored in TeamMate which is cloud hosted.
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	✓		Retention requirements are embedded in the Council's document storage management system.
	<i>2340 Engagement Supervision</i>			

	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	✓		By either the CIA or Senior Internal Auditor
	Is appropriate evidence of supervision documented and retained for each engagement?	✓		Has to be formally reviewed on TeamMate.
4.5	2400 Communicating Results			
	Do internal auditors communicate the results of engagements?	✓		Through reports.
	<i>2410 Criteria for Communicating</i>			
	Do the communications of engagement results include the following: a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions? d) Recommendations and action plans, if appropriate?	✓		See example of report.
	Has the internal auditor discussed the contents of the draft final report with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	✓		Recorded on TeamMate.
	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	✓		See final reports. High, Medium or Low.
	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	✓		Final report.
	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	✓		Not specifically in the action plan but are included in the detailed findings together with management response as to why they don't agree them.
	Do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice, subject to confidentiality requirements?	✓		Final report and information held on TeamMate
	Do the final communications of engagement results contain, where appropriate, the internal auditor's opinions and/or conclusions, building up to the annual internal audit opinion on the control environment?	✓		All reports have an overall opinion and conclusion which is either Red (No assurance), Amber/Red (some assurance), Amber/Green (reasonable assurance) and Green (substantial assurance).
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	✓		The opinion issued is based upon the facts arising from the review. This is discussed and agreed with management at the draft report stage.
	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	✓		On TeamMate. This is all reviewed and signed off.

	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	✓			Final report.
	When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?	✓			No reports are sent out to outside parties. However, the summary reports issued as part of the progress reporting process to SAC are public documents.
	If the CIA has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their fundamental responsibility is to the management of the organisation to which they are obliged to provide internal audit services?	N/A			No work undertaken for partnership organisations.
	<i>2420 Quality of Communications</i>				
	Are communications: a) Accurate? b) Objective? c) Clear? d) Concise? e) Constructive? f) Complete? g) Timely?	✓			Final report.
	<i>2421 Errors and Omissions</i>				
	If a final communication has contained a significant error or omission, did the CIA communicate the corrected information to all parties who received the original communication?	✓			Not happened but would do if this arose.
	<i>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</i>				
	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?			✓	Not quoted in individual reports. There is no QAIP. One will be developed as a result of this self-assessment.
	<i>2431 Engagement Disclosure of Nonconformance</i>				
	Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following: a) The principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results?			✓	The service is non-compliant with the PSIAS. This is not disclosed for individual engagements but is disclosed in the CIA's Annual Report.
	<i>2440 Disseminating Results</i>				

Has the CIA determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	✓		There is a distribution list for each assignment.
Has the CIA communicated engagement results to all appropriate parties?	✓		Final report is sent to everyone on the distribution list.
Before releasing engagement results to parties outside the organisation, did the CIA: a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of the results?	✓		Only external parties who reports would be shared with are the external auditors.
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	N/A		Do not undertake specific consultancy work.
<i>2450 Overall Opinion</i>			
Has the CIA delivered an annual internal audit opinion?	✓		Minutes of meeting of SAC on 19th July 2023.
Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	✓		CIA's Annual Report Year ended 31st March 2023 (including summarised report for Year ended 31st March 2022)
Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	✓		See Annual Report.
Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?		✓	Little information in the last 2 years due to resourcing issues and resultant lack of work completed. This is reflected in the report.
Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	✓		CIA's Annual Report Year ended 31st March 2023 (including summarised report for Year ended 31st March 2022)
Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	✓		Annual Report
Has the CIA delivered an annual report that can be used by the organisation to inform its governance statement?	✓		Presented to SAC on 16th July
Does the annual report incorporate the following:		✓	In the majority of cases. However, the service does not have a qaip so this was

	<p>a) The annual internal audit opinion?</p> <p>b) A summary of the work that supports the opinion?</p> <p>c) A disclosure of any qualifications to the opinion?</p> <p>d) The reasons for any qualifications to the opinion?</p> <p>e) A disclosure of any impairments or restriction in scope?</p> <p>f) A comparison or work actually carried out with the work planned?</p> <p>g) A statement on conformance with the PSIAS?</p> <p>h) The results of the QAIP?</p> <p>i) Progress against any improvement plans resulting from the QAIP?</p> <p>j) A summary of the performance of the internal audit activity against its performance measures and targets?</p> <p>k) Any other issues that the CIA judges is relevant to the preparation of the governance statement?</p>				not included. Also, the resourcing issues meant there were no performance measures and targets reported.
4.6	2500 Monitoring Progress				
	Has the CIA established a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action?			✓	Due to the limited work undertaken in 2022/23 due to resourcing issues, no follow up work was carried out. This is being reactivated for the current year.
	Where issues have during the follow-up process, has the CIA considered revising the internal audit opinion?	✓			No. Once a report is finalised, the opinion is what it is. If the follow up identifies issues that have been addressed, this will be reported as part of the annual reporting process.
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	✓			Within the Audit Protocol, it states that where a Red (no assurance) report is issued, this will require a further review in the next year's plan.
	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	N/A			No specific consulting work undertaken.
4.7	2600 Communicating the Acceptance of Risks				
	If the CIA has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?	✓			This has not arisen.
	If, after discussion with senior management, the CIA continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?	✓			The CIA would report this to the Chair of SAC and ultimately the Committee.

This page is intentionally left blank

**Standards & Audit Committee
Work Programme
2023/24**

Dates of Meetings: 19 July 2023, 6 September 2023, 30 October (Extraordinary), 23 November 2023 and 29 February 2024

Topic	Lead Officer	Description of the Report
19 July 2023		
Terms of Reference	Democratic Services	
Audit Progress Report for 2020/ 21 External Audit	BDO/ Jonathan Wilson	
Internal Audit Strategy 2021/22 to 2023/23 & Annual Internal Audit Plan 2023/24	Gary Clifford	
Chief Internal Auditor's Annual Report – Year ended 31 March 2022	Gary Clifford	
Gifts and Hospitality	Asmat Hussain	
Complaints received under the Members' code of conduct	Asmat Hussain	
Member Training Report	Asmat Hussain	
Work Programme	Democratic Services	Standing Item

6 September 2023

External Audit Progress Update Report	BDO	
Annual Complaints & Enquiries Report 2021/22	Lee Henley	
Annual Information Governance Report April 2021 - March 2022	Lee Henley	
Regulation of Investigatory Powers Act (RIPA) 2000 – Activity Report 2021 /22	Lee Henley	
Counter Fraud & Investigation Annual Report 2022/23	Michael Dineen	
Dispensations	Asmat Hussain	
Publication of Councillors Home addresses on Register of interest	Asmat Hussain	
Work Programme	Democratic Services	
30 October (Extraordinary Meeting)		
Internal Audit Progress Update Report 2023-24	Gary Clifford	
Public Sector Internal Audit Standards Self-Assessment 2023	Gary Clifford	

Review of Risk and Opportunity Management, Strategy Policy and Framework Report	Andy Owen	
Verbal Update - Housing and Waste Complaints	Ewelina Sorbjan Claire Demmel	
Work Programme	Democratic Services	
23 November 2023		
External Audit Progress Update Report	BDO	Standing Item
Internal Audit Progress Report	Gary Clifford	Standing Item
Counter Fraud & Investigation Quarterly Update (Q2)	Michael Dineen	
Complaints received under the Members Code of Conduct	Asmat Hussain	
Updates on Committees on Standards in Public Life	Asmat Hussain	
Code of Corporate Governance	Asmat Hussain	
Work Programme	Democratic Services	
29 February 2024		
Audit Progress Report for the Year Ended 31 March 2022 – Verbal Update	BDO / Jonathan Wilson	
Internal Audit Progress Report	Gary Clifford	Standing Item

In Quarter 2 Refresh of the Strategic/Corporate Risk and Opportunity Register	Andy Owen	
Counter Fraud & Investigation Quarterly Update (Q3 Oct-Dec)	Michael Dineen	
Members Attendance Statistics	Matthew Boulter	
Update from Member Learning and Development Sub Committee	Matthew Boulter	
Mid-Year (2023/24) Complaints and Information Governance Activity Report	Lee Henley	
Internal Audit Protocol	Gary Clifford	
Internal Audit Charter 2023	Gary Clifford	
Member Training Attendance	Matthew Boulter	
Work Programme		

Reports for 2023/24:

First meeting of municipal year

Register of Interests Report – Monitoring Officer

To be confirmed:

Update of Program and Project Management – Mark Bradbury

A13 Widening Project – Mark Bradbury / Kevin Munnelly

Stanford-Le-Hope Transport Projects - Mark Bradbury / Kevin Munnelly

Investment Briefing – Jonathan Wilson

Financial Statements and Annual Governance Statement 2020/21 - BDO / Jonathan Wilson

Audit Completion Report – BDO/ Jonathan Wilson

A report on Members attendance at Committees

A report on the Counter Fraud Strategy should be included on the work programme as the Council will be developing a Fraud Charter.

A report on the whistle blowing, Corruption and Bribery policy.

An item on Contract Management/ lessons learnt could be brought back to Committee and the person in charge of contracts can confirm that provisions are now in place.

In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register

A briefing note on the new changes to Procurement law in 2024 to be provided.

Clerk: Rhiannon Whiteley

Last Updated: October 2023

This page is intentionally left blank