

tandaThurrock: A place of opportunity, enterprise and excellence, where individuals, communities and businesses flourish

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **8 December 2015**

Committee Room 1, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Tunde Ojetola (Chair), Graham Hamilton (Vice-Chair), Yash Gupta (MBE), Barry Johnson, Cathy Kent and Robert Ray

Rhona Long, Co-Opted Member
Jason Oliver, Co-Opted Member
Stephen Rosser, Co-Opted Member

Substitutes:

Councillors Robert Gledhill and Joycelyn Redsell

Agenda

Open to Public and Press

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Queries regarding this Agenda or notification of apologies:

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

Agenda published on: **30 November 2015**

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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.

Vision: Thurrock: A place of **opportunity**, **enterprise** and **excellence**, where **individuals**, **communities** and **businesses** flourish.

To achieve our vision, we have identified five strategic priorities:

1. Create a great place for learning and opportunity

- Ensure that every place of learning is rated “Good” or better
- Raise levels of aspiration and attainment so that residents can take advantage of local job opportunities
- Support families to give children the best possible start in life

2. Encourage and promote job creation and economic prosperity

- Promote Thurrock and encourage inward investment to enable and sustain growth
- Support business and develop the local skilled workforce they require
- Work with partners to secure improved infrastructure and built environment

3. Build pride, responsibility and respect

- Create welcoming, safe, and resilient communities which value fairness
- Work in partnership with communities to help them take responsibility for shaping their quality of life
- Empower residents through choice and independence to improve their health and well-being

4. Improve health and well-being

- Ensure people stay healthy longer, adding years to life and life to years
- Reduce inequalities in health and well-being and safeguard the most vulnerable people with timely intervention and care accessed closer to home
- Enhance quality of life through improved housing, employment and opportunity

5. Promote and protect our clean and green environment

- Enhance access to Thurrock's river frontage, cultural assets and leisure opportunities
- Promote Thurrock's natural environment and biodiversity
- Inspire high quality design and standards in our buildings and public space

Minutes of the Meeting of the Standards and Audit Committee held on 24 September 2015 at 7.00 pm

Present: Councillors Tunde Ojetola (Chair), Graham Hamilton (Vice-Chair), Yash Gupta (MBE), Barry Johnson, Cathy Kent and Robert Ray

Apologies: Councillors Steve Liddiard, Rhona Long, Jason Oliver and Stephen Rosser

In attendance: Sean Clark, Head of Corporate Finance
Gary Clifford, Client Manager for Audit Services
Christine Connolly, Ernst and Young
Debbie Hanson, Ernst and Young
Lee Henley, Information Manager
Andy Owen, Corporate Risk Officer
Jessica Feeney, Senior Democratic Services Officer

Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

14. Minutes

The Minutes of the Standards and Audit Committee, held on 16 July 2015, were approved as a correct record.

15. Items of Urgent Business

There were no items of urgent business.

16. Declaration of Interests

There were no declarations of interest.

17. Risk and Opportunity Register

The Corporate Risk Officer provided the Committee with a summary of the rationale for applying the high (red) ratings, which was covered in section 3 and Appendix 1 of the report. It was explained that a number of the risks were linked to demand and resource pressures and as these would not be alleviated in the short term target dates of 31/03/16 had been applied to the items, which is when the risk and management action plan documentation is due to be refreshed.

Councillor Gupta questioned how manageable the risks were. The Corporate Risk Officer informed the Committee that the risk documentation provides assurance and shows the management response arrangements for the items.

However it was accepted that some of the items are out of the direct control of the Council but the authority is doing what it can to manage the risks.

The Chair queried what the black box in the Risk and Opportunity Matrices represented and why it changed place from graph to graph. The Corporate Risk Officer explained that the black box showed the rating of the risk at the date shown in the graph. The Officer further explained that the series of graphs provide a dashboard to show the progress to manage the risk. The first graph of the series identifies the inherent rating without any controls in place, the end graph the target rating when all actions are in place and the graphs in between the quarterly movement towards the achievement of the targets for the completed reviews.

Resolved:

- 1. The Standards and Audit Committee noted the rationale for applying high (red) target ratings to the risks in question.**

18. Internal Audit Progress Report 2015/16

The Head of Internal Audit explained that the report set out the progress against the Internal Audit Plan 2015/16 and was the first progress report presented to the Standards & Audit Committee in the current municipal year.

The Committee was informed that the following reports had received the below assurance ratings for the control frameworks in their area:

Green

- Education Transport
- Warren Primary School
- Housing Benefits

Amber/Green

- Horndon-on-the-Hill Primary School
- Orsett C of E Primary School
- Somers Heath Primary School

Amber/Red

- Direct Payments (Adults)
- Direct Payments (Children)
- Supported Living (Contract Review)

It was explained that a full copy of the management summary and action plans with responses for the 3 Amber/ Red reviews were included in the Appendix.

Councillor Hamilton asked for an update regarding expenditure control; the Head of Internal Audit confirmed that procurement cards and special guardianships data had now been progressed into draft reports.

Councillor Ray questioned how many residents were receiving direct payments for Social Care; Officers confirmed that 64% of clients received direct payments. It was questioned further whether the child or parent/guardian received the payment, the Head of Internal Audit was not aware if a specific accounts were required but explained that clients whom received direct payments would be obliged to provide receipts for their expenditure. It was explained that if the payment was not direct, the Council would recompense for the client's expenditure, therefore would have access to receipts.

Councillor Gupta declared a pecuniary interest as his daughter currently received payments from the Council for Social Care.

Councillor Gupta said that he would like more information regarding missing fostering payments discussed at the last meeting and whether they had been corrected. It was confirmed that the Head of Internal Audit would follow this up outside of the meeting with Councillor Gupta.

Resolved:

- 1. That the Standards and Audit Committee considered reports issued by Internal Audit in relation to the 2015/16 draft audit plan.**

19. Regulation of Investigatory Powers Act (RIPA) 2000

The Information Manager introduced the report to Members, it was explained that the Council was advised following the RIPA inspection last year that a quarterly activity report would be brought to the Committee. The usage and activity of RIPA requests during April 2015 to June 2015 (Quarter 1) was reported as nil.

Councillor Ray questioned how and when an investigation was determined as a RIPA authorisation. The Head of Corporate Finance explained that a RIPA activity became listed once it had been referred to and approved by an authorised officer. It was clarified that a RIPA was not authorised once the investigation was complete. It was questioned by Councillor Ray if the council would receive a higher number of RIPA's from authorising investigations at Southend Council. It was confirmed by the Head of Finance that RIPA activity would be recorded as part of Southend Council statistics,

Resolved:

- 1. To note the statistical information relating to the use of RIPA from April 2015 to June 2015.**

20. Annual Complaints Report 2014-15

The Information Manager advised the Committee that there was a total of 1616 complaints received within the reporting year 2014/15, this was a decrease compared to 2013/14. It was added that the decrease was linked to the introduction of the concerns stage across all service areas in January 2014.

It was explained to the Committee that the combined total of complaints and concerns received for the reporting period was 4102; this was an increase compared to 2013/14. It was added that the top four expressions of dissatisfaction were related to Housing repairs, Estate Management, Council Tax, and Missed Waste Collections. Members were informed that 98% of complaints were responded to within the timeframe during 2014/15.

The Information Manager informed the Committee that 758 MP enquiries were received in 2014/15 with 92% responded to within timeframe, which represented a slight dip in performance compared to 2013/14. Councillor Ojetola questioned why there was a performance dip for 2014/15. The Information Manager clarified that there was a significant increase in MP enquiries and a high volume of those were for housing who due to the volume received were not able to respond to all with timeframe.

Resolved:

- 1. To note the statistics and performance for the reporting period 2014/15.**

21. 2014/15 Access to Records Report

The Information Manager introduced the report to the Committee making the following key points;

- During 2014/15, the Council processed 98% of Freedom of Information (FOI) requests within the legal timeframe.
- There had been a decrease in the number of FOI requests logged during the reporting period. This was due to the council implementing processes in order to reduce the volume of requests that were logged and processed as FOI requests. 430 requests were diverted away and processed as routine enquiries by services areas and the Information Governance Team.
- Based on data captured within the FOI database, it has been estimated that the average FOI request takes 3 hours 20 minutes to process.
- The council refuse requests when it is estimated that the time taken to process the request exceeds 18 hours. During 2014/15, 26 requests were refused.
- During 2014/15, the Council received 21 requests where the fee was paid and the full SAR (Subject access requests) process implemented. Of the 21 requests, 71% of requests were processed within the statutory timeframe.

- The Information Governance Team respond to complaints received regarding FOI and Environmental Information Regulations (EIR) requests. During 2014/15 there were 2 FOI/EIR complaints that were escalated to the Information Commissioner's Office (ICO).

Members had no data protection concerns and no questions.

Resolved:

- 1. That the Standards and Audit Committee considered the comments of the external auditors as set out in the attached report and note their findings.**

22. Audit Results Report for the Year Ended 31 March 2015

The Head of Corporate Finance introduced the report which set out the external auditors detailed findings from their review of the 2014/15 financial statements. It was added that the Council had continued to work effectively with external audit to build on the positive improvements noted in the 2013/14 financial statements. Members were informed that the issues identified in the prior year had been addressed and the overall quality of the financial statements had been reviewed and improved in 2014/15 and the audit had progressed well and in a shorter timeframe to date. The Ernst and Young Auditor informed the Committee that they would sign the Audit report off the following week.

Ernst and Young highlighted how they had difficulty in reviewing and testing some of the year estimates for debtor and creditor balances it was added that this was due to the method used by the Council to account for these balances. It was explained that rather than raising a new debtor/creditor in year and reversing this out of the accounts after the year end when paid, the balances led to difficulties in identifying which balances represented genuine current year assets or liability at year end for audit testing. It was added that Ernst and Young did not identify any specific errors in the year end debtors or creditors position. It was advised that management should review the approach to raising year end debtors and creditors to ensure clear audit trails. The Chair questioned why this was an insufficient process, the Committee was informed that to gain consistency the council should have one approach to recording debt and creditor balance as it had shown difficult to review and test.

Ernst and young confirmed that the Council had responded well and felt satisfied with the current arrangements in place for criteria 1 (arrangements for securing financial resilience) in relation to the level of budget gap for future year reflected in the Councils Medium Term Financial Strategy (MFTS).

Councillor C Kent thanked and showed appreciation for the Officers and all their hard work.

The Chair of the Committee asked for clarification regarding the budget review panel. The Head of Corporate Finance explained that the Panel consists of the leader and deputy leader of each political party, their aim would be to build an understanding and gain ideas which would then follow the democratic procedure.

The Chair of the Committee questioned whether the £3 million contingency and reserves in Adult Social Care would be assigned back into the general fund if not allocated. The Head of Corporate Finance informed the Committee that historically the Council budgeted Medium Term Financial Strategy (MTFS) at £3 million for democratic pressures, it was added that it was not just a reserve for Adults Social Care but for all services. It was further reported that the reserve was an estimate of what the Council thought was needed to deal with the demand from services.

Councillor Johnson queried why the reserves were not reducing in conjunction with the Council's budget. The Head of Corporate Finance explained that the Council could equally argue an increase in the reserves when dealing with a reduced budget. It was explained to the Committee how increasing the reserves would enable the Council more flexibility when dealing with uncontrollable demands.

Councillor Ray asked the Head of Corporate Finance to estimate how much the Council would need to increase rates to offset the budget cuts. The Head of Corporate finance estimated that the Council would need to increase Council Tax 5-6 % each year up until 2019/20 to accumulate £28 million.

Officers were pleased to note that subject to completing the audit, the external auditors intended to give an unqualified opinion on the Financial Statement; and Value for Money assessment.

Resolved:

- 1. That the Standards and Audit Committee considered the comments of the external auditors as set out in the attached report and note their findings.**

23. Financial Statements and Annual Governance Statement Update

The Head of Corporate Finance informed Members that the draft financial statements had been reviewed by external audit. It was added that the audit was being finalised and Members had already considered the external auditor's interim opinion that both the Value for Money Opinion and Financial Statements would be unqualified. The Annual Governance statement was included as an appendix to the report and had also been reviewed by external audit. The Head of Corporate Finance updated the Committee with the changes to the Thurrock Council Financial Statement since submission to the Standards and Audit Committee.

Councillor Johnson asked for clarification on what entities and individuals were classed under the short-term debtor's balance sheet. The Head of Corporate Finance explained that this was not broken down into individuals, but added that it was a combination of owed Council tax or housing rent, and that timing issues can affect this figure.

Resolved:

- 1. That the Standards and Audit Committee had consideration to the comments within the Audit Results Report considered earlier on the agenda, approve the Financial Statement subject to any further changes presented to the committee;**
- 2. That the Standards and Audit Committee Noted the issues contained within, and approve, the Annual Governance Statement; and**
- 3. That the Standards and Audit Committee Approved the letter of representation on behalf of the Council to be signed by the Chair of the committee once the audit is near completion.**

24. Disaster Recovery Plans

The Head of Corporate Finance introduced the report to Members explaining that the report had been constructed relating to Business Continuity Planning (BCP) and Disaster Recovery (DR) interpretations:

It was explained that the Business Continuity Plan was an overarching plan relating to each service delivered by the Council. The BCP outlined how particular Services would continue to be delivered after one of the following events disrupted them:

- People - Loss of staff e.g. as a result of pandemic flu
- Premises - Denial of access to buildings e.g. in the event of a fire or flood
- Resources - Loss of access to data e.g. failure of one or more of the council's servers
- Suppliers - Products and services supplied by third parties e.g. loss of utilities including gas, water, electricity or telecommunications.

It was added that Disaster Recovery was a separate BCP that outlined how the Council would recover in the event that one of the four events above specifically affected the primary data centre at Civic Offices in Grays, Essex.

The Head of Corporate Finance highlighted that an offsite location in the event of DR invocation would be the Culver Centre. Councillor C Kent enquired if there were any other off-site locations available subject to the Culver Centre. Members were informed that all Thurrock employees could remotely work from home using Citrix on condition that the data centre was

functional. It was added that the Council was working with other authorities to look at saving a duplicate of the Council's server onto another authorities data centre.

Members were informed that a progress report would return to the committee in March.

Resolved:

1. That the Standards and Audit Committee approved that, following ICT transformation completion (3 months following transfer back), officers carry out a new Business Impact Analysis (BIA) across Directorate Services to establish realistic Recovery Time Objectives (RTO) for each Service and report back in March 2016.
2. That officers, post transfer, correlate the Recovery Time Objective (RTO*) information from the Services and determine the appropriate DR solution required in order to meet them and report back in March 2016.

* The RTO is the maximum sustainable time possible without critical ICT availability before a Service reaches an unacceptable level of risk towards:

- Endangering human life / well-being
- The Council suffering significant financial loss

3. Officers complete an appropriate DR solution that better suits the Council's modern technology, way of working and increased freedom to collaborate with other Local Authorities and report back in March 2016.

25. Work Programme

The Democratic Services Officer explained that an update on the Disaster Recovery Plans would be added to the work programme for March 2016.

The meeting finished at 9.05 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

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8 December 2015	ITEM: 5
Standards and Audit Committee	
Review of DBS Checks Policy and Register of Interests Process for Members	
Wards and communities affected: All	Key Decision: Non-Key
Report of: David Lawson, Monitoring Officer	
Accountable Head of Service: Fiona Taylor, Head of Legal and Democratic Services	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is public	

Executive Summary

This report sets out the current policy regarding Thurrock’s approach to undertaking DBS checks and maintaining a register of interests for Elected and Co-Opted Members.

The Protection of Freedoms Act 2012 (PFA) introduced changes to the arrangements for carrying out criminal records checks. This report seeks to inform Members of the reforms, the current process and proposes changes to Council Policy in order to introduce DBS checks for all Members to ensure best practice in Thurrock.

The Corporate Overview and Scrutiny Committee on 17 September endorsed Option 1 below (3.14) which is now referred to the Standards and Audit Committee for approval, as appropriate decision maker. An excerpt of the minutes of the Corporate Overview and Scrutiny meeting on 17 September 2015 are attached at Appendix 3 for information.

1. Recommendation(s)

- 1.1 The Standards and Audit Committee are recommended to approve Option 1 below (3.14); that enhanced DBS checks are carried out for all Councillors and any Co-Opted Members who are members of any Committee or Board which discharges education or social services functions in line with the proposed policy detailed at Appendix 1.**
- 1.2 That the current approach to maintaining and publishing Members Register of Interests be endorsed.**

2. Introduction and Background

Disclosure and Barring Service (DBS) Checks

- 2.1 The Protection of Freedoms Act 2012 (PFA) introduced changes to the arrangements for carrying out criminal records checks. One of the key changes involved the merger of the Criminal Records Bureau (CRB) and the Independent Safeguarding Authority (ISA) in December 2012 to form a new body called the Disclosure and Barring Service (DBS).
- 2.2. The DBS is a non-departmental public body, sponsored by the Home Office. The DBS provides access to criminal records and other relevant information for organisations in England and Wales and is also responsible for investigating safeguarding concerns and maintaining the barred lists for Children and Adults and the combined list (these are statutory lists containing details of people considered unsuitable to work with children and/or adults).
- 2.3 The changes introduced under the Protection of Freedoms Act 2012 not only affected the administrative arrangements but also scaled back the number of activities, involving work with children and adults, that are regulated; these are known as “regulated activities”.
- 2.4 Individuals on a barred list for children and/or adults cannot undertake a “regulated activity” and it is a criminal offence for the Council to allow an individual to do so without first checking whether they are on a barred list. That it is why it is important for the Council to carry out pre-appointment checks in relation to individuals appointed to positions that involve the carrying out of a “regulated activity”
- 2.5 The revised definition of “regulated activity” was brought into force as a result of the PFA in September 2012. A “regulated activity” is one involving close work with vulnerable groups, including children, which a barred person must not do.
- 2.6 The legislation redefined and reduced the scope of regulated activities. Examples of “regulated activity” include being employed in a position that involves regularly undertaking unsupervised activities such as caring for or supervising children, regularly working for certain establishments such as children’s centres, and providing personal care to an adult in a care home or day care centre.
- 2.7 The majority of Councillors or co-opted members do not have unsupervised contact with children or adults as part of their role and therefore will not be involved in “regulated activity”. Therefore, unless activities fall within the redefined scope of “regulated activity”, Councillors or co-opted members are not required to be checked by virtue only of their position as a Councillor or co-opted member.

- 2.8 It should be noted that the law relating to elections already provides some safeguard by barring individuals from standing for election if they have been convicted of a criminal offence within the last 5 years and received in excess of 3 months' imprisonment.

Register of Interests – Current Process

- 2.9 Elected Members are required to register any disclosable pecuniary interests of themselves or a spouse or civil partner who they live with, within 28 days of taking up office. It is a criminal offence if a Councillor fails, without reasonable excuse, to declare or register interests with the Monitoring Officer.
- 2.10 Currently Members Services liaise with Members once elected and advise them of the process for completing a Register of Interest form. The forms are collated by Members Services and provided to the Business Support Officer in Legal Services who works with the Monitoring Officer to ensure all forms are reviewed, signed and filed accordingly. Once reviewed and formally signed by the Monitoring Officer the information is published online to each Members website page where the public and other Members can review as they wish.
- 2.11 It is Members responsibility to advise the Monitoring Officer of any changes to their register of disclosable pecuniary interests and declare these at meetings where relevant.

3. Issues, Options and Analysis of Options

Thurrock's current DBS check policy for Members

- 3.1 Thurrock's current policy is that those Members appointed to the following Committees are required to undertake a DBS check prior to taking their seats:
- Children's Services Overview and Scrutiny Committee
 - Health and Wellbeing Overview and Scrutiny Committee
 - Standards and Audit Committee
 - Corporate Parenting Committee
- 3.2 This is approved at Annual Council each year when the allocation of Committee Seats and Committee appointments are agreed, and under Committee Procedure Rule 13.2 (Chapter 5, Part 2 of the Council's Constitution) which states that members of the Corporate Parenting Committee are required to undertake a DBS Check prior to taking up their role.
- 3.3 Currently once a Member has been appointed to one of the aforementioned Committees above, Members Services coordinate with the Member and HR to advise that a DBS Check is required to be undertaken. The Member has a duty to complete the application and submit this to the Disclosure and Barring Service (DBS).

- 3.4 Once the check is completed, DBS will send a certificate listing the results to the applicant (the Member). The Member is required to provide this certificate to the HR department, as their employer, who will need to see the results.
- 3.5 The HR department are responsible for advising the Monitoring Officer of any positive result but should also keep the Monitoring Officer fully informed of the number of clear checks received. The Monitoring Officer would be expected to inform the Chief Executive of any positive result to determine an appropriate course of action.
- 3.6 The results of the DBS check are strictly confidential and are maintained within the HR department. In accordance with Section 124 of the Police Act 1997, disclosure information is only passed to the people authorised to receive it in the course of their duties, such as the Monitoring Officer, Chief Executive and other officers as appropriate, such as the Head of HR, OD & Transformation and the Principal Solicitor for Employment & Litigation.
- 3.7 There is currently no formal time period within which this must be completed, however it is expected that DBS checks would be undertaken as soon as practicable after being appointed to the Committee at Annual Council in May so that they can undertake their duties on the Committee when they begin their work for the new municipal year.

Presenting the Options

- 3.8 Councillors have a wide range of responsibilities and take decisions in relation to core services relating to children and adults, for example, the corporate parenting role. These responsibilities may require Councillors to access sensitive information about, or have contact with, children and adults.
- 3.9 Although the duties and responsibilities of Councillors do not fall under the scope of “regulated activity” and Councillors are no longer required to be checked if not undertaking such activity, the Council can still request that DBS checks (excluding a check of the barred lists) be carried out.
- 3.10 There are two levels of DBS checks that can be carried out:
 - Standard DBS checks which show disclose previous cautions, convictions, police reprimands and warnings relating to an individual.
 - Enhanced Checks (without a check of the barred lists) provide the information resulting from a standard DBS check with the addition of relevant police information provided by the local police force. Chief police officers are asked to provide any information which they “reasonably believe to be” “relevant and ought to be included in the [enhanced DBS] certificate”, having regard to the purpose for which the certificate is sought.

- 3.11 To address concerns about proportionality, the Government has introduced legislation to prevent certain minor and old convictions and cautions from being revealed by a DBS check.
- 3.12 The Corporate Overview and Scrutiny Committee considered the current approach adopted by Thurrock in regards to Members DBS checks at its meeting on 17 September 2015, as documented in Appendix 3.
- 3.13 The Corporate Overview and Scrutiny Committee proposed that **Option 1** be the preferred option recommended to the Standards and Audit Committee for approval in order to improve the DBS check process and strengthen public confidence in Thurrock.

Option 1: To carry out enhanced DBS checks for all Councillors and any Co-Opted Members who sit on a Board or Committee that discharges any education or social services function

- 3.14 This preferred option proposes that the Council as an employer carries out enhanced DBS checks for all Councillors in order to respond proportionately to the risk and reassure the public, and the draft policy attached at **Appendix 1** reflects this. Checks are also proposed for any Co-Opted member serving on a Committee or Board that discharges any education or social services function of the Council, which will include the Children's Services Overview and Scrutiny Committee, Corporate Parenting Committee and the Health Overview and Scrutiny Committee. Under this proposal Co-Opted Members of the Housing Overview and Scrutiny Committee, Planning, Transport and Regeneration Overview and Scrutiny Committee and Standards and Audit Committee would not be required to undergo a DBS check.

The enhanced level DBS certificate is recommended over the standard check as it contains any additional information held by the local police that they reasonably consider to be relevant to the individual's role. This information is useful to determine whether there are concerns under investigation locally which have not resulted in any formal action and any information provided may also help put details of any offence in context.

- 3.15 The Corporate Overview and Scrutiny Committee also considered a number of other options, which were ruled out (as set out below).

Option 2: To carry out no DBS checks

- 3.16 This option would be a change to the current Council Policy position and without any checks taking place it would not be possible to check an individual's background and determine whether an appointment to a particular role may be less suitable for them in light of a relevant disclosure. In order to protect those who are most vulnerable in society it is proposed that this option be rejected; the Council may be open to criticism if it did not take reasonable steps to assess and mitigate the risk.

Option 3: To carry out standard DBS checks for all Councillors

- 3.17 Standard checks only reveal basic information concerning any unspent convictions and cautions, police remands and warnings.

Option 4: To carry out enhanced DBS checks with a check of the barred lists

- 3.18 This option was ruled out because it is not lawful to check the barred lists unless the individual who is being checked is going to undertake a “regulated activity” as amended by the Protection of Freedoms Act. Councillors would not be eligible by virtue only of their position as a Councillor or Co-Opted member.

Option 5: To carry out DBS checks in relation to specific roles which have some relationship with services that engage in “regulated activity”.

- 3.19 Committees are responsible for decision taking therefore identifying specific individuals to DBS check would not be appropriate. Since Councillors engage in a variety of functions across the Council it is more appropriate to check all Councillors.

4. Reasons for Recommendation

- 4.1 It is proposed that Option 1 is adopted in light of the changes to the law and the redefined scope of “regulated activity”.
- 4.2 Although all Councillors and Co-Opted Members are not required to be DBS checked by virtue of their position (unless involved in “regulated activity”), Councillors are community leaders and work with local communities – including the public, community, voluntary and private sectors – to develop a vision for the local area and to find ways to improve services and quality of life for residents. In this role Councillors are expected to meet and engage with the public and could come into contact with residents – and thereby their families, including children and vulnerable people – in a multitude of situations, including within resident’s own homes.
- 4.3 As community leaders and corporate parents, residents would expect Councillors to lead and behave by example and place a great deal of trust in Elected Members by virtue of their position. Therefore it could be argued that if every Member undertook a DBS check this could strengthen public confidence and foster best practice in Thurrock.
- 4.4 The current process for maintaining a record of Members disclosable pecuniary interests is working well. All of Members Register of Interests forms are available online under each Councillor’s web page for public view and Members submit amended register of interests forms where appropriate. Thurrock is meeting its statutory obligation.

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

5.1 Not applicable.

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

6.1 This report supports the Council's Corporate Vision, Priorities and the Aim "to become a **confident**, well managed and **influential** council regarded by residents, peers and partners as **ambitious** for the people of Thurrock and totally focused on meeting their current and future **aspirations**."

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

The cost of each enhanced DBS check is £44. Thurrock has 49 Elected Members and 16 Co-Opted Members, 10 of which would be subject to a DBS Check if the Committee recommended Option 1 to the appropriate decision maker for agreement. If it was subsequently agreed, this would cost the Council £2,596. Further ongoing costs would be incurred upon renewal of Councillors DBS checks after the period specified in the policy (suggested as every 4 years) or as and when new Members are elected. As the Co-Opted Members appointed to Committees could change annually this would also incur an additional ongoing cost. This cost would need to be met from the budget within Legal and Democratic Services.

7.2 Legal

Implications verified by: **David Lawson**
Monitoring Officer and Deputy Head of Legal

The proposed policy complies with the exception to the Rehabilitation of Offenders Act 1974 and with the Disclosure and Barring Service Code of Practice. The Safeguarding Vulnerable Groups Act 2006 has effectively been amended to scale back the number and type of positions/circumstances which should be subject to criminal records checking. The provisions now only relate to those persons who have close and unsupervised contact with vulnerable groups including children. There are specific definitions as to what this means in practice.

The definition of "regulated activity" under the Safeguarding Vulnerable Groups Act has been amended. Previously, the definition specifically included councillors who "discharged functions" relating to the social care of vulnerable adults and children for two or more days in any 30 day period.

This was usually understood to include all members of Cabinet, relevant scrutiny members and those serving on fostering and adoption panels. This definition has been formally repealed. No councillors are now legally required to undergo a criminal records check as part of assessing their suitability for such roles; this is with the exception of councillors who will be involved in Fostering and Adoption panels where criminal checks, including barred list checks, should still be completed.

The definition of “regulated activity” under the Safeguarding Vulnerable Groups Act now only means:

With regard to children:

Unsupervised activities: teach, train, instruct, care for or supervise children, or provide advice/guidance on well-being, or drive a vehicle only for children – if done regularly; and relevant personal care (even if only done once); registered child-minding and foster carers.

With regard to adults:

Healthcare professionals providing healthcare or personal care; the provision of social work by social care workers; assistance with cash, bills or shopping or the conduct of their personal affairs; conveying persons because of their age, illness or disability even if only done once.

These definitions are given in more detail in the legislation but it is clear that the emphasis now is on the provision of close personal care and involvement with the individual.

Given this definition, there is now no legal requirement for a criminal records check on Councillors unless it is considered that a person is undertaking any of the activities listed above or will serve on fostering and adoption panels.

While the statutory requirement for automatic councillor checks has been lifted, *some discretion has been left to councils to continue previous arrangements if they wish. The Rehabilitation of Offenders Act regulations have been amended to allow enhanced checks on individuals who were previously covered by the definitions of regulated activity for children and vulnerable adults that were applicable prior to 10 September 2012.*

This means that the Council may still carry out enhanced checks on any councillors occupying positions which it deems to be “discharging” social services and education functions. The Council can construe this as meaning “all members” on the basis that they may potentially be members or substitutes of such committees or become members of the Cabinet.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

The report strengthens Thurrock's public sector equality duty and the impact of the proposals on safeguarding the community and human resources have been considered.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable.

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):

- None.

9. **Appendices to the report**

- Appendix 1: Proposed revised policy on Disclosure and Barring Service (DBS) Checks for Councillors and Co-Opted Members.
- Appendix 2: Code of Practice for registered persons and other recipients of disclosure information.
- Appendix 3: Excerpt of the minutes of the meeting of the Corporate Overview and Scrutiny Committee held on 17 September 2015.

Report Author:

Stephanie Cox
Senior Democratic Services Officer
Legal and Democratic Services

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Proposed revised policy on Disclosure and Barring Service (DBS) Checks for Councillors and Co-Opted Members

General Principles

1. That all Councillors undergo enhanced level DBS Checks every 4 years (for the duration of their term of office) upon being newly elected, or within two months of this policy being enacted.
2. Co-Opted Members will be required to undergo enhanced level DBS Checks if they are members of a Committee or Board which discharges any education or social services function. This will include Co-Opted Members of the following Committees:
 - Children's Services Overview and Scrutiny Committee
 - Corporate Parenting Committee
 - Health Overview and Scrutiny Committee

The Process

3. That within two months of the date of this Policy being introduced, and thereafter for newly Elected Councillors within two months of taking office following an election, Councillors will be required to undergo an enhanced DBS Check.
4. Within two months of the date of this Policy and thereafter within two months of a relevant newly appointed Co-Opted Member becoming a member of a Committee or Board that discharges any educational or social services function, the relevant co-opted member will be required to undergo an enhanced DBS check.
5. Members will be assisted by Members Services and the HR department, as the employer, who will provide the Member with application form to complete and return to the HR department, along with documents proving their identity and any other information as required.
6. The HR department will submit the completed application form to the DBS.
7. DBS will send a certificate to the Member once the check is complete. The Member will be responsible for providing the certificate to the HR department who will be required to review the certificate to identify if the check is clear or of any positive result.
8. Members will endeavour to use the online DBS service wherever possible to complete their application or subscribe to the DBS update service, which will enable Thurrock Council HR department, as the employer, to check the Members certificate online.

9. Once the certificate is reviewed by the HR department they would be expected to notify the Monitoring Officer of the result and any other information as required. The Monitoring Officer will maintain a record of the date a check was requested, the date a response was received and a 'list' of all those to whom the disclosure or disclosure information has been revealed together with other relevant information. In accordance with Section 124 of the Police Act 1997 disclosure information will only be passed to those people who are authorised to receive it in the course of their duties. It is a criminal offence to pass this information to anyone who is not entitled to receive it.
10. Where a check is not clear, for instance, it contains details of an offence, the Councillor or co-opted member will be required to provide a copy of the DBS certificate to the Monitoring Officer within 28 days of the date of issue of the DBS certificate, unless the content of the DBS certificate is disputed and the dispute is raised with the DBS within 3 months of the date of issue, in which case the certificate must be provided to the Monitoring Officer within 28 days following the outcome of the dispute.
11. Disclosure information will only be used for the specific purpose for which it is requested and for which the applicant's full consent has been given.
12. Records of the Disclosure Number will be kept electronically, along with the date of issue. Where Disclosure Information is made available this will be kept securely and destroyed within six months in line with the DBS Code of Practice and the Data Protection Act. Once the retention period has elapsed, any disclosure information will be destroyed by secure means. While awaiting destruction, disclosure information will remain secured.
13. No photocopy or other image of the disclosure or any copy or representation of the contents of a disclosure will be kept. However, as stated above, the Monitoring Officer will maintain a register of the date of the request for and issue of a disclosure, the name of the subject, the type of disclosure requested, the position for which the disclosure was requested, the unique reference number of the disclosure and the detail of any decision taken as a result of the disclosure.

Portability

14. DBS certificates are not portable other than those between individuals registered with the online DBS update service. Members will not be able to use their DBS check undertaken by the Council for any other purposes outside of their Council role, for instance in any volunteering opportunities or work with community groups as members of Boards they were not appointed to by the Council.

The Use of Disclosure Information

15. The existence of a criminal record or other information revealed as a result of an enhanced DBS check will not automatically debar a Councillor from holding office.

16. In the event that the disclosure information received raises issues of concern, the Chief Executive advised by the Monitoring Officer, the Principal Solicitor for Employment and Litigation, the Head of HR, OD & Transformation and Directors of Children's Services and Adults, Health and Commissioning, as appropriate, in consultation with the relevant Group Leader, will discuss with the individual Councillor the restrictions considered necessary, to safeguard children, young people and adults, on the positions held by that Councillor.

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Code of Practice

**For Registered Persons and Other
Recipients of Disclosure Information**

(Revised April 2009)

**Presented to Parliament pursuant to Section 122 (2) of the
Police Act 1997**

CODE OF PRACTICE

INTRODUCTION

This Code is established under section 122 of Part V Police Act 1997 and determines the obligations which govern initial and ongoing registration of Registered Bodies with the Criminal Records Bureau (CRB).

The Code applies to all Registered Bodies and Umbrella Bodies, hereon referred to as Registered Bodies, and their clients. The Code also applies to applications for, and handling of, both Standard and Enhanced Disclosures.

The obligations within this Code are determined by Part V Police Act 1997 and in particular the Police Act 1997 (Criminal Records) (Registration) Regulations 2006. These provisions determine the legal requirements upon persons seeking to register and maintain their registration with the CRB as Registered Bodies. They address the way in which the CRB will ensure that:

- Organisations are assessed as suitable to receive sensitive Disclosure information
- Organisations do not breach the spirit and requirements of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 by submitting ineligible Disclosure Applications
- Registered Bodies correctly verify the identity of Disclosure applicants to ensure the integrity of all Disclosures issued by the CRB
- Sensitive and personal data contained within the Disclosure is correctly managed and used by Registered Bodies
- The efficiency of the Disclosure Service is maintained by the timely payment of fees and the accuracy of Disclosure Application data
- Registered Bodies treat their applicants fairly when considering sensitive Disclosure information
- Registered Bodies who fail to comply with the obligations within this Code may be suspended or de-registered in order to maintain the overall integrity of the Disclosure Service

The CRB takes seriously its statutory duties relevant to the rehabilitation of offenders, data protection and human rights legislation. It will therefore seek to ensure strict compliance with the Code through the full range of CRB assurance management processes.

This Code applies to all Disclosure information that is information contained within the Disclosure including information provided under the Independent Safeguarding Authority (ISA) scheme when introduced as well as information provided under separate cover.

THE OBLIGATIONS

1 REGISTRATION

Registered Bodies must:

1. Provide sufficient information to the CRB to allow registration to proceed. This includes information on the organisation's status, the suitability of proposed countersignatories and the purposes for which registration is requested
2. Demonstrate that they are likely to countersign and submit applications for relevant positions and employment
3. Demonstrate that they are likely to submit the minimum annual number of Disclosure applications determined by the CRB
4. Provide up-to-date information to the CRB as required in respect of the registration information and countersignatories
5. Provide information on their organisation and nominated Lead and countersignatories as and when required by the CRB to determine suitability for initial and ongoing registration with the CRB
6. Give access to CRB officials to official premises, data and documentation as and when reasonably required by the CRB to determine suitability for ongoing registration
7. Submit Registration and Disclosure applications in the prescribed format
8. Ensure that Disclosure applications are completed accurately and that all mandatory data fields are completed in full
9. Ensure that any electronic application system complies with CRB specifications as stipulated

2. IDENTITY VERIFICATION

Registered Bodies must:

1. Accurately and comprehensively verify the identity of the applicant prior to the submission of a Disclosure application
2. Ensure that any person undertaking identity verification checks on their behalf is suitable and trained accordingly

3. MANAGEMENT AND USE OF DISCLOSURE INFORMATION

Registered Bodies must:

1. Have a written policy on the secure handling of Disclosure information which, in the case of Umbrella Bodies, should be made available to their clients

2. Store Disclosure information securely
3. Retain Disclosure information, its content or any representation of the same in any format for no longer than is necessary and for a maximum of six months following the recruitment decision unless a dispute is raised or, in exceptional circumstances, where CRB agreement is secured
4. Ensure that no reproductions of the Disclosure or its content are made, including photocopies or scanned images, unless with the prior agreement of the CRB or as a result of a stipulated requirement relating to the e-channel service
5. Only share Disclosure information with relevant persons in the course of their specific duties relevant to recruitment and vetting processes
6. Dispose of Disclosure information in a secure manner
7. Ensure that Additional Information, including information as to its existence, is not revealed to the Disclosure applicant and is disposed of in the appropriate manner and at the appropriate time
8. Ensure that they comply with CRB guidance on the portability of Disclosures and their contents

4. SUITABILITY POLICY

Registered Bodies must:

1. Have a written policy on the suitability of ex-offenders that is available upon request to potential applicants and which, in the case of Umbrella Bodies, should be made available to their clients
2. Ensure that all applicants for relevant positions or employment are notified in advance of the requirement for a Disclosure
3. Notify all potential applicants of the potential effect of a criminal record history on the recruitment and selection process and any recruitment decision
4. Discuss the content of the Disclosure with the applicant before withdrawing any offer of employment
5. Provide a copy of the CRB Code of Practice to the applicant upon request

5. PAYMENT AND FEES

Registered Bodies must:

1. Pay the prescribed registration fee before registration may proceed
2. Pay countersignatory fees within the prescribed period
3. Pay all subsequent Disclosure fees within the prescribed period

4. Pay all fees related to Disclosure applications submitted after any decision by the CRB to suspend registration or deregister the organisation
5. Publish all fees associated with Disclosure applications in relevant documentation
6. Notify the CRB in writing of any change to the fees associated with Disclosure applications

6. ELIGIBILITY

Registered Bodies must:

1. Use all reasonable endeavours to ensure that they only submit Disclosure applications in accordance with the Disclosure eligibility criteria for relevant positions or employment
2. Correctly apply the CRB definition of a volunteer to assert eligibility for free-of-charge Disclosures

7. ASSURANCE AND COMPLIANCE

Registered Bodies and their clients must co-operate in full with the CRB Registration Management Team enquiries, audits and investigations in seeking to:

1. Determine eligibility for initial registration with the Disclosure Service in accordance with the prescribed processes and criteria
2. Ensure ongoing compliance of Registered Bodies with the obligations under this Code by undertaking assurance audits on a regular basis in accordance with the prescribed processes and criteria
3. Implement the suspension or de-registration of a Registered Body where non-compliance is established in accordance with the prescribed de-registration processes and criteria

8. OFFENCES

Registered Bodies must note that it is an offence to:

1. Disclose information contained within a Disclosure to any person who is not a member, officer or employee of the Registered Body or, in the case of Umbrella Bodies, their client unless a relevant legal exception applies
2. Disclose information to any member, officer or employee where it is not related to that employee's duties
3. Knowingly make a false statement for the purpose of obtaining, or enabling another person to obtain, a Disclosure

Persons guilty of such offences are liable to deregistration, imprisonment or a fine unless a relevant exception applies as outlined in CRB Guidance.

GUIDANCE

Each of the obligations of this Code is supplemented by detailed Guidance available on the CRB website at www.crb.gov.uk.

This Guidance will be updated on a continual basis to ensure that it reflects the reality of CRB operations and the needs of Registered Bodies.

Significant changes to the Guidance will be notified to Registered Bodies as required.

FUTURE DEVELOPMENTS

The CRB anticipates significant developments in its service delivery within the coming three year period. These will include:

- The establishment by the Department of Children, Schools and Families of the Independent Safeguarding Authority which will allow for the continual monitoring of persons suitability to work within the children and vulnerable adults sectors
- The development of e-delivery channels for access to the CRB Disclosure Service, including e-applications and the extension of online tracking

Both of these developments will impact on the role of Registered Bodies in regards to the format, content and secure handling of the information they receive as part, or associated with, the Disclosure Service.

CRB CODE OF PRACTICE

GLOSSARY OF TERMS

Additional Information (Enhanced Disclosures Only). -In a very small number of circumstances (typically to protect the integrity of current police investigations), additional information may be sent under separate cover to the Countersignatory. Please note, the applicant's copy of the Disclosure will not refer to this information. Therefore information must not be shared with the applicant.

Where the police issue a separate letter, the Countersignatory's copy of the Enhanced Disclosure will contain the following words '**Please refer to letter sent under separate cover**', printed under the '*date of issue*' on the Disclosure.

Approved Information (Enhanced Disclosures Only). - This is non-conviction information provided by the police from their local records. The Chief Police Officer in each force will decide what, if any, information to provide. The CRB will print this information on both the applicant's and the Countersignatory's copy.

Assurance Audits - Used to determine the level of compliance of Registered Bodies focussing on Id validation and data quality. It takes the form of a self-assessment questionnaire that must be completed by Lead Signatories. Where areas of non-compliance have been identified, they are addressed in a detailed report to the Lead Signatory, and in some cases a Compliance Visit to the organisation may also take place for further examination of their internal processes.

Counter-signatory - A person within a Registered Body who is registered with the CRB to countersign applications and receive the Disclosure.

Criminal Records Registration Regulations 2006 - Conditions set by CRB which must be met in order to maintain registration status.

Disclosure - The term that is used to describe the service provided by the CRB and the document issued to the applicant and Registered Body when a CRB check has been completed.

Exceptions Order 1975 - The Exceptions Order to the Rehabilitation of Offenders Act (ROA) 1974 sets out those occupations and positions exempt from the provisions of the ROA. These are generally positions of trust, where there is a valid need to see a person's full criminal history in order to assess their suitability for a position. This information is intended as general guidance only. It must not be regarded as a definitive interpretation of the Act. Anyone requesting further guidance should seek legal advice.

Enhanced Disclosure - Also referred to as an Enhanced check. These are for posts that involve a far greater degree of contact with children or vulnerable adults. In general the type of work will involve regularly caring for, supervising, training or being in sole charge of such people. Examples include a Teacher, Scout or Guide leader. Enhanced checks are also issued for certain statutory purposes such as gaming and lottery licences.

This level of check involves an additional level of check to those carried out for the Standard CRB check - a check on local police records. Where local police records contain additional information that may be relevant to the post the applicant is being considered for, the Chief Officer of police may release information for inclusion in an Enhanced check.

Exempted Question - An exempted question is a valid request for a person to reveal their full criminal history (including spent convictions) and is made possible by virtue of the Exceptions Order to the Rehabilitation of Offenders Act (ROA) 1974.

Independent Safeguarding Authority (ISA) - The ISA have been created to help prevent unsuitable people from working with children and vulnerable adults by working in partnership with the Criminal Records Bureau (CRB), gathering relevant information on every person who wants to work or volunteer with vulnerable people

Identity Verification Checks - A process that Registered Bodies undertake to check and validate the information provided by the applicant on the application form.

Lead signatory - A senior figure within a Registered Body who has overall responsibility for the use of the CRB checks in their organisation.

Online Tracking - Facility than can be used on the CRB website to track an application by providing the form reference number and date of birth.

Part V Police Act 1997 - The piece of legislation that brought about the CRB.

Personal Data - Data which relates to a living individual who can be identified from that data.

(Sensitive) Data – Data which includes:

- Racial or ethnic origin
- Religious or other beliefs of a similar nature
- Physical or mental health or condition
- Sexual life
- Offences (including alleged offences)

Portability - Portability refers to the re-use of a CRB Disclosure, obtained for a position in one organisation and later used for another position in another organisation.

This practice is no longer endorsed by the CRB due to the risks factors involved.

Registered Body - Organisations that have registered directly with the CRB to use its services.

Rehabilitation of Offenders Act (ROA) 1974 - The Rehabilitation of Offenders Act (ROA) 1974 enables some criminal convictions to become 'spent', or ignored, after a 'rehabilitation period'. A rehabilitation period is a set length of time from the date of conviction. After this period, with certain exceptions, an ex-offender is not normally obliged to mention the conviction when applying for a job or obtaining insurance, or when involved in criminal or civil proceedings.

Standard Disclosure - Also referred to as a Standard check. These are primarily for posts that involve working with children or vulnerable adults. Standard checks may also be issued for people entering certain professions, such as members of the legal and accountancy professions. The Standard check contains details of all convictions held on the PNC including current and 'spent' convictions as well as details of any cautions, reprimands or final warnings. If a position involves working with children, the CRB check will indicate whether information is held on three government lists of those who are banned from working with children or the vulnerable.

**Excerpt of the Minutes of the Corporate Overview and Scrutiny Committee
held on 17 September 2015**

14. Review of DBS Checks Policy and Register of Interests Process for Members

The Senior Democratic Services Officer introduced the report which set out the current policy regarding Thurrock's approach to undertaking DBS (Disclosure and Barring Service) checks and maintaining a register of interests for Elected and Co-Opted Members, and explained the new policy that was proposed for introduction, detailed in Appendix 1.

The Committee welcomed the proposal to introduce enhanced DBS checks for all Councillors and any Co-Opted Members who were members of a Committee or Board which discharged an education or social services function.

The Committee were informed that the results of the DBS checks would be carefully managed and a record maintained by the Monitoring Officer, which would also include the date of when a check was requested, a date a response was received and a list of all those to whom the disclosure or disclosure information had been revealed.

Members were advised that it was not possible to disclose the outcome of the DBS check on Councillor's individual web page, even if individual Councillor's wanted to disclose their result voluntarily to the public, as the Council would be in breach of the DBS Code of Conduct and that any breach could result in deregistration, imprisonment or a considerable fine.

Councillor Liddiard asked whether Election Candidates standing for office could be required to undertake a DBS Check before the election, and questioned how Councillors should disclose interests relating to siblings or those of their sons or daughters.

In response the Senior Democratic Services Officer explained that the proposed policy recommended that newly Elected Members complete a DBS check application form on taking up office following an election as part of their induction, which would be assisted by Members Services and the HR team.

Members were advised that having a criminal conviction did not automatically disqualify a person from being eligible to be a Councillor, but this information and the reasons for disqualification were well-documented in the elections guidance process for candidates and agents which all potential candidates should be aware of. The Committee were advised that it would be difficult to require all candidates to undertake a DBS check, which would also have a cost implication for the authority, rather election candidates standing for a political group were subject to an application and selection at group level.

The Senior Democratic Services Officer advised that under the Localism Act Elected Members were required to register any disclosable pecuniary

interests of themselves or a civic partner who they live with, within 28 days of taking up office, and that it was a criminal offence if a Councillor failed to declare such interests to the Monitoring Officer. It was further reported that upon receipt of the completed register of interest form its contents were uploaded to the respective Councillor's webpage online and therefore was available for public view at any time.

The Senior Democratic Services Officer added that any interests relating to siblings or offspring should be declared as part of the pecuniary or non-pecuniary interest process, documented in the Council's constitution, at the start of meetings where appropriate, depending on the relevance of reports and decisions being considered. The Committee were assured that Democratic Services could offer guidance on each particular circumstance should Members require it.

Councillor Hebb felt that political groups should act if they had any concerns regarding the eligibility or suitability of a candidate to stand for election and undertake due diligence before a person was selected to represent that political party.

The Committee were advised that the matter would be referred to the Standards and Audit Committee, as the appropriate decision making body, at its next meeting.

RESOLVED:

- 1. The Standards and Audit Committee are recommended to approve Option 1 below (3.14); that enhanced DBS checks are carried out for all Councillors and any Co-Opted Members who are members of any Committee or Board which discharges education or social services functions in line with the proposed policy detailed at Appendix 1.**
- 2. That the current approach to maintaining and publishing Members Register of Interests be endorsed.**

8 December 2015	ITEM: 6
Standards and Audit Committee	
Regulation of Investigatory Powers Act (RIPA) 2000 – Quarterly Activity Report	
Wards and communities affected: N/A	Key Decision: N/A
Report of: Fiona Taylor, Head of Legal and Democratic Services/Monitoring Officer	
Accountable Head of Service: Fiona Taylor, Head of Legal and Democratic Services/Monitoring Officer	
Accountable Director: Lyn Carpenter - Chief Executive	
This report is public	

Executive Summary

This report provides an update on the usage and activity of RIPA requests during July 2015 to September 2015 (Quarter 2).

1. Recommendation(s)

1.1 To note the statistical information relating to the use of RIPA from July 2015 to September 2015.

2. Introduction and Background

2.1 The Regulation of Investigatory Powers Act 2000 (RIPA), and the Protection of Freedoms Act 2012, legislates for the use of local authorities of covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to an authority's core functions.

2.2 The council's use of these powers is subject to regular inspection and audit by the Office of the Surveillance Commissioner (OSC) in respect of covert surveillance authorisations under RIPA, and the Interception of Communications Commissioner (IOCCO) in respect of communications data. During these inspections, authorisations and procedures are closely examined and Authorising Officers are interviewed by the inspectors.

2.3 The RIPA Single Point of Contact (SPOC) maintains a RIPA register of all directed surveillance RIPA requests and approvals across the council.

3. Issues, Options and Analysis of Options

- 3.1 The number of Thurrock RIPA directed surveillance authorisations processed from July 2015 to September 2015 is 1. Below is a breakdown showing the areas the authorisations relate to for this period (along with year to date figures):

	July 2015 – September 2015	2015/16 – Year to date volumes
Trading Standards	0	0
Fraud	1	1
Regulatory	0	0
Covert Human Intelligence Source (CHIS authorisations)	0	0

The table below shows the number of requests made to the National Anti-Fraud Network (NAFN) for Communication Data requests:

	July 2015 – September 2015	2015/16 requests to date
Service Data	0	1 (Trading Standards)
Subscriber Data	0	0

Notes:

- Service Data – Is information held by a telecom or postal service provider including itemised telephone bills and/or outgoing call data.
- Subscriber Data – Includes any other information or account details that a telecom provider holds e.g billing information.

4. Reasons for Recommendation

- 4.1 This report provides an update on the usage and activity of RIPA requests for July 2015 to September 2015.

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

- 5.1 The RIPA SPOC has consulted with the relevant departments to obtain the data set out in this report.

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

- 6.1 Monitoring compliance with the Regulation of Investigatory Powers Act 2000, and the Protection of Freedoms Act 2012, supports the council’s approach to corporate governance. Ensuring the appropriate use of RIPA in taking action

to tackle crime and disorder supports the corporate priority of ensuring a safe, clean and green environment.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Management Accountant

There are no financial implications directly related to this report.

7.2 Legal

Implications verified by: **Chris Pickering**
**Principal Solicitor – Employment and
Litigation**

Legal implications comments are contained within this report above.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community Development and Equalities
Manager**

There are no such implications directly related to this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Compliance with the requirements of RIPA legislation will ensure the proper balance of maintaining order against protecting the rights of constituents within the borough. There are no implications other than contained in this report.

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):

- None.

9. Appendices to the report

- None.

Report Author:

Lee Henley
Information Manager
Chief Executive's Office

8 December 2015	ITEM: 7
Standards and Audit Committee	
Internal Audit Progress Report 2015/16	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford, Internal Audit Manager	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is public	

Executive Summary

The Internal Audit Plan 2015/16 was discussed by the Standards & Audit Committee at their meeting of 16th July 2015. This report sets out progress against the Internal Audit Plan 2015/16 and is the second progress report presented to the Standards & Audit Committee in the current municipal year. It details audit reviews issued as final since the last progress report presented to the Committee on the 24th September 2015.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Consider reports issued by Internal Audit in relation to the 2015/16 audit plan.

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 Internal Audit Plan 2015/16 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 (some assurance but a number of weaknesses) and Red (negative assurance opinion).
- 3.2 We have summarised below (3.3 to 3.6), those reports that have been issued as final since the beginning of April 2015. The key findings of these reports are shown at Appendix 1.
- 3.3 The following reports received a **Green** assurance rating for the control frameworks in their area:
- School Condition Funding.
 - Children's Centres.
 - Register of Interests, Gifts & Hospitality.
 - St Joseph's Catholic Primary School
 - Housing Rents
- 3.4 The following reports received an **Amber/Green** assurance rating for the control framework in its area:
- Fostering
 - Street Lighting
- 3.5 No reports were issued during this period with an **Amber/Red** assurance rating for the control framework in its area:
- 3.6 At the request of the client, we also carried out an advisory review on Special Guardianship. The main findings of this review are included in the progress report at Appendix 1 as 4 high level recommendations were identified.
- 3.7 We have also included all those reports that are draft reports and work in progress within the table which forms part of the introduction to the progress report at Appendix 1.
- 3.8 At the request of members of the Standards & Audit Committee, an update on the progress being made to address reports with a number of high risk recommendations or those issued with an Amber/Red opinion are also included.

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 audit risk assessment and the plan are periodically discussed with the Chief Executive, Directors and Heads of Service before being reported to Directors Board and the Standards & Audit Committee.
- 5.2 All terms of reference and draft reports are discussed and agreed with the relevant Corporate Directors, Heads of Service 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 2015-16. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **Michael Jones**
Management Accountant

Whilst there are no direct financial implications arising from this report, it is important that the authority maintains adequate internal controls to safeguard the authority's assets. This is not to say that audit recommendations do not have financial implications but these are for management to identify and contain within existing budgets.

7.2 Legal

Implications verified by: **David Lawson**
Monitoring Officer

The contents of this report and appendixes form part of the Council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2015 to at least annually 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. The Council has delegated responsibility for

ensuring this is taking place to the Standards & Audit Committee. There are no adverse legal implications relating to the reporting progress.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

There are no direct diversity implications arising from this report as it is for information purposes only.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

In terms of risk and opportunity management, the Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance framework. 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 2015/16 to 2017/18 and Internal Audit Plan 2015/16
- Internal Audit Reports issued in 2015/16.

9. **Appendices to the report**

- Appendix 1 – Internal Audit Progress Report.

Report Author:

Gary Clifford
Internal Audit Manager
Thurrock Council Internal Audit Service

Standards & Audit Committee

Internal Audit Progress Report 2015/16

Date of Committee: 8th December 2015

Introduction

The internal audit plan for 2015/16 was presented to the Standards & Audit Committee on 16th July 2015. This report provides the second update on progress against that plan since the 24th September meeting.

Table showing Reports issued as Final, Draft Reports issued to Client and Work in Progress

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Fostering	Final	Amber/Green	0	3	0
School Condition Funding	Final	Green	0	0	0
Children's Centres	Final	Green	0	2	2
Register of Interests, Gifts & Hospitality	Final	Green	0	0	2
Street Lighting	Final	Amber/Green	0	3	1
St Joseph's Catholic Primary School	Final	Green	0	2	2
Procurement Cards	Draft with Client	N/A	N/A	N/A	N/A
Safeguarding of Assets (Appointeeship and Deputyship)	Draft with IA Manager	N/A	N/A	N/A	N/A
Spend under £75K	Work in Progress	N/A	N/A	N/A	N/A
Recruitment	Work in Progress	N/A	N/A	N/A	N/A
Insurance	On hold – see below	N/A	N/A	N/A	N/A
Procurement in Schools	On hold – see below	N/A	N/A	N/A	N/A
Core Assurance					
Housing Rents	Final	Green	0	1	1
Adult Social Care Expenditure	Draft with IA Manager	N/A	N/A	N/A	N/A
Payroll	Work in Progress	N/A	N/A	N/A	N/A
Cash and Banking	Work in Progress	N/A	N/A	N/A	N/A
Advisory Reviews					
Special Guardianship	Final	Advisory	4	0	0

The report on Special Guardianship was an Advisory report where an assurance opinion was not provided but a number of high risk recommendations were identified

so the management summary and action plan have been included in detail at the end of this report.

Due to on-going issues with availability of staff within the Insurance team, it was agreed with the Head of Corporate Finance, that the review would be deferred until 2016/17.

The Internal Audit Manager and a Senior Auditor attended a "Presentation to Schools" meeting on the 15th October to lay out the scope of the Procurement in Schools review. The meeting was attended by school's Finance Officers and it was agreed that this work would commence in mid-January.

The Internal Audit Service has also been supporting the Corporate Fraud & Investigation Directorate on two on-going investigations and the National Fraud Initiative.

Update on reports issued with an Amber/Red opinion

The following actions have been taken:

Amber/Red reports presented to Standards & Audit Committee September 2015.

Adults Direct Payments

- Every person has to have a new direct payment agreement when they have their annual review. This will pick up any that are missing.
- Staff reminded that any changes require a new direct payment agreement.
- All financial assessments that had not been reviewed in the last 12 months' have now been picked up and carried out.
- Customer Journey Practice manual has been updated.

Children's Direct Payments

- Finance forms are now checked by the Team Manager and no alterations are accepted without a new completed finance form.
- Letters are sent out to when the evidence to support the annual assessment is not received in a timely manner. However, resources are still an issue when following up so the Direct Payments Officer has been signed up to attend a time management course to see if this can help her sharpen up the process.
- All Direct Payments have now been subjected to an annual review.

Supported Living

Due to the unforeseen personal circumstances of the Service Manager following the death of a close relative, this has not yet progressed. The Contracts Team Manager stated that a meeting had been arranged to discuss the action plan and start implementing the recommendations which were due to be completed by 30th September. However, a new meeting is to be set up and new implementation dates agreed.

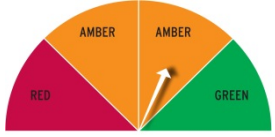
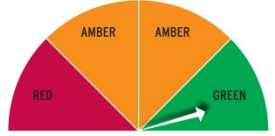
Advisory Report presented to Standards & Audit Committee December 2015.

Special Guardianship

A monthly monitoring and practice review meeting takes place which the Internal Audit Manager attends in an advisory capacity. This is primarily aimed at addressing the issues around these types of payments but the service are now drilling down to clarify payments for other allowances/orders e.g. residence orders which are being

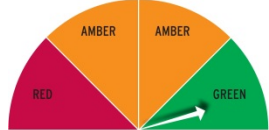
phased out but the Council still pay to about 12 people under these orders. Payments of allowances were included on the last SMT meeting so all senior staff are now aware of the importance of making sure these orders and the payments are set up correctly.

Key Findings from Internal Audit Work

Assignment: Fostering	Opinion: Amber/Green	
Headline Findings: Our review of Fostering identified 3 medium recommendations around the adequacy of the control framework. The 3 recommendations from the previous review remain outstanding and have been repeated within this review.		
Action and Response	Responsible Officer	Date
<p>Action - It is recommended that the Fostering and Supplementary Allowance document is kept up to date to ensure staff and Foster Carers have the latest information available. In addition, the website needs to be updated to reflect the current rate. This will help to reduce the likelihood of errors in process or payment.</p> <p>Response – Agreed - Person usually responsible for the website is on maternity leave. Management action to request appropriate admin person to do this.</p>	Fostering Team Manager	September 2015
<p>Action - It is recommended that where a Carer fails to supply receipts to cover expenses for equipment purchases, they should be reminded that payments may be withheld. In respect of the 2 small overpayments (£130 and £289.85) and 1 small underpayment (approx. £22.50), these need to be investigated and appropriate action taken.</p> <p>Response – Agreed - Manager to inform appropriate administrative of this action.</p>	Fostering Team Manager	September 2015
<p>Action - Managers should be reminded that claims should not be authorised if they are not sufficiently detailed to determine their validity and accuracy, including attaching receipts where public transport is being claimed. If necessary, they should be returned so they can be completed fully and relevant receipts be attached. They should also be checked and signed by the supervising Social Worker before being submitted to the manager for final authorisation and payment. This will help to ensure only bona fide expense payments are made.</p> <p>Response – Agreed - Instruct relevant admin and social worker.</p>	Fostering Team Manager	September 2015
Assignment: School Condition Funding	Opinion: Green	
Headline Findings: Our review of School Condition Funding did not identify any issues around the adequacy of the control framework. All schools had given agreement for the work, prior to commencement. Invoices were raised and authorised for payment for all schools earmarked for conditioning works. Payments of these invoices were reflected in the general ledger.		

Assignment: Children's Centres	Opinion: Green	
Headline Findings: Our review of Children's Centres identified 2 medium and 2 low recommendations around the adequacy of the control framework.		
Action and Response	Responsible Officer	Date
<p>Action - It is recommended that the Council continues to work closely with the Provider to ensure that the targets for "hard to reach" groups are understood, adequately resourced and any barriers addressed in good time.</p> <p>Where there are any differences between the Providers self-assessment report and the Authority's annual evaluation, steps should be taken to identify why these discrepancies occur and to highlight any areas for improvement. This process will help the Children's Centres to enhance the improvements already identified internally and through Ofsted reporting. Efficient and effective working will help to achieve value for money.</p> <p>Response - The manager of the 4 Children's Centres is invited to the monthly children centre manager meetings.</p> <p>The Children Centre Improvement Partner (CCIP) visit for the autumn term 2015 is focusing on target groups re identification, engagement and the provision of relevant services.</p> <p>Regular meetings between CCIP partner and the Early Education Improvement Officer to feedback on termly CCIP visits.</p>	Early Education Improvement Officer	October 2015
<p>Action – Agreed - The Commissioning Team and the service department should consider a review of the annual contractual costs at the end of the 3 year period and compare them to the costs of running other Children's Centres. A cost benefit analysis helps to demonstrate that the Council are measuring cost and quality to determine that they are getting value for money and are being provided with an efficient and effective service.</p> <p>Response – Agreed - Budget comparison to be included in contract review to inform commissioning intentions.</p>	Children's Commissioner	September 2015
Assignment: Register of Interests, Gifts and Hospitality	Opinion: Green	
Headline Findings: Our review of the Register of Gifts, Interests and Hospitality did not identify any significant issues around the adequacy of the control framework. In general, procedures were robust and members and officers follow the correct procedures. The 1 recommendation from the previous review had been implemented.		

Assignment: Street Lighting	Opinion: Amber/Green	
Headline Findings: Our review of Street Lighting identified 3 medium and 1 low recommendations around the adequacy of the control framework. There has been no specific review in this area in the last 6 years.		
Action and Response	Responsible Officer	Date
Action - Whilst acknowledging that the works under the contract are being carried out, from a legal and procurement perspective, it is recommended that the Street Lighting contract is formally agreed and signed. This will reduce the likelihood of delays in the event of settling any disputes that may arise around delivery of, or payment for, the service. Response – Agreed - Contract will be added as an Agenda item and its progress monitored through regular meetings.	Highways Infrastructure Manager	November 2015
Action - It is recommended that contractor meetings have a standard agenda which covers contractual as well as operational issues. It should cover areas such as health & safety, outstanding works, performance, inspections etc. This helps to address issues with the contract which have resulted in it not being signed off (see above). Response – Agreed - Standard Agenda will be created and agreed with contractor for use in regular meetings.	Highways Infrastructure Manager	November 2015
Action - Once the reporting system has been redesigned, performance reports should be produced on a regular basis for discussion during meetings with the contractor. This will ensure that any actions required are recorded and their implementation is monitored. Response – Agreed - Contract management process will be put in place and Performance Monitoring reports will be run for discussion at regular meetings.	Highways Infrastructure Manager	February 2016
Assignment: St Joseph's Catholic Primary School	Opinion: Green	
Headline Findings: Our review of St Joseph's Catholic Primary School identified 2 medium and 2 low recommendations around the adequacy of the control framework. The 2 recommendations from the previous review had been implemented.		
Action and Response	Responsible Officer	Date
Action - Orders must be raised in the first instant to ensure management information reports are up to date and proper authorisation obtained. In addition, copies of all quotes must be kept to	Headteacher Business Manager	December 2015

<p>evidence that value for money was obtained. Where applicable, the orders for these larger expenditures must be signed by the relevant governor in line with the school's financial regulations and reported to the Governing Body.</p> <p>Response – Agreed - Procedures will be put in place.</p>		
<p>Action – An overtime claim form must be completed and signed by all staff carrying out additional hours, including casual hours worked and those staff being paid regular overtime, before it is handed to the Business Manager for checking and forwarded to the Headteacher for authorisation. This ensures there is a proper audit trail and payments are transparent and properly authorised.</p> <p>Response – Agreed - This will be implemented immediately for the next payroll run.</p>	<p>Headteacher Business Manager</p>	<p>November 2015</p>
<p>Assignment: Housing Rents</p>	<p>Opinion: Green</p>	
<p>Headline Findings: Our review of Housing Rents identified 1 medium and 1 low recommendations around the adequacy of the control framework. 2 of the 3 recommendations from the previous review had been implemented. The recommendation remaining outstanding has been repeated within this review.</p>		
<p>Action - It is recommended that the last six years of written off former tenant's arrears debts are referred to the Debt Recovery team for them to pursue in accordance with the Fair Debt Policy. Any money recovered would benefit the Council as the debt has already been written off. In addition, it would send out a message that even aging debt will be pursued.</p> <p>Response – Agreed - Heather Gunn to provide the data to Debt Recovery at the end of the financial year.</p>	<p>Head of Housing, Housing Rents & Welfare Manager and Debt Manager</p>	<p>April 2016</p>

1 Executive Summary

1.1 INTRODUCTION

An audit of Fostering was undertaken as part of the approved internal audit periodic plan for 2015-16. However, the Service Manager requested that Special Guardianship be added to the scope of the work due to some concerns around this area. It was agreed with the Director of Children's Services and the Head of Corporate Finance that the Special Guardianship review would be reported separately from the Fostering review.

Special Guardianship was a new Order under the Children Act 1989 which became available from 30 December 2005. Special Guardianship offers a further option for children needing permanent care outside their birth family. Special Guardians have Parental Responsibility for the child. It offers greater security without absolute severance from the birth family as in adoption. Special Guardianship provides an alternative for achieving permanence in families where adoption, for cultural or religious reasons, is not always an option.

The expenditure for special guardianship in 2014-15 was £855,792.

The audit was designed to assess the controls in place to manage the following objectives and risks:

Objective	There are appropriate controls to ensure that payments for Special Guardianship are appropriate.
Risk	Payments for Special Guardianship may not be correctly made resulting in financial loss to the Council.

1.2 SCOPE OF THE REVIEW

To provide an overall opinion on the control framework and risk management arrangements within the area under review by evaluating the extent to which controls have been applied. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively. When planning the audit, the following controls to be reviewed and limitations to the scope of the work were agreed during the audit planning process:

Control activities to be tested:

- Assessment of Special Guardianship payments.

Limitations to the scope of the audit:

- Testing will be sample based and therefore any findings will be based on this sample. In addition, our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

The approach taken for this audit was a Risk-Based Audit.

1.3 CONCLUSION

The audit tool selected is **Advisory** and as a result, an opinion has not been provided in relation to the control framework for the area under review and the risks material to the organisation's objectives for this area.

Overall, a full review of the arrangements around Special Guardianship needs to be undertaken. It is acknowledged that the Service Manager has identified this and is looking at ways to move the service forward. This report will assist him in that respect and the recommendations included in the action plan to address the weaknesses can be used to enhance the control environment. The following key issues were identified:

- There was a draft Special Guardianship Policy dated April 2015 but there were no detailed written procedures available for staff to follow.
- The correct rates were not always being applied.
- Some benefits were not being deducted which contravenes HM Revenue & Customs regulations.
- Review letters have not been sent every year.

1.4 RECOMMENDATIONS SUMMARY

The following tables highlight the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

The recommendations address the risks within the scope of the audit as set out below:

Risk	Priority		
	High	Medium	Low
Payments for Special Guardianship may not be correctly made resulting in financial loss to the Council.	4	0	0
Total	4	0	0

We have also made one suggestion that the Council should consider means testing.

1.5 ACKNOWLEDGEMENT

We would like to thank all staff who provided assistance during the course of this review.

2 Action Plan

The priority of the recommendations made is as follows:

Priority	Description
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.
Medium	
Low	
Suggestion	These are used to highlight good practice or provide management with ideas or suggestions that they may wish to implement. Suggestions do not appear in the Action Plan and do not impact on our overall opinion.

Ref	Recommendation	Risk Rating	Agreed (Y/N)	Management Action to address recommendations	Completion Date	Responsible Person
1.1	It is recommended the draft Special Guardianship policy is agreed and adopted as soon as possible as it addresses a number of the issues raised in this review. In addition, detailed procedures need to be developed to assist staff in processing applications. This will ensure that support services, including financial support, are fairly and consistently applied.	High	Y	This is already in place and located as a local policy on the council website and accessible for all staff. The guidance has been disseminated to all Service Managers.	Complete	S. Shardlow
1.2	It is recommended that a senior manager reviews and agrees financial support allowances to ensure the correct process has been followed, particularly around special guardians who are already in receipt of benefits for the child they are guardian over. In addition, system triggers should be used to ensure that payments are not made beyond	High	Y	Monthly financial audit & practice review meeting chaired by the Service Manager with finance and the Adoption Social Work team. Service Manager for Adoption now agrees all support plans. The Adoption team are embedding a robust Special	Complete	S. Shardlow

Ref	Recommendation	Risk Rating	Agreed (Y/N)	Management Action to address recommendations	Completion Date	Responsible Person
	what has been authorised. The Housing Benefit System is connected to the Department of Works and Pension and a request could be made to the Housing Benefit Section to look up whether any of the special guardians are on income support and in receipt of child tax credit. The first time this information is to be requested, an e-mail should be sent to the Information Manager highlighting the reason why this information is required and what it is to be used for. This should help to reduce the likelihood of incorrect payments being made and ensure compliance with HMRC regulations.			Guardians review process. Dedicated part-time equivalent member of staff in post addressing Special Guardianship Order payments and liaising with finance and when appropriate the Department for Work and Pensions (DWP).		
1.3	Review letters should be sent every year and if no reply is forthcoming, a reminder should be sent and payment stopped after 28 days. This helps to reduce the likelihood of the Council paying special guardians for children who they are no longer entitled to receive payment for.	High	Y	Letters have now been sent to all Special Guardians and appropriate deductions & cessation of payments made.	Complete	S. Shardlow
1.4	It is recommended that a service review is carried out in this area. This should link into the work that needs to be undertaken in reviewing the policies and procedures. This will help to ensure all staff are aware of their responsibilities and the documentation they should be collecting to support the application, payment and review processes.	High	Y	Monthly monitoring and practice reviews now in place. Developing Special Guardians advice/responsibilities leaflet and aide memoire & training re needs assessment.	On-going	S. Shardlow

8 December 2015	ITEM: 8
Standards and Audit Committee	
Internal Audit Protocol 2015	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford, Internal Audit Manager	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is public	

Executive Summary

This report provides the Standards & Audit Committee with information on the Internal Audit Protocol which gives some general guidance on responsibilities of Members, Officers and the Internal Audit team. It also provides detailed guidance on specific issues around the Internal Audit processes, such as turnaround times for reports and the timeliness of management responses.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Agree that the Internal Audit Protocol provides the Council and the internal audit service with a process for improving the timeliness of the internal audit services' reporting arrangements and provides a formal escalation process for non-compliance.

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 Internal Audit Protocol will help to provide the Standards & Audit Committee with a level of assurance around the internal audit reporting process.

3. Issues, Options and Analysis of Options

- 3.1 The Protocol has been updated and refreshed to enhance the reporting process and assist in providing a more effective internal audit service which will meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

- 4.1 To provide the Standards & Audit Committee with assurance that the internal audit service and Council staff are aware of their roles and responsibilities around the timely reporting of, and response to, internal audit recommendations.

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

- 5.1 The Internal Audit Protocol has been circulated to External Audit and the Head of Corporate Finance as part of the consultation process.

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

- 6.1 The achievement of corporate priorities is a key consideration of members, senior management and internal audit and the Protocol should assist this by providing a more robust and timely reporting process.

7. Implications

7.1 Financial

Implications verified by: **Michael Jones**
Management Accountant

As this report is for information, there are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **David Lawson**
Monitoring officer

As this report is for information, there are no adverse legal implications arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**

Community Development Officer

There are no direct diversity implications arising from this report as it is for information purposes only.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

As this report is for information, there are no other implications arising from this report

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 (PSIAS)
- CIPFA – PSIAS Local Government Application Note
- Internal Audit Protocol 2013

9. **Appendices to the report**

- Appendix 1 – Internal Audit Protocol 2015.

Report Author:

Gary Clifford
Internal Audit Manager
Thurrock Council Internal Audit Service

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Thurrock Council

Internal Audit Protocol 2015

December 2015

To be presented to Standards and Audit Committee on the 8th December 2015.

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Distribution

Copies of this Protocol will be provided to all members of the Cabinet, Chairs of Scrutiny Committees, the Standards & Audit Committee, Chief Executive and Directors Board, Heads of Service and will be made available to all staff through the Council's intranet site.

Who to contact to find out more:

Gary Clifford, Internal Audit Manager

Email: gclifford@thurrock.gov.uk

Telephone: (01375) 652702

Version – 2 - Next review date December 2017 or as required by changes to working practices or legislation.

Introduction

Thurrock Council's Commitment to Good Governance

Thurrock Council is responsible for significant expenditure of public money and places great importance on maintaining the highest standards of probity, financial management and accountability.

External and Internal Audit assist in providing the Council with independent assurance that assets and resources are properly applied and used wisely.

This Protocol explains how our audit arrangements operate and sets out the responsibilities of Members and senior management for ensuring that the audit requirements of the Council are met and recommendations made are fully implemented.

For the purposes of this Protocol, the Internal Audit Manager fulfils the role of the Council's Head of Internal Audit (HoIA) and is referred to as such throughout the document.

Responsibilities Explained

Cabinet Members

Cabinet must ensure the Council's audit arrangements are effectively applied. Cabinet do this through:

- The Cabinet Portfolio Member with responsibility for Central Services.
- The Council's Standards & Audit Committee.
- Approving the Council's Action Plan arising from the External Auditor's Annual Audit Letter, after this has been reviewed by the Standards & Audit Committee.

Senior Management

Directors, Heads of Service and individual managers are responsible for exercising proper internal control over their areas of responsibility.

Copies of External and Internal Audit reports referring to departmental issues will be sent to and monitored by individual Directors and Heads of Service.

Those reports referring to corporate issues, or which could have a negative impact on the reputation of the Council will be reported to Directors Board for initial consideration before being referred to whichever working group or individual the Board deems to be most appropriate.

Where a Red assurance report is issued, the relevant Director or Head of Service will be responsible for writing a covering report and presenting the report to the next meeting of the Standards & Audit Committee. Directors will also be responsible for discussing the contents of these reports and the actions they are taking to address the issues raised, at the regular meetings they hold with their relevant portfolio holder.

Where an Amber/Red assurance report is issued, the attendance of a relevant Director/Head of Service/senior manager will be determined following the pre-meeting with the Chair of the Standards & Audit Committee, which is held prior to the committee meeting.

Standards & Audit Committee

The purpose of the Standards & Audit Committee is to provide independent monitoring of the adequacy of the risk management framework, as well as independent scrutiny of the authority's financial and non-financial performance. The Committee also oversees the financial reporting process. This assists the Committee in focussing External and Internal Audit resources to ensure that the Council's main risks are independently reviewed. The Committee will do this by:

- Reviewing the External and Internal Audit annual plans prior to these being formally approved.
- Ensuring the Internal Audit function is properly resourced.
- Confirming effective co-ordination between the External Audit provider and Internal Audit.
- Confirming that the Audit Protocol is being properly applied.
- Ensuring that the Council's risk management strategy is fully operational and reviewing the Risk Register on a periodic basis.

The Standards & Audit Committee will also keep under review the operation of the Council's financial and information systems. It will do this by:

- Receiving and considering the External Auditor's Annual Audit Letter which will incorporate the Council's responses and recommend the management action plan to Cabinet for formal approval.
- Monitoring implementation of management action plans.
- Receiving and considering Internal Audit's annual assurance report which comments on the adequacy and effectiveness of internal control systems within the Council.
- Considering Red and Amber/Red assurance reports issued by Internal Audit to relevant Directors, together with management responses and monitor implementation of agreed recommendations.
- Promoting an anti-fraud culture.

The Council takes audit matters very seriously. If the Standards & Audit Committee has specific concerns that important issues raised by External or Internal Audit are not being addressed, including the implementation of agreed recommendations, the Standards & Audit Committee will refer this formally to the Chief Executive, Monitoring Officer, Section 151 Officer or appropriate Director/Head of Service for an explanation.

External Audit

The Council's External Auditor is required by the Code of Audit Practice to make an independent assessment about:

- The Council's Statement of Accounts.
- Corporate Governance.
- Performance Management Arrangements.

External Audit provides:

- A statement that the audit of the accounts has been completed in accordance with statutory requirements.
- A conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.
- Where appropriate, a report dealing with matters that the auditor considers to be in the public interest.
- Progress reports on matters arising from specific aspects of the Auditors' work.
- An Annual Audit Letter, addressed to the Members of the Council, which summarises the most important matters arising from the audit work completed over the year. This will be considered by Cabinet, who will approve the Council's formal response and monitor progress against key recommendations, through the reporting process. The Letter and its response will also be reported to the Standards & Audit Committee to ensure the Committee is satisfied that the response is sufficient.

The annual Internal Audit Plan is discussed in detail with External Audit. External Audit also receives copies of audit reviews of the key financial systems.

Internal Audit

Under the Accounts and Audit Regulations 2015, the Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.

Internal Audit provides an independent appraisal function which reviews the internal control arrangements of the Council, helps to ensure resources are used wisely and value for money is secured.

Internal Audit provides:

- A progress report detailing the audits that have been completed, the level of assurance provided and a summary of the key findings and recommendations.
- The HoIA's Annual Report on the adequacy of financial and non-financial controls.
- A mechanism for following up on recommendations to determine the status of their implementation.

The work of Internal Audit is targeted through a three year internal audit strategy and a detailed annual plan.

Internal Audit consults with Directors, Heads of Service and other relevant senior managers on the annual plan and review progress with the Section 151 Officer on a regular basis. Internal Audit may also attend Directorate Management Team (DMT) meetings to provide updates. The draft Internal Audit Annual Plan is reviewed and agreed by Directors Board before being submitted to the Standards & Audit Committee each year.

Assignment Planning Stage

For each audit review, an audit brief will be prepared, discussed, agreed and signed off (manually or electronically) by the relevant Director/Head of Service/senior manager and the HoIA and copied in to the service manager responsible for the area being reviewed. This will set out the terms of reference of the review, the scope of the work being undertaken and any limitations to the scope. This provides the auditor with the authority to liaise directly with the manager to undertake the fieldwork stage of the review process.

Debrief Meeting

On completion of the fieldwork, the auditor will arrange a debrief meeting and prepare a first draft report and/or debrief document detailing their findings and recommendations, which will be reviewed by the HoIA. Dependent on the assurance level provided as a result of this initial assessment, the following attendees will be invited to the debrief meeting:

- Green assurance opinion – relevant service manager(s) and auditor
- Amber/Green assurance opinion – relevant service manager(s) and auditor
- Amber/Red assurance opinion – relevant Head of Service/senior manager, service manager(s), HoIA and auditor.
- Red assurance opinion – relevant Director, Head of Service, service manager(s), HoIA and auditor.

During the debrief meeting, Internal Audit will discuss their findings with management and obtain responses to the actions required to address any recommendations, agree implementation dates and allocate responsibility to relevant officers. These will be recorded on the action plan within the draft plan or debrief document, which is then signed off by the relevant officer. Debrief meetings will be arranged within 10 days of completion of the fieldwork for Green, Amber/Green and Amber/Red reports and 15 days for Red reports.

Draft Reports

Draft reports will be issued on major assignments and all audit recommendations will be discussed and agreed before the issue of the final report. An action plan will be included for each audit report, incorporating agreed implementation dates and responsible officers against each of the recommendations made.

- Green, Amber/Green and Amber/Red Assurance Opinions

In respect of Green, Amber/Green and Amber/Red assurance reports, the final draft report will be issued to the relevant Head of Service and/or manager(s) within 10 working days of the debrief meeting taking place so they can check the report is factually accurate and that the action plan reflects the actions and timeframes agreed during the debrief process.

- Red Reports

As soon as Internal Audit identifies circumstances likely to lead to the issue of a Red assurance audit opinion, they will raise their concerns with the relevant Director, Head of Service and the Section 151 Officer. A debrief meeting will then be arranged with the relevant Director, Head of Service and Manager within 10

days and a second draft report will be issued within 5 days of this debrief meeting.

Once agreed, a copy of the second draft will be sent to the Chief Executive, Monitoring Officer and Section 151 Officer and they will determine whether the report needs to be presented and discussed at Directors Board.

For Red reports, this timeframe may be extended at the request of the Chief Executive, Monitoring Officer and/or Section 151 Officer.

Final Reports

- Green, Amber/Green and Amber/Red Assurance Opinions

For Green, Amber/Green and Amber/Red reports, a final report will be issued within 5 days of getting the responses back. These reports will be presented to the Standards & Audit Committee as part of a standard progress report in line with the Committee's agreed work programme. For Green and Amber/Green reports, this will be a summary of the main findings. For Amber/Red reports, the management summary and action plan (including management responses) will be provided in detail and an update on progress to date will be sought from a relevant senior manager, Head of Service or Director and will be included within the internal audit progress report for the next Standards & Audit Committee.

- Red Reports

After the draft Red report has been discussed at Directors Board, the final report will be issued within 5 working days, unless further work is requested. A Red assurance final report will then be presented to the next Standards & Audit Committee meeting as a separate agenda item. This will require the relevant Director/Head of Service to complete and present the covering report and provide members of the committee with an update on their responses to the implementation of recommendations and report on any actions taken, or being taken, to address the concerns raised within the report.

Follow up

Management assurances will be sought on the status of recommendations within 1 month of their implementation date. Evidence will be sought for all recommendations categorised as high risk. For medium and low risk recommendations, management responses will be accepted without the need to provide further evidence. If high risk recommendations relating to key controls have not been implemented within the agreed timescale, this will be reported, in the first instance, to the Section 151 Officer who will raise their concerns with the relevant Director.

Where a Red assurance report has been issued, the area will be revisited as part of the following years' annual plan.

Advisory or Consultancy Reviews

Where Internal Audit undertakes work of an advisory or consultancy nature, an assurance opinion will not be provided. However, recommendations will still be made and an action plan agreed with senior management. These reviews will be reported to the Standards & Audit Committee as part of the standard progress report.

Escalation Process

Management failure to meet the deadlines detailed within this Protocol will result in an escalation to the relevant Head of Service and/or Director. If no response is received within a further 10 days, reports may be finalised without management comment. This will be reported to the Section 151 Officer and the Standards & Audit Committee, which could result in the Director/Head of Service being called to the meeting at which the report is being presented to explain the reason for any delays.

Joint working between External and Internal Audit

External and Internal Audit work closely together to achieve their respective objectives and agree audit plans. This avoids any duplication of effort which is efficient and cost effective. It enables the External Auditor to place some reliance on the work of Internal Audit, particularly regarding the arrangements for ensuring the adequacy of systems.

Specific joint initiatives include:

- Annual audit planning meetings.
- Meetings to discuss testing strategies around key financial systems.
- Sharing information about fraud.

Regular meetings take place to discuss matters of mutual interest and access is provided to audit files, system notes and working papers.

8 December 2015	ITEM: 9
Standards and Audit Committee	
Internal Audit Charter 2015	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford, Internal Audit Manager	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is public	

Executive Summary

The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The Internal Audit Charter establishes the internal audit activity's position within the Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lays with the Standards & Audit Committee.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Approve the Internal Audit Charter 2015 and the Chair of the Standards & Audit Committee signs the Charter on behalf of the Committee.

2. Introduction and Background

- 2.1 The foundation of an effective internal audit service is compliance with standards and proper practices.
- 2.2 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 2.3 An effective internal audit service should:
 - understand the whole organisation, its needs and objectives

- understand its position with respect to the organisation's other sources of assurance and plan its work accordingly
- be seen as a catalyst for improvement at the heart of the organisation
- add value and assist the organisation in achieving its objectives, and
- be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.

2.4 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council, which has been refreshed due to the changes brought about by the service being brought back in-house from the 1st April 2015.

3. Issues, Options and Analysis of Options

3.1 The Charter has been prepared in order to help to support the provision of an effective internal audit service and to meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

4.1 To provide the Council with assurance that the internal audit service is complying with the requirements of the Public Sector Internal Auditing Standards.

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

5.1 The Internal Audit Charter has been discussed and agreed with the Director of Finance & Corporate Governance as the responsible accounting officer and with the external auditors.

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

6.1 There is no direct impact on the policies, priorities, performance or on the Community although an effective internal audit service may impact indirectly on all areas of the Council's business.

7. Implications

7.1 Financial

Implications verified by: **Michael Jones**
Management Accountant

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **David Lawson**

Monitoring Officer

The contents of this report and appendixes form part of the Council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2015 to at least annually 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. The Council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no adverse legal implications relating to the reporting progress.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**

Community Development Officer

There are no direct diversity implications arising from this report as it is for information purposes only.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

In terms of risk and opportunity management, the Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance framework. 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 (PSIAS)
- CIPFA – PSIAS Local Government Application Note
- Internal Audit Charter 2013

9. Appendices to the report

- Appendix 1 – Internal Audit Charter 2015.

Report Author:

Gary Clifford
Internal Audit Manager
Thurrock Council Internal Audit Service

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Thurrock Council

Internal Audit Charter 2015

December 2015

To be presented to Standards and Audit Committee on the 8th
December 2015

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Consultation

This Audit Charter will be circulated to the members of the Standards & Audit Committee, Section 151 Officer and External Audit as part of the consultation process.

Distribution

Copies of this Audit Charter will be provided to all members of the Standards & Audit Committee, Section 151 Officer and all staff by being made available on the Council's internet site.

Who to contact to find out more:

Gary Clifford, Internal Audit Manager

Email: gclifford@thurrock.gov.uk

Telephone: (01375) 652702

Version – 2 - Next review date September 2016 or as required by changes to working practices or legislation.

1 INTRODUCTION

- 1.1 Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Thurrock Council. It assists the Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, internal control.
- 1.2 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council.
- 1.3 The internal audit service is provided by Thurrock Council's Internal Audit team. Your key internal audit contact is:

Internal Audit Manager	
Name	Gary Clifford
Telephone	01375 652702
Email address	gclifford@thurrock.gov.uk

- 1.4 This Charter has been prepared in order to support the Council in ensuring it has in place an effective Internal Audit service that meets the requirements of the Public Sector Internal Auditing Standards (PSIAS) which came into effect from 1st April 2013.
- 1.5 This Charter will be reviewed, updated as required and reported to the Standards & Audit Committee for consideration on a bi-annual basis.
- 1.6 For the purposes of this Charter, the Internal Audit Manager fulfils the role of the Council's Head of Internal Audit (HoIA) and is referred to as such throughout the document.

2 DEFINITION AND PURPOSE OF INTERNAL AUDIT

- 2.1 Internal Audit is defined in the Public Sector Internal Audit Standards as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by introducing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, control, and governance processes.”

- 2.2 Internal Audit is a key part of the assurance cycle for the Council and provides senior management with assurance on whether the organisation's risk management, control and governance processes are adequate and operating effectively.

- 2.3 To clarify and align this Charter with the PSIAS, senior management are defined as Directors' Board, the Leadership Group and members of the Standards & Audit Committee.

3 PROFESSIONALISM

- 3.1 The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- 3.2 The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to Thurrock Council's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

4 AUTHORITY

- 4.1 In accordance with the Section 9, Part 3 of the Council's Constitution covering the Finance Procedure Rules, to enable the HoIA and internal audit staff to fulfil their responsibilities, they have the right to automatic and full access to all records (however held) relating to any transaction carried out or on behalf of the Council and to any of the Council's premises or land. They may seek and obtain any explanations they need to conduct their work, or require any employee to produce Council assets under their control, wherever located.
- 4.2 The HoIA and internal audit staff are not authorised to perform any operational duties associated with the organisation which may conflict with their independence.

5 ORGANISATION

- 5.1 The HoIA will report functionally to the Standards & Audit Committee and administratively (i.e. day to day operations) to the Head of Corporate Finance.
- 5.2 The Standards & Audit Committee will:
- Approve the internal audit charter.
 - Approve the risk based internal audit plan.
 - Receive communications from the HoIA on the internal audit activity's performance relative to its plan and other matters.
 - Make appropriate inquiries of management and the HoIA to determine whether there is inappropriate scope or resource limitations.

6 INDEPENDENCE AND OBJECTIVITY

- 6.1 The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.
- 6.2 Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.
- 6.3 Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 6.4 The HoIA will confirm to the Standards & Audit Committee, at least annually through the HoIA's Annual Report, the organisational independence of the internal audit activity.
- 6.5 To enhance the independence of Internal Audit, its personnel report direct to the HoIA. The HoIA has the right of independent access to the Chief Executive, as well as reporting lines and direct access to the Section 151 Officer and the Chair and members of the Standards & Audit Committee.
- 6.6 The HoIA holds one to one meetings with the Chair of the Standards & Audit Committee, to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.
- 6.7 The HoIA and team of auditors are required to sign a declaration of interest form on an annual basis. Copies of the signed declarations will be retained by the HoIA.

7 RESPONSIBILITIES

- 7.1 One of the main responsibilities of Internal Audit is to support the Head of Corporate Finance in the discharge of their duties as Section 151 Officer by providing an effective internal audit of the Council's systems of internal control, risk management and corporate governance in accordance with the Accounts & Audit Regulations 2015. Internal Audit do this by providing a high quality, independent service to the Council which evaluates and reports on the effectiveness of the risk management, internal control and governance processes. This is presented to the Standards & Audit Committee at their first meeting of the municipal year and will be used to inform the Annual Governance Statement.

7.2 The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organisation's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organisation's risk management processes.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organisation.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Standards & Audit Committee.
- Evaluating specific operations at the request of the Standards & Audit Committee or management, as appropriate.

7.3 The HoIA also has a responsibility to:

- Develop a flexible, risk based 3 year internal audit strategy and detailed annual audit plan. The plan will be submitted to the Standards & Audit Committee for review and approval each year at its March meeting, prior to work commencing to deliver the plan.
- Include any additional tasks requested by management and the Standards & Audit Committee following consultation with the Head of Corporate Finance.
- Ensure the internal audit team consists of professional and suitably skilled audit staff with sufficient knowledge and experience.
- Establish a Quality Assurance and Improvement Program to ensure the quality and effective operation of internal audit activities and compliance with the PSIAS.

- As part of the audit planning cycle, evaluate and assess significant merging or consolidating functions and new or changing services, processes, operations within the organisation.
- Highlight risks and weaknesses in control and make recommendations for improvements to management based on an acceptable and practicable timeframe.
- Carry out follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Liaise with the external auditor to provide maximum audit coverage to the organisation whilst minimising duplication of work.

8 REPORTING

- 8.1 A written report will be prepared and issued by the HoIA or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Standards & Audit Committee.
- 8.2 The HoIA shall issue progress reports to the Standards & Audit Committee and management summarising outcomes of audit activities, including follow up reviews. These will be presented in line with the agreed work programme of the Standards & Audit Committee.
- 8.2 The HoIA is required to provide the Section 151 Officer with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in the risk management, governance and control processes. This assurance is provided through the HoIA's Annual Report which is presented to the Standards & Audit Committee following the financial year end.

9 DATA PROTECTION

- 9.1 Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions.
- 9.2 Personal data is not shared outside of Thurrock Council. The only exception would be where there is information on an internal audit file that external auditors have access to as part of their review of internal audit work or where there is a legal or ethical obligation to do so (such as providing information to support a fraud investigation based on internal audit findings).
- 9.3 Thurrock Council has a Data Protection Policy in place that requires compliance by all of their employees. Non-compliance may result in disciplinary action.

10 FRAUD

10.1 The Standards & Audit Committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Standards & Audit Committee recognises that internal audit is not responsible for identifying fraud. However, it will assess the risk of fraud and be aware of the risk of fraud when planning and undertaking any internal audit work. Any instances of potential fraud or corruption identified during the course of an internal audit review will be immediately communicated in the first instance to the HoIA who will determine the short-term action to be taken. It will then be discussed with the Head of Corporate Finance and the Group Manager – Counter Fraud & Investigation to determine any further action required.

Signature _____
Councillor Tunde Ojetola
Chair of the Standards & Audit Committee

Date:

Signature _____
Gary Clifford
Internal Audit Manager

Date:

Signature _____
Sean Clark
Head of Corporate Finance and Section 151 Officer

Date:

8 December 2015	ITEM: 10
Standards and Audit Committee	
Thurrock Annual Audit Letter 2014/15	
Wards and communities affected: All	Key Decision: Non-key
Report of: Sean Clark, Head of Corporate Finance	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is Public	

Executive Summary

The external auditors are responsible for:

- Forming an opinion on the Financial Statements;
- Reviewing the Annual Governance Statement;
- Forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- Undertaking any other work specified by the Audit Commission.

The Annual Audit Letter summarises this work and is appended to this report.

1. Recommendation(s)

1.1 That the Standards and Audit Committee consider the comments of our external auditors as set out in the attached report and note their findings.

2. Introduction and Background

2.1. The main message is the auditors issued an unqualified audit opinion on the 2014/15 financial statements and an unqualified value for money conclusion.

2.2. The Annual Audit Letter sets out findings from the audit in relation to the only significant risk area identified in the audit plan. The Council positively addressed this risk as noted in section two of the report.

- 2.3 There was two further key finding raised by the annual audit letter. The first notes the Council accounting treatment for schools was reasonable and the second notes the Council decided not to adjust for a late capital adjustment on the grounds it was not material.
- 2.3 Overall the financial statements produced were shown to be of a very high standard and supported by relevant supporting records. Officers worked hard to support the audit process and resolve queries quickly and effectively.
- 2.4 In arriving at their value for money conclusion the auditors confirmed the Council has arrangements in place to address the financial resilience risk identified.

3. Issues, Options and Analysis of Options

- 3.1 The report continues the positive work from the previous year and officers continue to work to maintain the high standard of the financial accounts.
- 3.2 The Council is working to meet the significant financial challenges caused by ongoing reductions in funding and continue to monitor the position through the Medium Term Financial Strategy.

4. Reasons for Recommendation

- 4.1 For the committee to note the findings of the external auditors.

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

- 5.1 The Annual Audit Letter summarises the reports that have previously been communicated to Members of the Standards and Audit Committee.

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

- 6.1 There are no implications arising from the Annual Audit Letter.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **Davis Lawson**
Monitoring Officer

There are no legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community Development and Equalities
Manager**

There are no direct diversity implications arising from this report

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no specific implications from this report.

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):

- There are various working papers within accountancy.

9. Appendices to the report

- Appendix 1 – The Annual Audit Letter

Report Author:

Sean Clark
Head of Corporate Finance
Corporate Finance

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Thurrock Council

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP



The Members
Thurrock Council
Civic Offices
New Road
Grays
Essex
RM17 6SL

19 October 2015

Dear Members

Annual Audit Letter 2014/15


The purpose of this annual audit letter is to communicate the key issues arising from our work to the Members and external stakeholders, including members of the public.

We have already reported the detailed findings from our audit work in our 2014/15 Audit Results Report to the 24 September 2015 Standards and Audit Committee, representing those charged with governance. We do not repeat them here.

The matters reported here are those we consider most significant for Thurrock Council.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours faithfully



Debbie Hanson
Director
For and on behalf of Ernst & Young LLP
Enc.

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Relevant parts of the Audit Commission Act 1998 are transitionally saved by the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015 for 2014/15 audits.

The Audit Commission’s ‘Statement of responsibilities of auditors and audited bodies’ (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission’s website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission’s appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued on 2 March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements, and on the consistency of other information published with them
- reviewing and reporting by exception on the Council's AGS
- forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statement of Thurrock Council for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland)	On 30 September 2015 we issued an unqualified audit opinion on the Council's financial statements
Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources	On 30 September 2015 we issued an unqualified value for money conclusion
Report to the National Audit Office on the accuracy of the consolidation pack the Council needs to prepare for the Whole of Government Accounts	We reported our findings to the National Audit Office on 30 September 2015. We had no issues to report.
Consider the completeness of disclosures on the Council's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance	No issues to report
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit	No issues to report
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act	No issues to report

As a result of the above we have also:

Issued a report to those charged with governance of the Council with the significant findings from our audit.

Our Audit Results Report was presented to the Standards and Audit Committee on 24 September 2015.

Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

We issued our certificate on 30 September 2015

In December 2015, we will also issue a report to those charged with governance of the Council summarising the certification of grant claims and returns work we have undertaken.

2. Key findings

2.1 Financial statement audit

The Council's Statement of Accounts is an important tool to show both how the Council has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 30 September 2015.

Our detailed findings were reported to the 24 September 2015 Standards and Audit Committee.

The quality of the process for producing the accounts and supporting working papers continues to improve. However, to facilitate a more timely process for the production and audit of accounts in future years, further improvements are needed.

The main issues identified as part of our audit were:

Significant risk 1: Management override

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of their ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override.

Findings:

We did not identify any material misstatements, evidence of management bias or significant unusual transactions in our testing. Our testing did not identify any expenditure which had been inappropriately capitalised.

Other key findings:

Change in accounting for schools

In December 2014, CIPFA/LASAAC issued LAAP Bulletin 101 on Accounting for Non-Current Assets Used by Local Authority Maintained Schools. This bulletin provided further guidance on the practical application of the Accounting Code of Practice to non-current assets used by schools, where the assets are owned by a third party.

The Council considered the nature of the agreements in place locally for each of their schools to determine the appropriate accounting approach and whether the land and buildings should be recognised in the Council's accounts.

Our work confirmed that the Council's assessment and treatment of Local Authority maintained schools was reasonable.

Uncorrected misstatements in the accounts

We identified one misstatement within the draft financial statements, which management chose not to adjust. This related to an invoice for expenditure on the construction of new housing which was received in April for work done in 2014/15 which had not been accrued for in the 2014/15 financial statements. We extended out testing to review all construction

invoices received in April and did not find any further issues. The value of the invoice was £0.879 million and we therefore concluded that the error was not material to the presentation and disclosures of the financial statements. Management, in agreement with the Standards and Audit Committee provided a rationale as to why this misstatement was not corrected.

2.2 Value for money conclusion

As part of our work we must also conclude whether the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Council had proper arrangements in place for:

- ▶ securing financial resilience, and
- ▶ challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 30 September 2015.

We noted the following as part of our audit:

Arrangements to secure financial resilience: significant risk

Our Audit Plan issued on 2 March 2015, identified a significant risk in relation this criteria. The risk reflects the scale of the financial challenges and budget gap faced by the Council over the next three to four years, due to loss of Central Government funding and pressures from inflation, demographics and the impact of new legislation.

To address this risk, we undertook a more detailed review of the Council's MTFs and the key assumptions within this. We also looked at the level and planned use of reserves, the Council's track record in delivering previous budgets and savings plans, as well as progress on addressing the budget gaps identified in the current MTFs.

Findings:

The Council has continued to take proactive steps to identify savings and income generation opportunities, as demonstrated by the formulation of the Budget Review Panel and Alternative Delivery Model Group. The Total Budget Review will also identify areas of spend which can be subject to appropriate scrutiny and ultimately decisions on whether or not they should continue. The Council is also looking at ways of generating income that support policy objectives. The establishment of Council's Housing Company, Gloriana, is an example of such an initiative.

The Council identified the termination of the SERCO contract for the provision of support services as a key element of their strategy to reduce the budget gap in future years. The latest MTFs factors in these savings, and identifies a cumulative gap of £14.2 million over the next three years (2015/16 to 2017/18). Further efficiencies, income or savings will therefore be required to bridge this remaining gap. The Council has started to take action to reduce this gap.

There remain a number of risks to the Council's budget, the most significant being the uncertainty of future savings. However, the Council has taken positive action to address the challenges it faces and has been prudent in a number of the assumptions within the MTFs. The MTFs update includes a net service reduction of £3.8m in 2016/17 with further savings required to close the remaining £3.4 million deficit.

The MTFS assumes reductions in earmarked reserves (£3.5 million) after 2015/16 and while a reduction hasn't been assumed in the general fund reserves (£8 million), these could be used if there were robust reasons. These balances provide little headroom for unexpected financial pressures considering the current minimum level of general fund reserves is £8 million.

The MTFS recognises that there is more to do to meet the future financial challenges. There is inherent volatility in the MTFS, which necessarily includes a number of key assumptions and projections. The Council must therefore continue with its efforts to identify potential savings to ensure it is well placed to meet future challenges.

On the basis of the work we have undertaken, we concluded that the Council's arrangements to secure financial resilience are adequate.

2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes. We had no issues to report.

2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the public.

2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

2.7 Independence

We communicated our assessment of independence to the Standard and Audit Committee on 24 September 2015. In our professional judgement the firm is independent and the objectivity of the audit engagement director and audit staff has not been compromised within the meaning of regulatory and professional requirements.

2.8 Certification of grant claims and returns

We will issue our Annual Certification report for 2014/15 in December 2015.

3. Control themes and observations

As part of our work, we obtained enough understanding of internal control to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we must tell the Council about any significant deficiencies in internal control we find during our audit.

We have tested the controls of the Council only to the extent necessary for us to complete our audit. The controls tested were for accounts payable, accounts receivable, schools balances and the housing benefits systems. We are not expressing an opinion on the overall effectiveness of internal control.

We did not identify any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in the Council's financial statements.

4. Looking ahead

Description

Highways Network Asset (formerly Transport Infrastructure Assets):

The Invitation to Comment on the Code of Accounting Practice for 2016/17 sets out the requirements to account for Highways Network Asset under Depreciated Replacement Cost. This is a change from the existing requirement to account for these assets under Depreciated Historic Cost. This change is to be effective from 1 April 2016.

This requirement is not only applicable to highways authorities, but to any local government bodies that have assets which fall into the definition. This could include, for example, footways and cycle ways, housing revenue accounts (HRA) infrastructure, unadopted roads on industrial or HRA estates, and street furniture.

This is likely to be a material change of accounting policy for the Council. It could also require changes to existing asset management systems and valuation procedures.

Impact

CIPFA have produced LAAP bulletin 100, which provides a suggested timetable for actions to prepare for this change. This has been supplemented by the issue of the Code of Practice on Transport Infrastructure Guidance Notes (May 2015) and ITC (July 2015).

The Council will need to demonstrate it has assessed the impact of these changes and undertaken work to:

- Determine the completeness of base information, working closely with highways and other relevant departments.
- Ensure that valuation information is appropriate to the Council, and that national valuation indicators are not used without consideration of their appropriateness locally.
- Consider the Impact for the HRA or non-highways General Fund

If the impact of this change in accounting policy is material, the Council would also need to restate the balances for these assets as at 1 April 2015.

The Better Care Fund (BCF)

The Better Care Fund (BCF) is a major policy initiative between local authorities, clinical commissioning groups (CCGs) and NHS providers with a primary aim of driving closer integration and improving outcomes for patients, service users and carers. From the 1 April 2015 BCF has been set up as pooled budget between local government and NHS partners using powers available under pre-existing legislation. The partners use the pooled fund to jointly commission or deliver health and social care services at a local level.

Although local authorities, CCGs and NHS providers have experience of pooled budgets and established joint commissioning arrangements, pooled arrangements under BCF are likely to be on a much larger scale. Nationally the fund is comprised of a number of existing funding streams and will involve a minimum NHS spend of £3.8 billion together with other grant funding streams historically

Local BCF arrangements may be complex and varied, involving a number of different commissioning, governance and accounting arrangements that raise risks of misunderstanding, inconsistencies and confusion between the partners. There are also structural, cultural and regulatory differences between local government and the NHS, and it is important that these are understood and considered by all of the partners in the operation of the pool.

In October 2014 HFMA/CIPFA produced "Pooled Budgets and the Better Care Fund" which provides more detailed guidance on the governance and finance issues underpinning the operation of a pooled budget and the associated risks and challenges faced by local government and NHS partners.

Thurrock's Better Care Fund Plan was submitted on 19 September 2014 and

Description

administered by local authorities.
The detailed form of local pooled arrangements is not prescribed and has needed to be agreed between the partners.

Impact

focuses on people 65 years-old and over who are most at risk of admission to hospital or residential care.

Earlier deadline for production and audit of the financial statements from 2017/18

The Accounts and Audit Regulations Accounts and Audit Regulations 2015 were laid before Parliament in February 2015. A key change in the regulations is that from the 2017/18 financial year the timetable for the preparation and approval of accounts will be brought forward.

As a result, the Council will need to produce draft accounts by 31 May and these accounts will need to be audited by 31 July.

These changes provide challenges for both the preparers and the auditors of the financial statements.

The Council is aware of this challenge and the need to start planning for the impact of these changes. This will necessarily include review of the processes for the production and audit of the accounts, including areas such as the production of estimates, particularly in relation to pensions and the valuation of assets, and the year end closure processes.

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8 December 2015	ITEM: 11
Standards and Audit Committee	
Review of the Strategic/Corporate Risk and Opportunity Register, In Quarter 3 Report	
Wards and communities affected: All	Key Decision: Non key
Report of: Andy Owen, Corporate Risk Officer	
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is a public report	

Executive Summary

One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the Authority's risk management arrangements are adequate and effective.

To enable the Standards and Audit Committee to consider the effectiveness of the Council's risk and opportunity management arrangements the report is presented on a bi annual basis and provides details of how the key risks and opportunities facing the Authority are identified and managed.

The Corporate Risk Officer has worked with Services, Department Management Teams, Performance Board and Directors Board during October and November to update the Strategic/ Corporate Risk and Opportunity Register.

This report provides Standards and Audit Committee with the key risks and opportunities identified by the review and the revised Strategic/Corporate Risk and Opportunity Register.

1. Recommendation(s)

- 1.1 That Standards and Audit Committee note the items and details contained in the Dashboard (Appendix 1).**
- 1.2 That Standards and Audit Committee note the 'In Focus' report (Appendix 2), which includes the items identified by Corporate Risk Management, Performance Board and Directors Board that Standards and Audit Committee should focus on this quarter.**

2. Introduction and Background

- 2.1 Risk and Opportunity Management (ROM) describes the planned and systematic approach used to identify, evaluate and manage the risks to and the opportunities for the achievement of the Council's objectives.
- 2.2 ROM makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations and is an important part of the Council's overall Performance Management Framework.
- 2.3 In accordance with the ROM Policy, Strategy and Framework regular reviews of the Strategic/Corporate Risk and Opportunity register are undertaken and updates reported to Directors Board quarterly and Standards and Audit Committee on a bi annual basis
- 2.4 Work was carried out during March to April to refresh the Strategic/Corporate Risk and Opportunity Register and bring it more in line with the updated Community Priorities. The refreshed register (In Quarter 1 report) was presented to Standards and Audit Committee 16th July 2015, via Directors Board 12th May 2015 and Performance Board 6th May 2015.
- 2.5 The In Quarter 2 review was completed during July and reported to Directors Board 14th July 2015.
- 2.6 For the In Quarter 3 exercise the Corporate Risk Officer has worked with Services, Department Management Teams, Performance Board and Directors Board during October and November to review the Strategic/Corporate Risk and Opportunity Register.

3. Issues, Options and Analysis of Options

- 3.1 The outcome of the review is shown in the Dashboard (Appendix 1), In Focus report (Appendix 2) and the following tables.
- 3.2 **Appendix 1 – Dashboard**
The dashboard provides a summary of the items in the register mapped against the Council's priorities and outlines the progress to manage the risks and opportunities to planned targets and timeframes.
- 3.3 **Appendix 2 – Risks and Opportunities In Focus report**
This document includes the items identified by Corporate Risk Management, Performance Board and Directors Board that Standards and Audit Committee should focus on this quarter.

The rationale for items being in focus is based on the numeric value of the rating. Any risks/opportunities which are currently rated 16 or 12 automatically become in focus, and any which are currently rated 9 or 8 would be considered on a case by case basis for the in focus report.

A summary of the position for each in focus item is included below:

Risk - In priority (rating) and then reference number (numeric) order.

Adults Social Care, Cost & Quality Standards - Risk 1 (Rating: 12 Critical/Likely)

The risk evaluates the impact of a combination of issues on the maintenance of care quality standards. The risk is rated at the higher level due to the financial pressures on local authorities and the impact this will have (e.g. reduced teams for critical processes such as contract management, inability to uplift prices to counter competition for workers and inflationary pressures, etc). We have agreed to provide our residential providers for older people an uplift of 1% for 15/16, with a possibility of a further 1% linked to performance. Whilst contingencies are and continue to be considered, the current Council financial situation is making finding a workable solution difficult. Hence the risk rating. The impact of the application of the living wage, a recent ruling regarding paying staff for travel time and the forthcoming Comprehensive Spending Review is highly likely to see the residual risk rating increasing in the next couple of quarters. One of the Council's domiciliary care providers has recently given notice on their contract, citing an inability to continue to provide a service on the current contracted rate. Pressure on the provider market is acute and one of, if not the most significant risk to the Council being able to meet demand for care.

Health and Social Care Transformation - Risk 3 (Rating: 12 Critical/Likely)

Programme management of this major legislative change would, in any normal year, become the major focus for the directorate. However we currently have to programme manage and deliver a number complex and wide ranging programmes of work. There are also difficulties to overcome if we are to progress integration with health, this includes current pressures on the Essex-wide health economy and how decisions made by non-Thurrock parts of the Essex-wide system will impact upon what Thurrock wants and needs to achieve. Thurrock is a very low spending authority per capita on adult social care and also faces significant reductions to funding via the national austerity programme. Risks of non-delivery of any, or all, of these important programmes are exacerbated by these factors. Mitigation in the form of securing resources in the short term to provide adequate programme management, delivery and specialist expertise where required is necessary.

Welfare Reforms - Risk 4 (Rating: 12 Critical/Likely)

The Welfare Reform Act 2012 and the Local Government Finance Act 2012 have resulted in major changes to the welfare scheme. Both Acts have introduced significant reforms to the current system that have a direct impact on Council services and the Council's Welfare Reform Group are regularly monitoring the impact of the changes and actions to address the position. Progress against the specific areas include:

- The Essential Living Fund has had a lower take-up than expected (largely because it is cashless) and the arrangements with Southend are working well. The scheme will continue as per Cabinet approval in December for 2015/16; as such the Council will contribute £331,425 towards the running of the scheme, it is likely that no less than £266,925 will be available to eligible applicants during the fiscal year.
- The social sector size criteria have affected nearly 1,000 people. Discretionary Housing Payment has been used to minimise the impact; Housing Benefit arrears have been lower than expected; around 65 households have moved. The risk is over maintaining this position;
- The benefit cap only affected a very small number of people and has had minimal impact;
- The move from Disability Living Allowance to Personal Independent Plan is being monitored and numbers will grow as people switch at their review point. Delays remain the biggest problem. However, the DWP states that waiting times have now been reduced to 6 weeks.
- Localised Council Tax Support – again arrears are lower than expected but it is causing financial hardship for significant numbers of people, the long-term impact of which is hard to assess at this stage; The 2015/16 scheme has now been approved by full Council as at January and will remain the same as the last 2 years.
- Universal Credit – the process of its rolling out in Thurrock began in March 2015. At this stage it affects new claimants from single jobseekers such as people entitled to Job Seekers Allowance, and includes; Housing Costs and Tax Credits. The roll-out to all other categories of people including Couple's and families with children is continuing in a phased process in all chosen pilot areas, but is expected to be completed by 2016/2017.

- Universal Credit has faced significant delays because of IT and other implementation problems. There are opportunities to see if we can get joined up professional Benefits, Money and Employment advice and support services between the Council and the Job Centre Plus/Dept of Works & Pensions. The start of this has been to join up Housing Assessments and DWP assessments on the ground floor of the Civic Offices. This went live at the end of January 2015.
- A Delivery Partnership Agreement (DPA) was signed by Thurrock Council and the DWP, taking effect from the 16th of March 2015

The July's budget's announcement indicated further changes to the welfare system which are likely to put additional pressures on the Local Authority services and resources, these include:

Changes	Mitigation
1. 1% reduction in social rent for the next four years, this is the equivalent of 8% over the duration (on the basis of needing to reduce social rent by 1%, and not receiving the 1% on top of Consumer Price Index).	To be confirmed. Awaiting further information to enable the position to be evaluated.
2. Market value rent for social tenants households earning £30,000 per year or more	To be confirmed when system for the evaluation of earnings established.
3. As of April 2016 the Benefit Cap for families in Thurrock will be reduced from £26,000 to £20,000. And to £13,400 for single claimants.	Continue to work closely with DWP to support adults to return to work via apprenticeships, training schemes, and other initiatives.
4. From April 2017 Eighteen to Twenty-one years old applicants will not be eligible for Housing Benefit (only vulnerable applicants would be entitled to the benefits).	Continue to work closely with DWP and relevant agencies to support young adults obtaining work via apprenticeships, training schemes, and other initiatives.
5. Working age benefit will be frozen for four years from April 2016.	Developing an advisory service to sign-post and assist affected households with budgeting, accessing alternative resources...etc.
6. Reduction of income threshold for tax credits from £6,420 to £3,850 from April 2016 (Earning will reduce benefits considerably earlier).	To be confirmed but likely that appropriate advisory service will be provided
7. ESA applicants categorized within the work related activity component will no longer be eligible to receive the additional £30 per week increment from April 2017.	Ensuring households affected are made aware of the changes, and supported.
8. Entitlement to Child Tax Credit will be restricted to two children only from April 2017.	Assisting households with budgeting.
9. Backdating of Housing Benefits will be restricted to maximum statutory period of one month only. From April 2016	Ensuring all affected households are contacted and provided with support at early stages.
10. As of April 2017 parents will only be able to claim income support up to the child's age of three.	Developing an advisory service to sign-post and assist affected households with budgeting, accessing alternative resources...etc.

The reforms and impact of the changes will not be alleviated in the short term. A target date of 31/03/16 has been applied to the risk, which is the time when the documentation will be fully reviewed, refreshed and updated to reflect the changes to the reforms and the risk. At the 31/03/16 it is predicted that the risk will remain at the higher (red) level and a target rating of Critical/Likely applied.

Delivery of MTFs 2015/16 - Risk 8

(Rating: 12 Critical/Likely)

Regular budget updates provided to Cabinet via Directors Board. 2015/16 budget pressures arising from targeted savings from Terms and Conditions and Serco; Shortfall in Shared Service Recharges; Environmental Services; Impact of Sita recycling arrangements and Shortfall in the ability to meet Public Health In-year Reduction identified. Further pressures recognised within Children's and Housing Services. Officers are currently working to reduce where possible the impact on the MTFs. Updates and action to address financial pressures to be presented and agreed by Cabinet November and December 2015.

Delivery of MTFs 2016/17 to 2017/18 - Risk 9

(Rating: 12 Critical/Likely)

Cabinet in July 2015 agreed a robust approach to consider the future shape of the Council and budget planning process to address the budget reductions and demand pressures facing the Council. The MTFs (as at October 2015 Cabinet report) shows a projected deficit for the period 2016/17 to 2019/20 of £28.4m of which £3.4m relates to 2016/17 and options to address the 2016/17 pressures are to be presented in the Autumn 2015 for Members consideration.

Purfleet Regeneration - Risk 10

(Rating: 12 Critical/Likely)

The Council appointed the 'Purfleet Centre Regeneration Limited' consortium as its development partner for the Purfleet Centre project in March 2014. Since that point the Council has been working with PCRL to secure the funding needed for the scheme and develop more detailed proposals with a view to seeking planning consent later in 2015. The programme has slipped as efforts to secure the funding have continued. Cabinet received a report in October 2015 and approved the finalised commercial terms. It is anticipated that the council will enter into contracts by the end of the calendar year. In the meantime, the risk rating remains the same.

CSC, Service Standards & Inspection Outcome - Risk 16

(Rating: 12 Critical/Likely)

This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. This risk remains from the previous year as inspection has not yet taken place. The pressures outlined throughout the 2014/15 year remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful although as anticipated it has led to an increase in the volume of work to children's social care, this is ongoing. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH. Ongoing savings to be made across Children's Services including from the Children's Social care budget will be risk assessed to mitigate the impact on front line services.

The service has to be demand and needs lead and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. An incident of civil disorder could result in more young people being placed in custody and a resulting increase in remand costs to the local authority.

The level and complexity of some children and young people's needs and the lack of available national resources (specialist placements) to meet those needs is driving up cost pressures. As the Council continues to improve practice regarding the identification and tackling of Child Sexual Exploitation there is an increase in demand for service provision in terms of intervention; prevention and victim support. Current and new duties in terms of radicalization also place pressures on the service in terms of workforce capacity. Trends can be predicted based on previous levels of demand but these are subject to variance.

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. A target date of 31/03/16 has been applied to the risk, which is the time when the documentation will be fully reviewed, refreshed and updated.

CSC, Safeguarding and Protecting C&YP - Risk 17

(Rating: 12 Critical/Likely)

The nature of the work in terms of safeguarding and supporting children at risk of harm means that this will always be a high risk area although through the application of the S.E.T (Southend, Essex & Thurrock) Child Protection procedures the department actively works to mitigate this risk and reduce the likelihood.

The risk of children and young people coming to harm cannot be completely eliminated and the risk level needs to remain high and ensure clear vigilance across the council and partner agencies. New and emerging risk factors will arise and there is always a potential for agencies 'not knowing, what they don't know' that needs to be guarded against.

The introduction of the Multi Agency Safeguarding Hub and Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases.

The impact for individual children and families, particularly in cases of child death is significant and whilst actions to reduce the likelihood are implemented the impact will remain as critical. There is also a critical impact score in terms of reputational damage should a child death or serious injury occur.

The ongoing nature of risk in child protection and safeguarding is such that despite effective mitigation the acknowledgement of the risk needs to remain high and will not reduce. This is not to say that the risks are unmanageable but for effective management the gravity and complexity of the risk needs to be acknowledged.

Within the context of this work we have a high level and critical risk that is being proactively managed. The management of the risk across partner agencies is reducing the likelihood of such risk, where the potential for such risks are known but cannot reduce the potential magnitude for the child in incidents such as child death or permanent disability. The unknown element of risk for families not known to the service means that overall the likelihood remains high. Families are also not static and risk is a constant changing variable within known families.

The risk rating therefore remains as a constant throughout the period covered. A target date of 31/03/16 has been applied to the risk, which is the time when the documentation will be fully reviewed, refreshed and updated.

Business Continuity Planning - Risk 18

(Rating: 12 Critical/Likely)

The risk evaluates the position if business continuity plans are not coordinated and maintained, which would lead to business continuity planning arrangements across the Council becoming inconsistent, outdated and ineffective in times of a disruption affecting the authority.

With effect from the 1st April 2015 the responsibility for Business Continuity transferred from the Emergency Planning Team to local managers. The Council has recently undergone some significant change and reshaping with restructures, office moves, remote working, closing of the Culver Centre and further changes are in train (e.g. transfer back to the council of ICT and other services from Serco). A Business Continuity Planning (BCP) and Disaster Recovery (DR) Group has been formed to lead a review of the Business Impact Analysis (BIA) and BCP approach with a view to leverage this information to drive forward an appropriate fit for purpose ICT DR plan for the Council. The approach for the review has been developed and is due to be discussed at the BCP & DR Group meeting 12/10/15.

The risk is expected to remain at the higher level until assurance is obtained that the business continuity plans for the critical functions identified are adequate and effective. This will not be achieved in the short term. A target date of 31/03/16 and target rating of Critical/Likely has therefore been applied to the risk, which is when the documentation will be fully reviewed, refreshed and updated to reflect the changes to the situation. An assessment to consider the ongoing approach/support function for BCP will also be undertaken.

ICT Disaster Recovery Planning - Risk 23

(Rating: 12 Critical/Likely)

The Council has recently (certainly over the last two years) undergone some significant changes with regards to its delivery of ICT services and culture (e.g. more flexible remote working through the use of VDI and Unified Communications etc.). This is a significant change that will shortly (by August 2015) allow the majority its workforce to flexibly work within any location of the Civic Offices building or remotely at almost any location where they have access to a PC and an Internet connection.

However, remote access will not work should there be a catastrophic failure within the Data Centre at Civic Offices rendering either, or all, ICT compute, storage or networking services as inoperable. Such catastrophic failure could be identified as fire, flood, explosion or irrecoverable ICT equipment fault (e.g. loss of power, SAN or core Network).

The BCP and DR Support Group has been formed and will lead the way with re-shaping the BCP approach/capabilities with a view to leverage this information to drive forward a fit for purpose DR plan that meets the overall BCP requirements. The coordination of BCP across the Council was

previously provided by the Emergency Planning Team but this function ceased on the 1st April 2015 when the responsibility for BCP transferred to service managers.

The risk has been re-evaluated on the basis of not having a fully resilient DR Capability and takes into account the recent event of a power failure which affected the ICT server s and resulted in some works to bring the systems back on line. Following the re-evaluation of the risk the overall rating has changed and moves from an 8 to a 12.

Opportunity - In priority (rating) and then reference number (numeric) order.

Gloriana Thurrock Ltd - Opportunity 20

(Rating: 16 Exceptional/Very Likely)

The opportunities flow directly from the Company's objectives which are to build high quality housing in support of Thurrock's Vision and growth targets. If Gloriana can deliver high quality housing within the financial parameters set in the Business Case approved by Cabinet then much needed affordable housing will be provided for the Borough and a financial return will flow to the Council.

The Business Case presented to Cabinet in March included a governance and scheme gateway process to enable the effective management of the opportunities and risks flowing from the project. This has proved an effective management and governance process and the first scheme, St Chad's, started on site in July, marking the achievement of the first major milestone for Gloriana. A general risk register and a specific risk register for this first site showed that some risks had already been mitigated or mitigation/management actions were already in place.

However, scheme development risks would remain as key risks to be managed and mitigated during the construction programme together with demand risk in relation to letting/selling the properties. One risk has been activated in relation to asbestos found on the site but is being managed currently within risk budget allocations.

South East Local Enterprise Partnership - Opportunity 11

(Rating: 12 Exceptional/Likely)

The Council successfully secured around £92.5m through round one of the Local Growth Fund in support of the A13 widening, Stanford-le-Hope/London Gateway access improvements, cycling initiatives and sustainable travel. Further funds have been secured for Purfleet (£5m) in round two.

A short list of Thurrock schemes is being developed as part of the Thames Gateway South Essex (TGSE) work under SELEP

Further details of future rounds are anticipated shortly. In the meantime the opportunity rating remains the same.

- 3.4 The whole register has been made available on the J:\THURROCK\EXCHANGE file under ROM\ROM Q3 Review_SC R&O Register

4. Reasons for Recommendation

- 4.1 One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the Authority's risk management arrangements are adequate and effective
- 4.2 To enable the Standards and Audit Committee to consider the effectiveness of the Council's risk and opportunity management arrangements the report is presented on a bi annual basis and provides details of how the key risks and opportunities facing the Authority are identified and managed.

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

- 5.1 The Corporate Risk Officer has engaged with Services, Department Management Teams, Performance Board and Directors Board to review the Strategic/Corporate Risk and Opportunity Register.

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: **Michael Jones**
Management Accountant

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of financial claims and/or loss faced by the Council.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal and Governance – Deputy Monitoring Officer

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of legal claims or regulatory challenges against the Council

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

The management of risk and opportunities provides an effective mechanism for monitoring 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 our statutory equality duties.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

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):

- Strategic/Corporate Risk and Opportunity Register, October 2015 (In Quarter 3 report). The document can be accessed via the J:\THURROCK\EXCHANGE file under ROM\ROM Q3 Refresh_SC R&O Register

9. Appendices to the report

- Appendix 1 - Dashboard
- Appendix 2 - In Focus report

Report Author:

Andy Owen
Corporate Risk Officer

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Strategic Risks									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Target	
			Qtr 4 (2014/15)	Qtr 1 (2015/16)	Qtr 2 (2015/16)	Qtr 3 (2015/16)		Rating	Date
Priority - Create a great place for learning and opportunity									
16	CSC Service Standards & Inspection Outcome	Andrew Carter	12	12	12	12	➔	12	31/03/16
Priority - Encourage and promote job creation and economic prosperity									
10	Purfleet Regeneration	Matthew Essex	12	12	12	12	➔	8	31/03/16
Priority - Build pride, responsibility and respect									
1	Adult Social Care, Cost & Quality Standards	Les Billingham	16	12	12	12	➔	12	31/03/16
2	Failure to Implement the Care Act	Les Billingham	-	12	12	9	↓	12 9	31/03/16
4	Welfare Reforms	Roger Harris	12	12	12	12	➔	12	31/03/16
17	CSC Safeguarding & Protection C&YP	Andrew Carter	-	12	12	12	➔	12	31/03/16
19	Emergency Planning & Response	Gavin Dennett	9	9	9	9	➔	9	31/03/16
Priority - Improve health and well-being									
21	Housing Needs and Homelessness	Dermot Moloney	-	9	9	9	➔	9	31/03/16
23	Health & Social Care Transformation	Roger Harris	12	12	12	12	➔	12	31/03/16
Priority - Promote and protect our clean and green environment									
24	Waste Collection Route Optimisation (New)	Richard Parkin	-	-	-	9	N/A	3	31/03/16
Organisational Risks									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Target	
			Qtr 4 (2014/15)	Qtr 1 (2015/16)	Qtr 2 (2015/16)	Qtr 3 (2015/16)		Rating	Date
Theme - A well-run organisation									
5	Managing Change / Capacity for Change	Jackie Hinchliffe	9	9	9	9	➔	9	31/03/16
6	Sickness Absence	Jackie Hinchliffe	9	9	9	9	➔	6	31/03/16
8	Delivery of MTF5 2015/16	Sean Clark	-	12	12	12	➔	6	28/02/16
9	Delivery of MTF5 2016/17 - 2019/20	Sean Clark	-	16	12	12	➔	8	28/02/16
12	Property Ownership Liability	Ian Rydings	-	8	8	8	➔	4	31/12/15
15	Reputation and Profile	Karen Wheeler	-	9	9	9	➔	6	31/12/15 31/03/16
18	Business Continuity Planning	David Bull	12	12	12	12	➔	12	30/09/15 31/03/16
22	ICT Infrastructure	Sean Clark	12	8	8	8	➔	4	30/09/15 31/01/16
23	ICT Disaster Recovery Planning	Sean Clark	-	8	8	12	↑	4	31/05/16

Footnote: Target Date: Retained = The risk is managed to the required level (risk appetite) but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The risk is removed from the S/C R&O Register as it is either realised or managed to the required level (risk appetite). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 Priority: Red = High, Amber = Medium, Green = Low. Ratings: Lower is best DOT: Latest v Previous Rating (➔ Static, ↑ Increased, ↓ Decreased)

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Strategic Opportunities									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Target	
			Qtr 4 (2014/15)	Qtr 1 (2015/16)	Qtr 2 (2015/16)	Qtr 3 (2015/16)		Rating	Date
Priority - Create a great place for learning and opportunity									
-	-	-	-	-	-	-	-	-	-
Priority - Encourage and promote job creation and economic prosperity									
11	South East Local Enterprise Partnership	Matthew Essex	12	12	12	12	➔	16	31/03/16
14	Business/NNDR Growth	Matthew Essex	-	9	9	9	➔	16	31/03/16
Priority - Build pride, responsibility and respect									
13	Community Hubs and Community Engagement	Natalie Warren	-	9	9	9	➔	12	31/03/16
Priority - Improve health and well-being									
-	-	-	-	-	-	-	-	-	-
Priority - Promote and protect our clean and green environment									
20	Gloriana Thurrock Ltd	Steve Cox	16	16	16	16	➔	16	31/03/16
Organisational Opportunities									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Target	
			Qtr 4 (2014/15)	Qtr 1 (2015/16)	Qtr 2 (2015/16)	Qtr 3 (2015/16)		Rating	Date
Theme - A well-run organisation									
7	Digital Council Programme	Jackie Hinchliffe	-	8	8	8	➔	16	31/12/16

Footnote: Target Date: Retained = The opportunity is managed to the required level but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The opportunity is removed from the S/C R&O Register as it is either realised or managed to the required level. For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 Priority: **Gold** = High, **Silver** = Medium, **Bronze** = Low. Ratings: Higher is best DOT: Latest v Previous Rating (➔ Static, ⬆ Increased, ⬇ Decreased)

Strategic/Corporate Risk & Opportunity Register October 2015 (In Quarter 3 Report)

In Focus Report

The Items are Split Between Risk & Opportunity and Listed in Priority (Rating) Order and Then Reference Number (Numeric) Order.

Risks In Focus

UNMANAGED / INHERENT RISK

Risk Description:							Risk Owner		
Balancing the cost of care and maintaining minimum quality standards - Risk that a combination of the following ongoing pressures:- financial pressures on local authorities (e.g. reduced teams for critical processes such as contract management, inability to uplift prices to counter competition for workers and inflationary increases, etc), a significant failing of a current provider, significant and continued pressures on hospital A&E and periods of 'black alert', market wide decrease in number of care workers due to ongoing poor employment conditions, ongoing issues in providing temporary care staff through local framework agreement and continued economic pressure on care providers leads to a drop in care quality/standards and failure of providers to maintain basic or minimum standards for service users. Ultimately results in risk to service user's health, reputational damage to the council and increased costs in managing escalated care and health needs and council intervention as a result. Neighboring boroughs where contract monitoring was reduced have experienced care home failures, in one home alone it was estimated that over 4,500 hours have been spent addressing this. Estimates indicate that the cost of this professional involvement were approximately £140k. Some of our domiciliary care providers have stated that they will not be able to continue to provide care unless we increase the rate that we pay. Reductions in the number of contract officers from 4 to 2 and the senior contract officers from 2 to 1 means that monitoring cannot take place as frequently as it used to. Also the introduction of new team responsibilities means that the senior and team manager are covering both areas.							Les Billingham		
Link to Corporate Priority									
Priority – Build pride, responsibility and respect; Improve health and wellbeing									
Inherent Risk Rating		Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 17/04/2015	Residual Risk Rating as at: 17/04/2015	Residual Risk Rating as at: 01/07/2015	Residual Risk Rating as at: 30/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/03/2016																																																																																																																												
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Comments
The risk evaluates the impact of a combination of issues on the maintenance of care quality standards. The risk is rated at the higher level due to the financial pressures on local authorities and the impact this will have (e.g. reduced teams for critical processes such as contract management, inability to uplift prices to counter competition for workers and inflationary pressures, etc). We have agreed to provide our residential providers for older people an uplift of 1% for 15/16, with a possibility of a further 1% linked to performance.

Whilst contingencies are and continue to be considered, the current Council financial situation is making finding a workable solution difficult. Hence the risk rating. The impact of the application of the living wage, a recent ruling regarding paying staff for travel time and the forthcoming Comprehensive Spending Review is highly likely to see the residual risk rating increasing in the next couple of quarters. One of the Council's domiciliary care providers has recently given notice on their contract, citing an inability to continue to provide a service on the current contracted rate. Pressure on the provider market is acute and one of, if not the most significant risk to the Council being able to meet demand for care.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Comprehensive compliance monitoring and audit process in place								2013-14
2. Quarterly information sharing meetings with Care Quality commission (CQC) to identify and share concerns/risks. Quarterly Quality Surveillance Group (QSG) meetings with health colleagues and CQC to identify and manage risks across the whole system.								2013-14
3. Develop a comprehensive accommodation based programme to deliver choice and quality in the local market								From 2013
4. Compliance with the Care Act regarding market failure and service interruption								From April 15
5. Provision of increase (1% plus 1% for performance) for OP Residential providers								From April 15
Residual Risk Rating	Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
6. As part of Care Act implementation plan prepare for statutory services to intervene in the event of provider failure			From April 2015	Arrangements being discussed include the possibility of building in-house capacity. Homecare market is under extreme pressure at the moment. Corrective action has been taken, but the situation is likely to get worse.				
7. Agree new process for agreeing emergency home care packages to ensure consistency of approach to respond to unprecedented market pressure			During 15/16	To be progressed during 15-16				
8. Agree funding increase for specific home care packages to ensure market failure of current providers is avoided.			Ongoing	Additional payments made and further payments planned.				
9. Bring forward the procurement exercise for Domiciliary Care as a result of Sanctuary Housing giving notice on their contract				Developing specification				
Target Risk Rating	Target Date:	31/03/2016	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	30/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
<p>Adult Social Care and the NHS are finding it increasingly difficult to meet demand for services, particularly when resource continues to decrease. With the expected ageing and growth of the population, we can expect age-related disease to continue to rise. Dementia for example is predicted to risk steeply in Thurrock, and by 2033 the population aged 85+ is projected to double. Two thirds of the resource spent on social care nationally is already spent on individuals with at least one long-term condition. For the NHS, the percentage spent is even higher. Lifestyle factors too will continue to compound the problem with Thurrock levels for smoking and obesity being significantly higher than the national average. Alongside a system that was designed in the 1940s and is no longer fit for purpose, a programme of major transformation is required.</p> <p>Further adding to the risk are the number of change programmes (all significant) being run concurrently:</p> <ul style="list-style-type: none"> • Care Act Implementation (see Corporate Risk); • Implementation of the Better Care Fund • Adult Transformation Programme <p>Thurrock Council in partnership with NHS Thurrock Clinical Commissioning Group (CCG) has developed a joint transformation programme which is overseen via an Integrated Commissioning Executive, but integration continues to be a significant challenge. As such, the Directorate has also established its own Adults Transformation Programme so that work does not stall whilst an agreed programme of work with health is progressed. Failure of the programmes to achieve their objectives will lead to the inability of social care and health to be able to meet demand within existing resources. For adult social care, this would mean either not providing services to those people who were eligible to receive them which would leave the council open to challenge and also result in a failure to meet statutory duties; or continue to provide services to those who qualify but exceeding budget.</p>	Roger Harris
<p>Link to Corporate Priority</p> <p>Improve Health and Wellbeing, and Build Pride, Responsibility and Respect</p>	
Inherent Risk Rating	Date: 15/04/2015 Impact: Critical (4) Likelihood: Very Likely (4) Rating: 16

DASHBOARD

Inherent Risk Rating & Date: 15/04/2015	Residual Risk Rating as at: 15/04/2015	Residual Risk Rating as at: 01/07/2015	Residual Risk Rating as at: 29/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/03/2016
<p style="text-align: center;">Impact</p>	<p style="text-align: center;">Impact</p>	<p style="text-align: center;">Impact</p>	<p style="text-align: center;">Impact</p>	<p style="text-align: center;">Impact</p>	<p style="text-align: center;">Impact</p>

Comments
<p>Programme management of this major legislative change would, in any normal year, become the major focus for the directorate. However we currently have to programme manage and deliver a number complex and wide ranging programmes of work. There are also difficulties to overcome if we are to progress integration with health, this includes current pressures on the Essex-wide health economy and how decisions made by non-Thurrock parts of the Essex-wide system will impact upon what Thurrock wants and needs to achieve. Thurrock is a very low spending authority per capita on adult social care and also faces significant reductions to funding via the national austerity programme. Risks of non-delivery of any, or all, of these important programmes are exacerbated by these factors. Mitigation in the form of securing resources in the short term to provide adequate programme management, delivery and specialist expertise where required is necessary.</p>

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Programme Management arrangements established alongside programme initiation document	April 2014
2. Some work already in progress – e.g. delivery of Care Act 2014 part 1 requirements, Better Care Fund Plan and section 75 agreement agreed, governance arrangements to oversee delivery of BCF Plan via Integrated Commissioning Executive	"
3. Close partnership working with Thurrock CCG already established	"
4. Separate risk register developed as part of the Programme Management arrangements	"
5. Programme arrangements revised to reflect new phase. S75 agreement approved and S75 disbanded. New Integrated Commissioning Executive established to oversee the delivery of the BCF S75 agreement.	By Apr 2015
6. Establishment of an Adults Transformation Programme	Agreed June 15
Residual Risk Rating	Date: 15/04/2015
	Impact: Critical (4)
	Likelihood: Likely (3)
	Rating: 12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
7. Continue programme arrangements	April 2015	Programme arrangements in place
8. Develop work programme for the Integrated Commissioning Executive	May 2015	Work programme in place for the ICE
9. Agree health and care system case for change – as set out within Direction of Travel document	May 2015 February 2016	Case for Change not yet agreed and requires progressing – some slippage, and will be progressed as part of refreshed BCF 16/17 and refresh of the Health and Wellbeing Strategy.
10. Develop work streams and work stream plans underpinning agreed case for change	May/June 2015 February 2016	As part of development of BCF for 2016/17
11. Development of BCF Section 75 agreement for 16/17	February 2016	Confirmation received that there will now be a BCF for 2016/17, but guidance is unlikely to be released until Christmas time. Thoughts on how the BCF should be developed for 16/17 will be agreed via the Integrated Commissioning Executive.

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12. Development of Adult Transformation Programme		From July 15	PID agreed and projects will be taken forwards following the outcome of the current Adult Social Care consultation exercise which is due to conclude in December.					
13. Development of public facing document that sets out the Direction of Travel for health and social care integration and transformation		July 2015 Mar/Apr 2016	Document will follow the development of the HWB Strategy which will be signed of in March 2016.					
Target Risk Rating	Target Date:	31/03/2016	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	29/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner								
<p>The Welfare Reform Act 2012 and the Local Government Finance Act 2012 have resulted in major changes to the welfare scheme, aiming to reduce the UK's welfare benefit costs by £18 billion over the next five years and promote work as more beneficial than claiming benefit. Embedded in the Acts are a range of measures designed to simplify, streamline and reform the payment of out of work, income, housing and disability related benefits; re-assess the fitness or otherwise of claimants to work; and provide employment related support.</p> <p>Both Acts have introduced significant reforms to the current system that have a direct impact on Council services:</p> <ul style="list-style-type: none"> – The replacement of Council Tax Benefit with Localised Council Tax Support wef April 2013 – The introduction of a “size criteria” and limitation of Housing Benefit within the social rented sector wef April 2013 – The limitation of total benefits through an overall household “Benefit Cap” (From July 2013) – The reform of the Disability Living Allowance and its replacement with Personal Independence Plans wef October 2013 – The replacement of the abolished elements of the Social Fund which was administered by the Department of Works and Pensions (DWP), by a local scheme. The Council was allocated funding for 2013/2014 and 2014/2015 to create a local scheme to replace Crisis Loans and Community Care Grants which had been part of the social fund. From April 2013 the council set up a grant based scheme known as Essential Living Fund to replace these parts of the Social Fund*. – The replacement of all working age benefits (Income Support, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Housing Benefit, Child Tax Credits and Working Tax Credit) with a single unified benefit known as Universal Credit (to be completely in place by 2020) – Further possible changes may take place post general election, which could include: <ul style="list-style-type: none"> o Reduction to the total amount of benefits a household is entitled to (Benefit Cap). o Taxing Disability Living Allowance, Personal Independence Payment, and Attendance Allowance. o Reviewing contribution-based Employment Support Allowance, Jobseekers Allowance, and work-related activity group for ESA. o Reviewing the entitlement threshold to carers' allowance and Housing Benefit. o Limiting Child benefits to a number of children. <p>The reforms could lead to:</p> <ul style="list-style-type: none"> – Fewer people in receipt of benefits who may then look to the Council to provide them with a service – e.g. housing, homelessness, adult social care. – Additional demand for Council services as a consequence of demographic and migration changes brought about by the Welfare Reforms (e.g. people moving to Thurrock from London). – The Council funding the Essential Living Fund scheme from 2015/16, as the Government decided not to extend the current two year funding arrangements for 2013/14 and 2014/15. 	Roger Harris								
Link to Corporate Priority									
Build Pride, Responsibility and Respect									
Inherent Risk Rating	<table border="1"> <tr> <td>Date:</td> <td>17/04/2015</td> <td>Impact:</td> <td>Critical (4)</td> <td>Likelihood:</td> <td>Very Likely (4)</td> <td>Rating:</td> <td>16</td> </tr> </table>	Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16		

DASHBOARD

Inherent Risk Rating & Date: 17/04/2015	Residual Risk Rating as at: 17/04/2015	Residual Risk Rating as at: 26/06/2015	Residual Risk Rating as at: 26/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/03/2016																																																																																																																								
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Comments
<p>The Welfare Reform Act 2012 and the Local Government Finance Act 2012 have resulted in major changes to the welfare scheme. Both Acts have introduced significant reforms to the current system that have a direct impact on Council services and the Council's Welfare Reform Group are regularly monitoring the impact of the changes and actions to address the position. Progress against the specific areas include:</p> <ul style="list-style-type: none"> • The Essential Living Fund has had a lower take-up than expected (largely because it is cashless) and the arrangements with Southend are working well. The scheme will continue as per Cabinet approval in December for 2015/16; as such the Council will contribute £331,425 towards the running of the scheme, it is likely that no less than £266,925 will be available to eligible applicants during the fiscal year. • The social sector size criteria have affected nearly 1,000 people. Discretionary Housing Payment has been used to minimise the impact; Housing Benefit arrears have been lower than expected; around 65 households have moved. The risk is over maintaining this position; • The benefit cap only affected a very small number of people and has had minimal impact; • The move from Disability Living Allowance to Personal Independent Plan is being monitored and numbers will grow as people switch at their review point. Delays remain the biggest problem. However, the DWP states that waiting times have now been reduced to 6 weeks. • Localised Council Tax Support – again arrears are lower than expected but it is causing financial hardship for significant numbers of people, the long-term impact of which is hard to assess at this stage; The 2015/16 scheme has now been approved by full Council as at January and will remain the same as the last 2 years. • Universal Credit – the process of its rolling out in Thurrock began in March 2015. At this stage it affects new claimants from single jobseekers such as people entitled to Job Seekers Allowance, and includes; Housing Costs and Tax Credits. The roll-out to all other categories of people including Couple's and families with children is continuing in a phased process in all chosen pilot areas, but is expected to be completed by 2016/2017. • Universal Credit has faced significant delays because of IT and other implementation problems. There are opportunities to see if we can get joined up professional Benefits, Money and Employment advice and support services between the Council and the Job Centre Plus/Dept of Works & Pensions. The start of this has been to join up Housing Assessments and DWP assessments on the ground floor of the Civic Offices. This went live at the end of January 2015. • A Delivery Partnership Agreement (DPA) was signed by Thurrock Council and the DWP, taking effect from the 16th of March 2015 <p>The July's budget's announcement indicated further changes to the welfare system which are likely to put additional pressures on the Local Authority services and resources, these include:</p>

Changes	Mitigation
1. 1% reduction in social rent for the next four years, this is the equivalent of 8% over the duration (on the basis of needing to reduce social rent by 1%, and not receiving the 1% on top of Consumer Price Index).	To be confirmed. Awaiting further information to enable the position to be evaluated.
2. Market value rent for social tenants households earning £30,000 per year or more	To be confirmed when system for the evaluation of earnings established.
3. As of April 2016 the Benefit Cap for families in Thurrock will be reduced from £26,000 to £20,000. And to £13,400 for single claimants.	Continue to work closely with DWP to support adults to return to work via apprenticeships, training schemes, and other initiatives.
4. From April 2017 Eighteen to Twenty-one years old applicants will not be eligible for Housing Benefit (only vulnerable applicants would be entitled to the benefits).	Continue to work closely with DWP and relevant agencies to support young adults obtaining work via apprenticeships, training schemes, and other initiatives.
5. Working age benefit will be frozen for four years from April 2016.	Developing an advisory service to sign-post and assist affected households with budgeting, accessing alternative resources...etc.
6. Reduction of income threshold for tax credits from £6,420 to £3,850 from April 2016 (Earning will reduce benefits considerably earlier).	To be confirmed but likely that appropriate advisory service will be provided
7. ESA applicants categorized within the work related activity component will no longer be eligible to receive the additional £30 per week increment from April 2017.	Ensuring households affected are made aware of the changes, and supported.
8. Entitlement to Child Tax Credit will be restricted to two children only from April 2017.	Assisting households with budgeting.
9. Backdating of Housing Benefits will be restricted to maximum statutory period of one month only. From April 2016	Ensuring all affected households are contacted and provided with support at early stages.
10. As of April 2017 parents will only be able to claim income support up to the child's age of three.	Developing an advisory service to sign-post and assist affected households with budgeting, accessing alternative resources...etc.

The reforms and impact of the changes will not be alleviated in the short term. A target date of 31/03/16 has been applied to the risk, which is the time when the documentation will be fully reviewed, refreshed and updated to reflect the changes to the reforms and the risk. At the 31/03/16 it is predicted that the risk will remain at the higher (red) level and a target rating of Critical/Likely applied.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Welfare Reform Strategy Group and monthly meetings established.	From Apr 2013
2. Discretionary Housing Payment (DHP) policy and budget regularly reviewed by Benefits and Housing Services	From Apr 2013
3. Universal Credit Programme Board working with the Department of Works and Pensions and Job Centre Plus to plan and prepare for the impact of Universal Credit.	From Apr 2013
4. Council Tax Debt Management Team review of fair debt policy to ensure individuals impacted by Welfare Reform receive appropriate support during the Bailiff and Court Summons process to recover unpaid council Tax.	From Apr 2013
5. Service Level Agreement with Southend Council for the Essential Living Fund established for the year 2013/14 and renewed for the years 2014/15 and 2015/16.	From Apr 2013
6. Universal Credit Programme board working with the Department of Work and Pensions and job Centre Plus to plan and prepare for the impact of Universal Credit	From Apr 2014

Page 123	<p>7. A Delivery Partnership Agreement (DPA) was signed by Thurrock Council and the DWP, taking effect from the 16th of March 2015, This agreement will endeavour to:</p> <ul style="list-style-type: none"> - DWP to provide reasonable support to the Authority to support the development and implementation of local service provisions (providing Data, guidance, products...etc.). - Monitor the impact and take appropriate actions. - Provide support around housing cost issues that may rise, e.g. setting up a <i>Personal Budgeting Support</i> scheme to assist Thurrock residents affected or potentially affected by the welfare changes. - Providing support to claimants to go online and stay on line. - Processing Local Council Tax Reduction Scheme. - Supporting claimants with complex needs (e.g. support with personal budgeting) - Working with Universal Credit Programme to inform and assist Landlords' through the current and prospective changes. 	From Mar 2015
	<p>8. Housing Service:</p> <p>(i) Provide benefits, debt and money advice to council tenants affected by the Benefit cap and Social Sector Size Criteria / Under Occupancy. Examples include: Visits to residents at home and at outreach centres, partnership with Family Mosaic established to provide tenancy, financial advice and other support services to residents.</p> <p>(ii) Undertake monitoring and management of potential increased rent arrears/evictions:</p> <ul style="list-style-type: none"> - Rents and Welfare team monitoring the level of rent arrears and endeavour to make contacts with those affected and provide advice and assistance in order to assist in sustaining their tenancies. - Finance inclusion officer working with tenants affected by the changes, maximizing income and reducing expenditure and Family Mosaic (partner) to providing tenancy, financial advice and other supporting services to resident. - Eviction & Prevention Panel tracking all evictions in the social sector resulting from the welfare reform and Head of Service undertaking evaluations to inform judgements on whether to proceed with the eviction process. <p>(iii) Cap on Housing Benefit, Size Criteria (Including exclusion from entitlement to larger property than household requirement):</p> <ul style="list-style-type: none"> - Housing Solutions teams provide assistance to tenants affected by the cap on housing benefit.. - Welfare Coordinator appointed Jan 2015 to oversee the implementation of the next phase of Universal Credit in Thurrock: <ul style="list-style-type: none"> o Minimizing disruptions leading to service users being detrimentally affected by such changes. o The development of a multi-agency approach strategy. o Creating closer inter-departmental working relationships and with key stakeholders such as DWP and HRMC (DPA agreed and in place since March 2016). o DPA endeavours to provide relevant services to vulnerable claimants, and those who require it. This plan is predominantly funded by DWP to facilitate the process of claims being made online. o Learning from best practices and other pilot schemes. <p>(iv) Homelessness and Temporary Accommodation – Thurrock Private Housing Sector team working with private landlords to promote to maintain standards, and to make affordable properties available for letting.</p>	From Apr 2013

Residual Risk Rating	Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
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FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
<p>9. Welfare Strategy Group to continue to meet monthly to monitor the impact, ensure the Council and partners are working together to respond to identified needs and to support local residents affected by the changes.</p>	<p>From Apr 2015</p>	<p>Ongoing, currently evaluating ramifications of July's budget 2015, the next work tasks will address these issues in particular:</p> <ul style="list-style-type: none"> • Benefit Cap reduction from £26,000 to £20,000 (from April 2016) • Freezing of income based benefit (From April 2016 including HB and Tax Credit) • Reduction of Social Housing rent • Reduction of income threshold for Tax Credit, and restriction of eligibility for the first two children (from April 2016) • The consideration for Pay to Stay • Restrictions on backdating HB to maximum of one month.(From April 2016) • Restrictions of HB for band age 18-21, and Income Support stopping at three rather than five years old (From April 2017). • Abolition of work related activity component of ESA.(From April 2017)
<p>10. Universal Credit Programme Board continue to work with the Department of Work and Pensions and Job Centre Plus to provide advice and support services to people impacted by the various welfare reforms.</p>	<p>From Apr 2015</p>	<p>Ongoing, in Thurrock 626 single claimants are currently affected by UC; this group of claimants is being supported by the Financial Inclusion Officers who provide them with support and advice. This element of the risk could escalate the overall risk when universal credit system is extended to include family households.</p>
<p>11. Continued implementation of the Delivery Partnership Agreement (DPA) by Thurrock Council and the DWP.</p> <p>Agreement includes:</p> <ul style="list-style-type: none"> – DWP to provide reasonable support to the Authority to support the development and implementation of local service provisions (providing Data, guidance, products...etc.). – Monitor the impact and take appropriate actions. – Provide support around housing cost issues that may rise, e.g. setting up a <i>Personal Budgeting Support</i> scheme to assist Thurrock residents affected or potentially affected by the welfare changes. – Providing support to claimants to go online and stay on line. – Processing Local Council Tax Reduction Scheme. – Supporting claimants with complex needs (e.g. support with personal budgeting) – Working with Universal Credit Programme to inform and assist Landlords' through the current and prospective changes. 	<p>From Apr 2015</p>	<p>Ongoing, agreement implemented in June 2015, and initial feedback suggests that the process is working well and delivering the set goals and objectives.</p> <p>A more comprehensive assessment will be made in the coming months to evaluate the progress of this initiative.</p>

12. Housing Service to continue:

From Apr 2015

- (i) To provide benefits, debt and money advice to council tenants affected by the Benefit cap and Social Sector Size Criteria / Under Occupancy. Examples include: Visits to residents at home and at outreach centres, partnership with Family Mosaic established to provide tenancy, financial advice and other support services to residents.
- (ii) To undertake monitoring and management of potential increased rent arrears/evictions:
 - Rents and Welfare team monitoring the level of rent arrears and endeavour to make contacts with those affected and provide advice and assistance in order to assist in sustaining their tenancies.
 - Finance inclusion officer working with tenants affected by the changes, maximizing income and reducing expenditure and Family Mosaic (partner) to providing tenancy, financial advice and other supporting services to resident.
 - Eviction & Prevention Panel tracking all evictions in the social sector resulting from the welfare reform and Head of Service undertaking evaluations to inform judgements on whether to proceed with the eviction process.
- iii) Cap on Housing Benefit, Size Criteria (Including exclusion from entitlement to larger property than household requirement):
 - Housing Solutions teams provide assistance to tenants affected by the cap on housing benefit.
 - Welfare Coordinator appointed Jan 2015 to oversee the implementation of the next phase of Universal Credit in Thurrock:

Ongoing, In order to meet and mitigate challenges resulting from welfare reforms a Cohort of Council Officers (Homeless Officers, Call Centre, Volunteers...etc) were recently trained to deal with Universal Credit and Housing Benefits related issues , and on Thurrock Choice Homes. This approach aims to prepare and empower officers in supporting tenants and claimants

Ongoing, regular monitoring of rent arrears and payments trends is currently done on monthly basis, and contact is made with tenants at risk of eviction or falling behind with their rents.

Ongoing, whilst Financial Inclusion Officers continue to support households in need, often entitlements and delays in payments of benefits are leading to an increase in the referrals and use of food-banks is observed.

Ongoing, there is an increase in the number of evictions that are primarily due to private landlords ending tenancies, and rent arrears within the social housing sector.

Rent officers have increased their level of support (including visits and referrals to specialists).

Homeless prevention officers are trying to address these issues by introducing different initiatives such as the enhanced incentive offer to private landlords.

Ongoing, Financial Inclusion officers continue to provide support to Homeless and at risk of homelessness households along with council tenants in partnership with Family Mosaic. This support aims to make rental in the private sector more affordable, via assessing household's affordability of the private market, if not considering alternative options such as Social Housing.

On-going. Currently about 626 households are affected by Universal Credit, the Housing Financial Inclusion Officer will endeavour to engage with all these households to provide a personal budgeting support.

Recently announced changes in the summer budgets are likely to affect current and prospective claimants, in particular concerning:

- Minimizing disruptions leading to service users being detrimentally affected by such changes.
- The development of a multi-agency approach strategy.
- Creating closer inter-departmental working relationships and with key stakeholders such as DWP and HRMC (DPA agreed and in place since March 2016).
- DPA endeavours to provide relevant services to vulnerable claimants, and those who require it. This plan is predominantly funded by DWP to facilitate the process of claims being made online.
- Learning from best practices and other pilot schemes, for example different options with wider implications are currently being considered such as:
 - Arranging for assistance in paying Council Tax when required.
 - Exploring options for providing debt advice.
 - Encouraging claimants to open bank accounts, and working with banks to provide such options.
 - All major local banks now offer a basic account for people receiving benefits

(iv) Re-assessment of strategic priorities

Benefit Cap: Financial Inclusion Officers will work with affected households on personal budgeting, so to address the incoming benefits cap reduction from £26,000 to £20,000

A national lobbying campaign led by Housing Associations is currently undergoing to mitigate risk of restricting the backdating HB to maximum of one month, in particular around vulnerable applicants.

Services are currently assessing the potential impacts of changes announced in the summer budget, and awaiting further details on actual range of changes announced and time scales.

Target Risk Rating	Target Date:	31/03/2016	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	26/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner	
The Council fails to fully deliver the Medium Term Financial Strategy – The budget envelope is not maintained and/or savings are not delivered to meet forecasted budget deficits. Both or either of these scenarios could lead to service overspends and Council wide financial pressures which would require additional unplanned efficiencies to be made with potential service delivery impacts or the Council having to rely on further contributions from reserves in 2015/16.							Sean Clark / Directors Board	
Link to Corporate Priority								
A well run organisation								
Inherent Risk Rating	Date:	24/03/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 24/03/2015	Residual Risk Rating as at: 24/03/2015	Residual Risk Rating as at: 18/06/2015	Residual Risk Rating as at: 07/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 28/02/2016
<p>Page 127</p>					

Comments
Regular budget updates provided to Cabinet via Directors Board. 2015/16 budget pressures arising from targeted savings from Terms and Conditions and Serco; Shortfall in Shared Service Recharges; Environmental Services; Impact of Sita recycling arrangements and Shortfall in the ability to meet Public Health In-year Reduction identified. Further pressures recognised within Children's and Housing Services. Officers are currently working to reduce where possible the impact on the MTFS. Updates and action to address financial pressures to be presented and agreed by Cabinet November and December 2015.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place							Date Implemented	
1. Budget pressures and differences for 2014/15 identified and appropriate action undertaken to balance the budget position with no call on reserves.							Feb 2015	
2. 2015/16 General Fund Budget and MTFS established and agree by Council Feb 2015							Feb 2015	
3. Monthly reports to Directors Board and regular reports to Cabinet on MTFS/Budget position. First high level report presented verbally.							Apr 2015 onwards	
4. Method for allocating any additional savings targets to meet unachieved savings in terms/conditions and Serco proposals developed and agreed. Figures being finalised.							By Apr 2015	
Residual Risk Rating	Date:	24/03/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
5. Ongoing monthly reports to Directors Board and regular reports to Cabinet on MTFS/Budget position.	From Apr 2015	5, 6 & 7. Regular budget update reports presented to Cabinet, via Directors Board. Potential financial pressures for 2015/16 identified and officers currently working to reduce where possible the impact on the MTFS. Updates and action to address pressures to be presented and agreed by Cabinet November and December 2015.						
6. Additional savings targets to be allocated to meet unachieved savings in terms and conditions and Serco proposals	From Apr 2015							
7. Develop and agree 2015/16 in year savings proposals	Jul - Dec 2015							
Target Risk Rating	Target Date:	28/02/2016	Impact:	Substantial (3)	Likelihood:	Unlikely (2)	Rating:	6
Revised Residual Risk Rating	Date:	07/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner		
<p>The Council faces significant budget pressures due to significant funding reductions from central government and increasing demand in services. These budget pressures remain and the Council is now concentrating on the period 2016/17 through to 2019/20</p> <p>Failure to develop plans to set and maintain a balanced budget and to deliver the associated savings for the period 2016/17 to 2019/20 could lead to ill informed decisions on service reductions, unplanned efficiencies and in year overspends and result in service delivery impacts, negative feedback or publicity and unexpected contributions from reserves to balance the budget or, in the worst case, an ultra vires deficit budget position.</p>							Sean Clark / Directors Board		
Link to Corporate Priority									
A well run organisation									
Inherent Risk Rating		Date:	25/03/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 25/03/2015	Residual Risk Rating as at: 25/03/2015	Residual Risk Rating as at: 18/06/2015	Residual Risk Rating as at: 07/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 28/02/2016																																																																																																																																																
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Comments
<p>Cabinet in July 2015 agreed a robust approach to consider the future shape of the Council and budget planning process to address the budget reductions and demand pressures facing the Council. The MTFS (as at October 2015 Cabinet report) shows a projected deficit for the period 2016/17 to 2019/20 of £28.4m of which £3.4m relates to 2016/17 and options to address the 2016/17 pressures are to be presented in the Autumn 2015 for Members consideration.</p>

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EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. MTFS established and reported to Council February 2015. Balanced budget for 2015/16 agreed and forecast for the financial years 2016/17 through to 2018/19 (including budget deficits) noted.								Feb 2015
2. Commence reviews to challenge and determine the future shape and delivery of services for 2016/17 and beyond. Strategy Week undertaken and a number of actions to be completed.								From Mar 2015
Residual Risk Rating	Date:	25/03/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
3. Regular reports to Cabinet, via Directors Board on MTFS and budget position.	From June 2015	3. MTFS (as at October 2015 Cabinet) showing a projected deficit for the period 2016/17 to 2019/20 of £28.4m of which £3.4m relates to 2016/17. Directors Board to work with Cabinet Members on proposals to address the deficit						
4. Continue reviews to challenge and determine the future shape and delivery of services for 2016/17 and beyond.	From Apr 2015	4&5. Cabinet July 2015 endorsed the approach to shaping the council and the budget planning process based on discussions in Strategy Week, held in March and June 2015, which focused on the budget reductions and demand pressures impacting on the Council's financial position. A Shaping the council work programme to be developed & to be fed into the budget setting process where strategic solutions will be identified as potential savings opportunities						
5. Develop and implement a strategic approach to shaping the Council	From Apr 2015							
6. Establishment of a Budget Review Panel	July - Oct 2015	6. Cross party budget review panel established to support the review of services and how they are resourced. Officers to identify and cost out potential efficiencies and any associated risks to service delivery. Information from Panel sessions to feed into the development of the budget planning process.						
7. Undertake consultation and engagement with all stakeholders on potential strategic solutions and changes to levels of service.	Sept 2015 - Jan 2016	7. Approach for the communication and engagement with residents, stakeholders, staff and members under development as part of the Shaping the Council Programme.						
8. Cabinet to consider 2016/17 approach and savings	Nov 2015 - Jan 2016	8. November Cabinet report to set out 2016/17 approach.						
9. Cabinet recommend 2016/17 budget to Council	Feb 2016							
Target Risk Rating	Target Date:	28/02/2016	Impact:	Critical (4)	Likelihood:	Unlikely (2)	Rating:	8
Revised Residual Risk Rating	Date:	07/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner		
Complex and costly land acquisition including potential use of Compulsory Purchase Order (CPO) powers, managing a long term relationship with the Council's development partner and securing the delivery of elements of the scheme that the Council is responsible for (school etc) are all fundamental to the success of the project.							Matthew Essex		
Link to Corporate Priority									
Encourage and promote job creation and economic prosperity									
Inherent Risk Rating		Date:	31/03/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 31/03/2015	Residual Risk Rating as at: 31/03/2015	Residual Risk Rating as at: 30/06/2015	Residual Risk Rating as at: 24/11/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/03/2016

Comments
The Council appointed the 'Purfleet Centre Regeneration Limited' consortium as its development partner for the Purfleet Centre project in March 2014. Since that point the Council has been working with PCRL to secure the funding needed for the scheme and develop more detailed proposals with a view to seeking planning consent later in 2015. The programme has slipped as efforts to secure the funding have continued. Cabinet received a report in October 2015 and approved the finalised commercial terms. It is anticipated that the council will enter into contracts by the end of the calendar year. In the meantime, the risk rating remains the same.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place							Date Implemented	
1. Land Assembly – Approx 55% of the required land acquired and is managed by the assets team. Cabinet Nov 2011 agreed a first resolution to commence compulsory purchase order (CPO) process for the remaining site. Negotiation with remaining owners continues and managed by CBRE (property & real estate adviser). CBRE available to advise on CPO strategy, negotiations and valuations as required.							Ongoing from 2011	
2. Procurement of development partner – Selected and approved March 2014							Apr 2013 to March 2014	
3. S106 completed and outline planning permission have been secured							May 2013	
4. Development of the programme for the delivery of the project by the Council and developer							From Apr 2014	
5. Engagement and consultation with stakeholders							From Apr 2014	
Residual Risk Rating	Date:	31/03/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
Ongoing work between the Council and developer to formulate the programme for the delivery of the project, including: 6. Finalise the development agreement 7. Secure funding 8. Review of design work for planning applications 9. Secure sites to complete land assembly 10. Ongoing engagement/consultation with stakeholders	From Apr 2015	6-10 Ongoing. Following approval of the finalised commercial terms by Cabinet in October 2015 the actions under 8,9,& 10 will be completed over the next 12 months.						
Target Risk Rating	Target Date:	31/03/2016	Impact:	Critical (4)	Likelihood:	Unlikely (2)	Rating:	8
Revised Residual Risk Rating	Date:	24/11/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

INHERENT RISK

Risk Description							Risk Owner	
Failure to manage the increases in demand and budget/ resource pressures for Children's Social Care could lead to a breakdown in the quality or performance of the service provided to vulnerable children and results in less favourable outcomes from inspection and damage to reputation of the service does meet the required standards							Andrew Carter	
Link to Corporate Priority								
- Create a great place for learning and opportunity - Improve health and wellbeing								
Inherent Risk Rating	Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 17/04/2015	Residual Risk Rating as at: 17/04/2015	Residual Risk Rating as at: 06/07/2015	Residual Risk Rating as at: 30/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/03/2016

Comments
<p>This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. This risk remains from the previous year as inspection has not yet taken place. The pressures outlined throughout the 2014/15 year remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful although as anticipated it has led to an increase in the volume of work to children's social care, this is ongoing. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH. Ongoing savings to be made across Children's Services including from the Children's Social care budget will be risk assessed to mitigate the impact on front line services.</p> <p>The service has to be demand and needs lead and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. An incident of civil disorder could result in more young people being placed in custody and a resulting increase in remand costs to the local authority.</p>

The level and complexity of some children and young people's needs and the lack of available national resources (specialist placements) to meet those needs is driving up cost pressures. As the Council continues to improve practice regarding the identification and tackling of Child Sexual Exploitation there is an increase in demand for service provision in terms of intervention; prevention and victim support. Current and new duties in terms of radicalization also place pressures on the service in terms of workforce capacity. Trends can be predicted based on previous levels of demand but these are subject to variance.

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. A target date of 31/03/16 has been applied to the risk, which is the time when the documentation will be fully reviewed, refreshed and updated.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented	
1. Quality Assurance and Safeguarding functions are in place and robustly applied. Functions extended to include the establishment of Quality and improvement Group.								2014/15 and Ongoing	
2. Project management of the inspection process is in place with trial runs completed to ensure that the data required by Ofsted is accurate and provided in a timely manner.								November 2015 onwards	
3. Trix Policies and Procedures have been introduced across Children's Social care								Completed	
4. Joint delivery of the 'Early Offer of Help Strategy' and associated services are now embedded to meet the new the duty placed on Council's to coordinate an early offer of help to families who do not meet the criteria for social care services and ensure that the 'step down and step up' processes are robustly managed.								From Apr 2012	
5. Internal quality assurance audits to evidence appropriate application of thresholds.								From Sept 2012	
6. Ongoing data analysis to enable us to benchmark and target areas for improvement								From Apr 2014	
7. Placement Review – an external reviews of high cost placements.								From Apr 2013	
Residual Risk Rating		Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
8. Ongoing implementation and/or application of actions 1 - 7 above.	From Apr 2015	<ol style="list-style-type: none"> 1. 2015/16 and ongoing. 2. 01/04/2015 onwards. 3. Tri-x Policies and Procedures have been commissioned and will be automatically updated in-line with contract. Local procedures continue to be reviewed and updated where there is a need for a local procedure in addition to those provided by Tri-X 4. From Sept 2012 onwards. 5. From Apr 2014 onwards. 6. From Apr 2013. 7. Ongoing.

9. Undertake CSE Peer Review and multi-agency audits.			From Apr 2015		CSE Peer Review completed with Southend and multi-agency audits undertaken with LSCB			
Target Risk Rating	Target Date:	Refresh 31/03/2016	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	30/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

INHERENT RISK

Risk Description		Risk Owner						
Failure to ensure that all children and young people in need of help or protection are safeguarded and supported could result in them not achieving their full potential and increasing the risk of a child death or serious injury.		Andrew Carter						
Link to Corporate Priority								
<ul style="list-style-type: none"> - Build pride, responsibility and respect - Create a great place for learning and opportunity - Improve health and wellbeing 								
Inherent Risk Rating	Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 17/04/2015	Residual Risk Rating as at: 17/04/2015	Residual Risk Rating as at: 06/07/2015	Residual Risk Rating as at: 30/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/03/2016

Comments
<p>The nature of the work in terms of safeguarding and supporting children at risk of harm means that this will always be a high risk area although through the application of the S.E.T (Southend, Essex & Thurrock) Child Protection procedures the department actively works to mitigate this risk and reduce the likelihood.</p> <p>The risk of children and young people coming to harm cannot be completely eliminated and the risk level needs to remain high and ensure clear vigilance across the council and partner agencies. New and emerging risk factors will arise and there is always a potential for agencies 'not knowing, what they don't know' that needs to be guarded against.</p> <p>The introduction of the Multi Agency Safeguarding Hub and Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases.</p> <p>The impact for individual children and families, particularly in cases of child death is significant and whilst actions to reduce the likelihood are implemented the impact will remain as critical. There is also a critical impact score in terms of reputational damage should a child death or serious injury occur.</p>

The ongoing nature of risk in child protection and safeguarding is such that despite effective mitigation the acknowledgement of the risk needs to remain high and will not reduce. This is not to say that the risks are unmanageable but for effective management the gravity and complexity of the risk needs to be acknowledged.

Within the context of this work we have a high level and critical risk that is being proactively managed. The management of the risk across partner agencies is reducing the likelihood of such risk, where the potential for such risks are known but cannot reduce the potential magnitude for the child in incidents such as child death or permanent disability. The unknown element of risk for families not known to the service means that overall the likelihood remains high. Families are also not static and risk is a constant changing variable within known families.

The risk rating therefore remains as a constant throughout the period covered. A target date of 31/03/16 has been applied to the risk, which is the time when the documentation will be fully reviewed, refreshed and updated.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Southend, Essex & Thurrock Child Protection procedures established and reviewed March 2015								Completed March 2015
2. Local Safeguarding Children's Board established, progress reported annually and guidance reviewed March 2015								Completed
3. Quality assurance and safeguarding function of Children's Social Care established								Completed
4. Legal framework and court action								Ongoing
5. Thurrock Multi Agency Safeguarding Hub introduced Sept 2014 and services commissioned as part of the Early Offer of Help Strategy								From Sept 2014
6. Case Audits								Ongoing
7. Quality assurance framework								Ongoing
Residual Risk Rating	Date:	17/04/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
8. Ongoing implementation and/or application of actions 4 - 7 above.			From Apr 2015	4. Ongoing 5. Ongoing 6. Ongoing 7. Ongoing				
Target Risk Rating	Target Date:	Refresh 31/03/2016	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	30/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
Since 1 st April 2015 Emergency Planning no longer undertakes Business Continuity on behalf of all Council functions. That responsibility has transferred to local managers. Failure of the Council and/or local managers to coordinate and maintain Business Continuity Planning would lead to the business continuity management arrangements across the Council becoming inconsistent, outdated and ineffective in times of a disruption affecting Thurrock.								David Bull	
Link to Corporate Priority									
A well-run organisation.									
Inherent Risk Rating		Date:	20/03/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 20/03/2015	Residual Risk Rating as at: 20/03/2015	Residual Risk Rating as at: 29/06/2015	Residual Risk Rating as at: 01/10/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 30/09/2015 31/03/2016

Comments
<p>The risk evaluates the position if business continuity plans are not coordinated and maintained, which would lead to business continuity planning arrangements across the Council becoming inconsistent, outdated and ineffective in times of a disruption affecting the authority.</p> <p>With effect from the 1st April 2015 the responsibility for Business Continuity transferred from the Emergency Planning Team to local managers. The Council has recently undergone some significant change and reshaping with restructures, office moves, remote working, closing of the Culver Centre and further changes are in train (e.g. transfer back to the council of ICT and other services from Serco). A Business Continuity Planning (BCP) and Disaster Recovery (DR) Group has been formed to lead a review of the Business Impact Analysis (BIA) and BCP approach with a view to leverage this information to drive forward an appropriate fit for purpose ICT DR plan for the Council. The approach for the review has been developed and is due to be discussed at the BCP & DR Group meeting 12/10/15.</p> <p>The risk is expected to remain at the higher level until assurance is obtained that the business continuity plans for the critical functions identified are adequate and effective. This</p>

will not be achieved in the short term. A target date of 31/03/16 and target rating of Critical/Likely has therefore been applied to the risk, which is when the documentation will be fully reviewed, refreshed and updated to reflect the changes to the situation. An assessment to consider the ongoing approach/support function for BCP will also be undertaken.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Review of Business Continuity Plans – Exercise undertaken between April and October 2014. 75% of BCPs reviewed and returned to Public Protection								Apr - Oct 2014
2. Programme for the development and implementation of critical incident plans for schools commenced March 2014. BC team working with Education Department the development and implementation of critical incident plans for schools to ensure that Thurrock Schools are resilient in their operation.								Ongoing from March
3. Programme of BC Exercises commenced of critical functions and services. Five reviews of service BCPs undertaken between April to October 2014, with consideration given to Third Party suppliers and their BC arrangements. Further BC exercise of Highways & Transportation function undertaken in December 2014.								Apr - Dec 2014
4. Further review of Business Continuity Plans commissioned Feb 2015 to update plans to take into account office moves, restructures, closure of the Culver Centre, etc. As at 20/03/2015 only four updated plans submitted to the Emergency Planning Team.								From Feb 2015
5. TBC Review of Team function – Review of BC team undertaken. Decision taken to transfer the BC function from the Emergency Planning Team to Service Managers with effect from 1 st April, 2015.								Dec 2014 - March 2015
Residual Risk Rating	Date:	20/03/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
6. Continue review of Business Continuity Plans (commenced Feb 2015) to update plans to take into account office moves, restructures, etc	From April 2015	
7. Directors Board to consider the position and way forward.	From April 2015	7 & 8 – Position considered by Directors Board and Director of Planning and Transportation. Service areas responsible for the updating of Business Continuity Plans. Due to savings the coordination function of BCP will no longer be provided by Emergency Planning team.
8. Director of Planning and Transportation to commission review of Public Protection (including Business Continuity Planning function)	From May 2015	
9. Establish BCP & DR Group	June Sept 2015	BCP/DR Support Group established made up of the Corporate Risk Officer, ICT Commercial Manager and Directorate Representatives (with assistance from MI & Data Analyst, Commercial Services).
10. Approach for the review of Business Impact Analysis, Business Continuity Plans to be developed by the BCP & DR Group	June Sept to Oct 2015	Approach for the review of BIA, BCP & ICT DR arrangements drafted and to be discussed at the initial meeting of the BCP/DR Group 06/10/15.

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<p>11. Approach for the review of BIAs/BCPs to be introduced to Directors Board.</p> <p>12. Individual Council services to review BIA to identify:</p> <ul style="list-style-type: none"> • Priority services/functions and the time frames for reinstatement. • Priority IT applications and order/speed of restoration including: <ul style="list-style-type: none"> (i). The Recovery Time Objective (RTO = the maximum time sustainable to reach the RPO). (ii). The Recovery Point Objective (RPO = the maximum point in time they can roll back to in the event of data loss) <p>13. Services to update BCP (full business continuity to cope without IT for a number of weeks).</p> <p>14. Services to provide copy of updated BCPs, Priority IT Application information (including RTO & RPO details) to BCP/DR Group</p> <p>15. BCP & DR Group to analyse information, consider any amends required to the Corporate BCP and to identify the options for Disaster Recovery.</p> <p>16. BCP & DR Group to report:</p> <ul style="list-style-type: none"> • Outcome of the review to update BCPs • Options and recommendations for DR to Directors board, via Digital Board and onward report to Standards & Audit Committee. <p>17. The council to implement DR arrangements following agreement of the appropriate solution.</p> <p>18. Services review and update BCPs to reflect the new DR arrangements</p> <p>19. Assessment to consider the position and ongoing approach/support function for BCP</p>	<p>June Sept 2015</p> <p>July By end of Dec 2015</p> <p>Aug By end of Dec 2015</p> <p>By end of Dec 2015</p> <p>Jan to Feb 2016</p> <p>Mar 2016</p> <p>Post Mar 2016</p> <p>Post Mar 2016</p> <p>Sept 2015 Post Mar 2016</p>	<p>Report on Thurrock Council BCP and DR Status presented to Directors Board Sept 2015 and onward reported to Standards & Audit Committee 24/09/15.</p>
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Target Risk Rating	Target Date:	Refresh 30/09/2015 31/03/2016	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	01/10/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
The Council is running at a high risk by not having a fully resilient infrastructure resulting in an inadequate DR capability. Whilst key data is backed up and taken off site regularly, should a major incident affect the primary Data Centre in the Civic Offices, Grays, it would take many weeks to recover key service delivery systems, information and Services from an alternative site. The reputational and financial impact to the Council would be significant								Sean Clark Digital Board	
Link to Corporate Priority									
A well-run organisation.									
Inherent Risk Rating		Date:	06/05/2015	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 06/05/2015	Residual Risk Rating as 06/05/2015	Residual Risk Rating as at: 26/06/2015	Residual Risk Rating as at: 24/11/2015	Residual Risk Rating as at:	Target Risk Rating & Target Date: 31/05/2016

Comments
<p>The Council has recently (certainly over the last two years) undergone some significant changes with regards to its delivery of ICT services and culture (e.g. more flexible remote working through the use of VDI and Unified Communications etc.). This is a significant change that will shortly (by August 2015) allow the majority its workforce to flexibly work within any location of the Civic Offices building or remotely at almost any location where they have access to a PC and an Internet connection.</p> <p>However, remote access will not work should there be a catastrophic failure within the Data Centre at Civic Offices rendering either, or all, ICT compute, storage or networking services as inoperable. Such catastrophic failure could be identified as fire, flood, explosion or irrecoverable ICT equipment fault (e.g. loss of power, SAN or core Network).</p> <p>The BCP and DR Support Group has been formed and will lead the way with re-shaping the BCP approach/capabilities with a view to leverage this information to drive forward a fit for purpose DR plan that meets the overall BCP requirements. The coordination of BCP across the Council was previously provided by the Emergency Planning Team but this function ceased on the 1st April 2015 when the responsibility for BCP transferred to service managers.</p> <p>The risk has been re-evaluated on the basis of not having a fully resilient DR Capability and takes into account the recent event of a power failure which affected the ICT server s and resulted in some works to bring the systems back on line. Following the re-evaluation of the risk the overall rating has changed and moves from an 8 to a 12.</p>

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place							Date Implemented	
1. An ICT DR plan (v3.1) created by Serco exists but it requires review and updating.							Nov 2014	
Residual Risk Rating	Date:	06/05/2015	Impact:	Critical (4)	Likelihood:	Unlikely (2)	Rating:	8

FURTHER ACTION / TARGET RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
2. Establish a BCP/DR Support Group.	June Sept 2015	26/06/15 – Complete (Andy Owen & Gary Staples form this group with assistance from Maxine Hazle and Kelly McMillan.						
3. Approach for the review of Business Impact Analysis, Business Continuity Plans to be developed by the BCP/DR Support Group	June Sept 2015	26/06/15 – Initial meeting held on 26/6 to kick off this activity.						
4. Approach for the review of BIAs/BCPs to be introduced to Directors Board	June –Sept 2015	26/06/15 – Outline approach for the review introduced to Directors Board and Directors to provide lead officer contacts for department and/or service areas. Full proposal on way forward to be developed for July DB meeting.						
5. Individual Council Services to identify: (a). Their current Applications in use and Services delivered from their Business Impact Analysis reports and BCP's. (a). The Recovery Point Objective (RPO = the maximum point in time they can roll back to in the event of data loss) (b). The Recovery Time Objective (RTO = the maximum time sustainable to reach the RPO).	July By end of Dec 2015	Initial meetings were held with Council Service representatives during October 2015 and all have been made aware of the requirements from them.						
6. BCP/DR Support Group to review/check the feedback from each Council Service to ensure returns complete and realistic.	Aug-2015 Jan 2016							
7. ICT options, proposals and costs developed and submitted for Short, Medium and Long term DR scenarios.	End of Oct 2015 Jan to Feb 2016							
8. An appropriate solution is agreed by the Directors Board (via the Digital Board) and the solution procurement process commences.	End of Nov 2015 Jan-Feb 2016							
9. Implementation of DR ICT Technology.	End of Apr 2016							
10. Training of ICT staff and testing of systems commences.	May 2016							
Target Risk Rating	Target Date:	Refresh 31/05/2016	Impact:	Marginal (2)	Likelihood:	Unlikely (2)	Rating:	4
Revised Residual Risk Rating	Date:	24/11/2015	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

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Opportunities In Focus

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description								Opportunity Owner	
<p>Gloriana Thurrock Ltd is a company set up and wholly owned by Thurrock Council with the objective of developing high quality homes on Council owned land in order to stimulate the weak private sector market and assist in delivering the Council's vision for Thurrock and ambitious housing targets.</p> <p>The Council will transfer land to Gloriana in exchange for shares and the Council will prudentially borrow and on- lend money (at a margin) to Gloriana to develop housing on that land.</p> <p>The Housing department will act as agent for Gloriana, in developing and managing the homes, on full commercial terms. The arrangements that have been put in place comply with state aid and other regulatory requirements and have been discussed with the Council's external auditors.</p> <p>The financial projections, prepared by PricewaterhouseCoopers show that, on a fairly prudent set of assumptions, Gloriana should be able to repay its borrowings from the Council (giving rise to a small annual surplus to the General Fund) and, in addition, generate a longer term equity return to the Council. The initial sites identified for housing development by Gloriana are St Chads, Tilbury and Belmont Road, Grays.</p>								Steve Cox	
Link to Corporate Priority									
<p>Priority: Promote and Protect Our Clean and Green Environment; and Encourage and Promote Job Creation and Economic Prosperity.</p>									
Inherent Opportunity Rating		Date:	17/03/2015	Impact:	Exceptional (4)	Likelihood:	VeryUnlikely(1)	Rating:	4

DASHBOARD

Inherent Opp. Rating & Date: 17/03/2015	Residual Opp. Rating as at: 17/03/2015	Residual Opp. Rating as at: 16/06/2015	Residual Opp. Rating as at: 01/10/2015	Residual Opp. Rating as at:	Target Opp. Rating & Target Date: 31/03/2016																																																																																																
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Comments
<p>The opportunities flow directly from the Company's objectives which are to build high quality housing in support of Thurrock's Vision and growth targets.</p> <p>If Gloriana can deliver high quality housing within the financial parameters set in the Business Case approved by Cabinet then much needed affordable housing will be provided for the Borough and a financial return will flow to the Council.</p> <p>The Business Case presented to Cabinet in March included a governance and scheme gateway process to enable the effective management of the opportunities and risks flowing from the project. This has proved an effective management and governance process and the first scheme, St Chad's, started on site in July, marking the achievement of the first major milestone for Gloriana.</p> <p>A general risk register and a specific risk register for this first site showed that some risks had already been mitigated or mitigation/management actions were already in place.</p> <p>However, scheme development risks would remain as key risks to be managed and mitigated during the construction programme together with demand risk in relation to letting/selling the properties.</p> <p>One risk has been activated in relation to asbestos found on the site but is being managed currently within risk budget allocations.</p>

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place	Date Implemented							
1. Housing development options considered and progressed by Housing Development Team and housing Development Board.	From Dec 2012							
2. Development and approval of outline Business Case	Dec 2012 - May 2013							
3. Working group established comprising the Director of Housing, S151 Officer, Legal Officers and external advisers.	May 2013							
4. Development and approval of final business case including: Constitution for the company; Governance, delivery, management and operational arrangements; Financial, modelling and risk analysis. A series of gateway approvals for each scheme established and first sites for development identified (e.g. St Chads Tilbury)	May 2013 - Nov 2013							
5. Preparations for the development of St Chads, Tilbury - Gateway 1, 2 and 3 achieved and final Council approval obtained to transfer the site and enter into the construction contract.	From Nov 2013							
6. Preparations for the development of Belmont Road - Gateway 1 and 2 achieved. Designs being prepared and costed prior to submission of planning application and financial viability being undertaken for Gateway 3	From Nov 2013							
Residual Opportunity Rating	Date:	17/03/2015	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16

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FURTHER ACTION / TARGET OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action			Implementation Date		Progress				
7. Continue preparations for the development of St Chads, Tilbury.			From Apr 2015		Legal agreements for transfer of land to, and provision of funding for, Gloriana signed together with contract for construction with Willmott Dixon in June and start on site in July.				
8. Continue preparations for the development of Belmont Road, Grays			From Apr 2015		Development of Belmont Road - Gateway 1 and Gateway 2 agreed. Traffic issues to be included in Planning application resolved. Designs to be finalised and costed prior to submission for Planning in November And Gateway 3 in February/March 2016.				
9. Commence development of St Chads, Tilbury and manage and monitor risks during construction period. Initial findings of Asbestos under detailed investigation and removal.					July 2015 achieved Deal with Asbestos within risk allowance budget by November 2015.				
10. Commence development of Belmont Road, Grays					Spring 2016				
Target Opportunity Rating		Target Date:	31/03/2016	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16
Revised Residual Opportunity Rating		Date:	01/10/2015	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description							Opportunity Owner		
Opportunity to secure significant capital funds through the South East Local Enterprise Partnership's Strategic Economic Plan.							Growth Board (Matthew Essex)		
Link to Corporate Priority									
Encourage and promote job creation and economic prosperity									
Inherent Opportunity Rating		Date:	31/03/2015	Impact:	Exceptional (4)	Likelihood:	Very Unlikely (1)	Rating:	4

DASHBOARD

Inherent Opp. Rating & Date: 31/03/2015	Residual Opp. Rating as at: 31/03/2015	Residual Opp. Rating as at: 30/06/2015	Residual Opp. Rating as at: 24/11/2015	Residual Opp. Rating as at:	Target Opp. Rating & Target Date: 31/03/2016																																																																																																
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Comments
<p>The Council successfully secured around £92.5m through round one of the Local Growth Fund in support of the A13 widening, Stanford-le-Hope/London Gateway access improvements, cycling initiatives and sustainable travel. Further funds have been secured for Purfleet (£5m) in round two.</p> <p>A short list of Thurrock schemes is being developed as part of the Thames Gateway South Essex (TGSE) work under SELEP</p> <p>Further details of future rounds are anticipated shortly. In the meantime the opportunity rating remains the same.</p>

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place							Date Implemented	
1. Thurrock input coordinated through Growth Board to ensure strong strategic ownership and a common approach							Ongoing from 2013	
2. Designate a single point of contact for TGSE through to the LEP to ensure quality control and consistency of message.							2013/14	
3. The initial submission for Strategic Local Growth Fund monies submitted to Government							March 2014	
4. Review, develop plans and undertake negotiations with Government and LEP with regard to Government feedback/announcements on the submission							Apr - Jul 2014	
5. Confirmation received from Government that the Council successfully secured £92.5M through round one of the local growth fund to support of the A13 widening, Stanford-le-Hope/London Gateway access improvements, cycling initiatives and sustainable travel.							Jul 2014	
6. Preparation and submission of round two bid for local growth fund monies to Government. Priorities identified include Purfleet Centre and Lakeside expansion.							Dec 2014	
7. Confirmed by Government that the Council was successful in securing £5M of grant funding for the Purfleet Centre Scheme							Jan 2015	
Residual Opportunity Rating	Date:	31/03/2015	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / TARGET OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action	Implementation Date	Progress						
8. Await further details of future rounds of local growth funding	From Apr 2015	Anticipate announcement of new round in Autumn 2015						
9. Review position and develop plans when details of future rounds of local growth funding received.	From Apr 2015	To be determined once announcement is made.						
Target Opportunity Rating	Target Date:	31/03/2016	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16
Revised Residual Opportunity Rating	Date:	24/11/2015	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

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Work Programme

Committee: Standards and Audit

Year: 2015/2016

Item	Date Added	Request By (Members/Officers)	Lead Officer	Progress / Update required
16 July 2015				
In Quarter 1 Review/Refresh of the Strategic/Corporate Risk and Opportunity Register	April 2015	Officers	Andy Owen	
Bridge Inspections	May 2015	Officer	Ann Osola	
2014/15 - Annual Regulation of Investigatory Powers Act Report:	April 2015	Members/Officers	Lee Henley	
Final Progress Report	April 2015	Officers	Gary Clifford	
Internal Audit 3 year Strategy 2015/16 to 2017/18 and Annual Plan 2015/16	April 2015	Officers	Gary Clifford	
Head of Service Internal Audit Annual Report 14/15	April 2015	Officers	Chris Harris & Gary Clifford	
Counter Fraud Report	April 2015	Officers	Sean Clark	
External Audit Plan 2014-2015	May 2015	Officers	Sean Clark & Ernst and Young	Carried forward from previous meeting as agreed with chair. Removed by Ernst and Young

Work Programme

Item	Date Added	Request By (Members/Officers)	Lead Officer	Progress / Update required
Financial Accounts update 14/15	April 2015	Officers	Sean Clark & Ernst and Young	
Internal Audit: Red Reports (as required)	April 2015	Members/Officers	Relevant Director	
Work Programme	Continuous	Members/Officers	Democratic Services Officer	

24 September 2015				
Follow Up Report – Risks With High (Red) Target Ratings	July 2015	Members	Andy Owen	
Progress Report: Internal Audit	April 2015	Officers	Gary Clifford	
Regulation of Investigatory Powers Act - Quarter 1 (2015/16) Activity Report	April 2015	Officers	Lee Henley	
2014/15 - Annual Complaints Report	April 2015	Officers	Lee Henley	
2014/15 - Annual Access to Records Report	April 2015	Officers	Lee Henley	
Ernst and Young - Audit Results Report 2014/15	April 2015	Officers	Sean Clark & Ernst and Young	

Work Programme

Financial Statements and Annual Governance Statement Update	April 2015	Officers	Sean Clark	
Disaster Recovery Plans	May 2015	Officer	Kathryn Adedeji/ Gary Staples	Carried forward from February meeting as agreed with chair.
Internal Audit: Red Reports (as required)	April 2015	Members/Officers	Relevant Director	
Work Programme	Continuous	Members/Officers	Democratic Services Officer	

8 December 2015				
In Quarter 3 Review of the Strategic/Corporate Risk and Opportunity Register	April 2015	Officers	Andy Owen	
Regulation of Investigatory Powers Act - Quarter 2 (2015/16) Activity Report	April 2015	Officers	Lee Henley	
Progress Report: Internal Audit	April 2015	Officers	Gary Clifford	
Audit Protocol	April 2015	Officers	Gary Clifford	
Audit Charter	April 2015	Officers	Gary Clifford	
Ernst and Young - Annual Audit Letter 2014/15	April 2015	Officers	Sean Clark & Ernst and Young	
Work Programme	Continuous	Members/Officers	Democratic Services Officer	
15 March 2016				
Risk and Opportunity	April 2015	Officers	Andy Owen	

Work Programme

Management - Annual Review				
Six monthly Complaints Report (April 2015 – September 2015)	April 2015	Officers	Lee Henley	
Appointments to Members Advisory Panel at TBC	June 2015	Officers	David Lawson	
Regulation of Investigatory Powers Act - Quarter 3 (2015/16) Activity Report	April 2015	Officers	Lee Henley	
Draft Internal Audit Plan 16/17	April 2015	Officers	Gary Clifford	
Public Sector Internal Audit Standards self assessment results and action plan	April 2015	Officers	Gary Clifford	
Internal Audit Progress Report	April 2015	Officers	Gary Clifford	
Grant Certification Report 2014/15	April 2015		Sean Clark & Ernst and Young	
Draft External Audit Plan 15/16	April 2015	Officers	Sean Clark & Ernst and Young	
Counter Fraud Report	April 2015	Officers	Sean Clark	
Partnerships and Assurance	July 2015	Members	Sean Clark	
Internal Audit: Red Reports (as required)	April 2015	Members/Officers	Relevant Director	
Work Programme	Continuous	Members/Officers	Democratic Services Officer	

Work Programme

To Be Allocated				
Item	Date Added	Request By (Members/Officers)	Lead Officer	Committee Date

Full details of Member's decisions can be viewed in the Minutes on the Council's Committee Management Information System - <http://democracy.thurrock.gov.uk/thurrock/>

FOR CONSIDERATION

There are currently no items for consideration.

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