



This page is intentionally left blank



# AGENDA

## **Membership of Standards and Audit Committee**

### **Councillors:**

Tunde Ojetola (Chair)                      Martin Healy (Vice Chair)

Cathy Kent, Diana Hale, Simon Wootton and Terry Hipsey

### **Substitutes:**

Phil Anderson, Aaron Kiely and Charlie Key

**Co-opted Member/s:** Jason Oliver, Rhona Long and Stephen Rosser

**Meeting:**                      **Standards and Audit Committee**

**Date:**                              **20 September 2012**

**Time:**                              **7.00pm**

**Venue:**                              **Committee Room 1**

## 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 transcribed 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 or interests 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 and you are aware that this other person has the interest

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,

What is a disclosable pecuniary interest? – see attached description

### ***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, 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 it's nature

You may participate and vote in the usual way.

Please seek advice on Predetermination and Bias from the Monitoring Officer.

## **Disclosable Pecuniary Interests**

Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by a Member in carrying out their duties as a member, or towards the election expenses of a Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <ul style="list-style-type: none"><li>(a) under which goods or services are to be provided or works are to be executed; and</li><li>(b) which has not been fully discharged.</li></ul>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <ul style="list-style-type: none"><li>(a) the landlord is the relevant authority; and</li><li>(b) the tenant is a body in which the relevant person has a beneficial interest.</li></ul>
Securities	<p>Any beneficial interest in securities of a body where—</p> <ul style="list-style-type: none"><li>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</li><li>(b) either—<ul style="list-style-type: none"><li>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</li><li>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</li></ul></li></ul>

## **Our Vision for Thurrock:**

We want Thurrock to be the dynamic heart of the Thames Gateway, a place of ambition, enterprise and opportunity, where communities and businesses flourish.

## **Achieving Our Vision:**

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

1. Improve the education and skills of local people.
2. Encourage and promote job creation and economic prosperity.
3. Ensure a safe, clean and green environment.
4. Provide and commission high quality and accessible services that meet, wherever possible, individual needs.
5. Build pride, respect and responsibility in Thurrock's communities and its residents.

## **Our aim:**

Our aim is 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.

*Meeting:* **Standards and Audit Committee**  
*Date:* 20 September 2012  
*Time:* 7.00pm  
*Venue:* Committee Room 1

## **A G E N D A**

- 1. Apologies for absence**
- 2. To approve as a correct record the minutes of the Audit Committee Meeting held on 19 July 2012 (pages 3-12).**
- 3. To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972**
- 4. Declaration of interests**
- 5. 2011/12 Annual Compliments, Complaints & Enquiries Report**  
The report is attached at Pages 13-48
- 6. Access to Records Report – 2011/12**  
The report is attached at Pages 49-58
- 7. Update on the 2011/2012 Accounts**  
The report is attached at Pages 59-70.
- 8. Annual Governance Report**  
This report is to follow
- 9. Annual Governance Statement 2011/12**  
The report is attached at Pages 71-114.
- 10. Head of Internal Audit's Annual report 2011/12**  
The report is attached at Pages 115-144.
- 11. Corporate Anti-Fraud Services Annual Work plan for 2012/2013**  
The report is attached at pages 145-158.

**12. Report Back on the Implementation of Recommendations Regarding the Payroll Report**

This report will be a verbal update

**13. Care Proceedings**

The report is attached at pages 159-172.

**14. Review of the Strategic/Corporate Risk and Opportunity Register - Quarter 2, September 2012**

The report is attached at Pages 173-202.

**15. Work Programme**

The Work Programme is attached for Members discussions at page 203.

<b>ADMINISTRATIVE ARRANGEMENTS</b>
<b>(i) Scheduled Meeting Dates for Municipal Year</b>  <b>2012:</b> 19 July, 20 September, 29 November <b>2013:</b> 16 January, 06 February, 06 March
<b>(ii) Quorum</b>  3 Elected Members
<b>(iii) Queries regarding this Agenda</b>  Kenna-Victoria Martin, Democratic Services - telephone 01375 652403 or email <a href="mailto:kmartin@thurrock.gov.uk">kmartin@thurrock.gov.uk</a>
<b>(iv) Changes to Membership, substitutions or apologies</b>  Kenna-Victoria Martin, Democratic Services - telephone 01375 652403 or email <a href="mailto:kmartin@thurrock.gov.uk">kmartin@thurrock.gov.uk</a>

Required publication date 12 September 2012

Published on 12 September 2012



<b>May 2012</b>	<b>Item:</b>
<b>People Services Executive Report</b>	
<b>Title: Annual Children’s Social Care Compliments and Complaints Report 2011-2012</b>	
<b>Report Author: Linda Dutton – Children’s Services Compliments and Complaints Manager</b>	
<b>Accountable Head of Service: Barbara Foster – Head of Care and Targeted Outcomes</b>	
<b>Purpose:</b> <ol style="list-style-type: none"> <li><b>1. To report on the compliments and complaints received from April 2011 to March 2012.</b></li> <li><b>2. To highlight areas of learning resulting from complaints received during this period.</b></li> </ol>	

## **1. Recommendations**

- Care to be taken to ensure accurate recording in case files. This is a recommendation following the investigation of a Stage 2 complaint.
- Assessments/reports to be shared with the family or service user prior to completion to ensure accuracy. This also is a recommendation following the investigation of a Stage 2 complaint.
- The above recommendations were also made in the Complaints Manager’s end of year reports for 2009-10 and 2010-11. However, the issues remain as a recurring topic in Stage 2 complaints investigations.
- All teams to provide information packs to service users ‘new’ to their teams. The information packs contain information on Children Social Care involvement, what the service user can expect from the team and what the team expects from the service user. The packs also contain information on support services that could be of help to the service user.
- Information Packs have been distributed by Family Support Teams and Children with Disabilities Team since the beginning of the 2012. A decrease in complaints received for 2011/12 could be attributed to the distribution of the Information Packs.
- Distribution of Information Packs by all Children’s Social Care teams could see a further decrease in CSC complaints received.

## **2. Learning**

- In the main learning from complaints received in 2011/2012 have been as a result of the Stage 2 complaint investigations.

- Many of these learning points have been implemented and have been integrated into work practice, other recommendations are being considered at the time of writing this report.
- Improvements to record keeping by Social Workers and Practice Managers. This is to include preparation of accurate chronologies and the need to evidence conclusions and recommendations.
- More robust management and scrutiny of case work.
- Ensure policy in relation to s17 support are widely known and understood.
- Social workers to be clear with parents, carers, and children what they mean when they say that contact needs to be supervised.
- Managers to receive legal training about the meaning of consent and undertakings.
- Mistakes and failings in Social Work Practice to be acknowledged with users as soon as they are identified.
- Improve facilities for meeting rooms for children. A mixture of toys appropriate for all age groups should be provided and drinks offered rather than given on request.
- Protocols to be agreed for joint working with adult services, especially in relation to working with parents with alcohol and drugs addiction difficulties.
- Team managers to be instructed to monitor social workers responsibilities in relation to statutory visits to children. The format of supervision records should be amended accordingly.

### **3. Complaints**

- 93 complaints received for 2011/2012 compared to 107 for 2010/2011.
- This equates to a 13% decrease in complaints received for 2011/2012 compared to 2010/2011. For 2010/2011 there was a 26% increase compared to 2009/2010, for 2009/2010 a 33% increase compared to 2008/2009.
- Of the 93 complaints received for 2011/12, 4 were upheld, 12 partially upheld, 66 not upheld, and 10 withdrawn or cancelled.
- The teams receiving the highest number of complaints for 2011/2012 were the Family Support South East, Initial Response Team, and Children with Disabilities Team.
- There is no obvious reason for these teams to receive more complaints than other teams within Children's Social Care

Initial Response Team 13  
Family Support South East 12  
Children with Disabilities Team 11

- A recommendation from the 2010/11 complaint report was for CSC involvement with every family to be fully explained and understood.
- Information Packs are now given to families working with some CSC teams to explain CSC involvement, what the families can expect from the team and what the team expects from the family. The packs also give details of relevant services for the families to access.
- The distribution of the Information Packs could be a contributory factor in the reduction of complaints received for this year.

#### **4. MP and Councillor Enquiries**

- Councillor Enquiries are now co coordinated by the Corporate Complaints Team; I am therefore unable to report on these figures.
- Seventeen MP enquiries were received for 2011/2012 compared to 10 for 2010/2011 an increase of 70%. There is no obvious cluster or theme resulting in an increase in MP enquiries.

#### **5. Compliments Received**

- 90 Compliments received, 44 Internal, 46 External, for 2011/2012. This compares to 37 Compliments received, 25 Internal 12 External, in 2010/2011.
- This equates to a 143% increase overall in compliments logged for 2011/2012 compared to 2010/2011.
- 76% increase for internal compliments logged for 2011/2012 compared to 2010/2011.
- 283% increase for external compliments logged for 2011/2012 compared to 2010/2011.
- The increase in compliments logged could be attributed to the Complaints Manager, when attending team meetings, reminding team members to forward any compliments received to the Complaints Manager for logging.
- Compliments are also circulated by Head of Service and Team Managers.

#### **6. Stage 2 Complaints**

- Two Stage 2 complaints investigations were carried over from 2010/2011 as the investigations were not completed by the end of that year.

- These two investigations are now concluded, with compensation being awarded to the complainants in both cases.
- The two Stage 2 complaints carried over from 2011/2012 were partially upheld.
- Learning and recommendations from these investigations are reported under number 2 of this report.
- Two new Stage 2 complaint investigations were carried out for 2011/12.
- Both Stage 2 complaints for 2011/2012 were partially upheld.
- Compensation was awarded to the complainant following one of the investigations.
- No complaints were escalated from Stage 2 to Stage 3 in 2011/2012.

#### **7. Local Government Ombudsman**

- 1 LGO Enquiry was received in 2011/2012; this was a joint enquiry with CWB.
- The LGO did not continue with their enquiry once all the requested information had been received.

#### **8. Late and Extended Responses.**

- 17 complaint responses were extended in 2011/2012, compared to 9 in 2010/2011.
- This equates to an increase of 88% of complaint responses extended in 2011/2012 compared to 2010/2011.
- All extensions are recorded as being due to the unavailability of key staff, i.e. because of either annual leave or sick leave.
- There is a problem for managers (mainly within Family Support and IRT) having available time away from other duties to interview staff involved in complaints and produce a response.

#### **9. Mystery Shopper Exercise**

- A mystery shopper complaints exercise was carried out between November 2011 and January 2012
- Six teams were randomly picked to receive 'complaints'

- In all cases the 'complaint' was forwarded to the Complaints Manager within the five day response deadline for acknowledging complaints
- One team responded direct to the 'complainant' by sending a complaints leaflet to the 'complainant'.
- The 'complaint' received by this team related to a request for details on the process for making a complaint.
- The 'complainant' had concerns about the work practices of a social worker, and was not sure if they wished to make a complaint at that time.
- The approach would have been more customer friendly if the manager had sent a covering letter showing concern that the 'complainant' believed they may have had a complaint.
- If this had been a real contact from a possible complainant such an action could have prevented a formal complaint.

## **10. Conclusion**

- The vast majority (82%) of CSC complaints are responded to within the set deadlines.
- CSC continues to produce good quality responses to complaints. Therefore complaints are not escalated to Stage 2 due to the quality of the response.
- Complaints are escalated because complainants are not happy with the outcome of their complaint, not the quality of the response.
- The receipt of fewer complaints in 2011/2012 (93 compared to 107 in 2010/2011) could be attributed to the distribution of Information Packs to families to explain CSC involvement.
- The packs explain what the families can expect from the teams, and what the teams expect from them.
- Any team not currently distributing Information Packs should implement this practice as soon as possible.
- Distribution of the packs by all CSC teams could see a further reduction in complaints receive by Thurrock CSC.

This page is intentionally left blank

## People Services

### **ANNUAL ADULT SOCIAL CARE FEEDBACK REPORT 2011/ 2012**

**Report Author: Statutory Complaints Manager**

**Accountable Head of Service:**

**Head of Strategic Commissioning and Resources**

**Head of Adult Social Care**

**Accountable Director: Jo Olsson, People Services**

**Purpose: The purpose of this report is to:**

- **Report complaints statistics for 2011/ 2012**
- **Report on trend analysis**
- **Report on learning from complaints**
- **Report on development of the complaints management**

## Contents

Introduction	3
Complaints statistics	4
Learning from complaints	6
Response timeframes	6
Training for complaints management	7
Appendix 1	9
Appendix 2	11
Appendix 3	12



## 1 Introduction

Feedback received by service users is a valuable source of information, welcomed by Thurrock Council. All types of feedback, including areas where we have achieved well, suggestions for improvement and complaints, are considered to drive improvement. This report will highlight and analyse key statistics related to adult social care feedback.

- 1.1 All complaints received are reviewed and categorised before they are investigated to ensure they are dealt with by an appropriate person. Complaints are usually investigated by an area outside of the one being complained about to ensure impartiality, unless the complaint is about a staff member, when the complaint is usually investigated by their line manager.
- 1.2 Complaints are categorised by the level of intervention required. Appendix 3 shows a table of categorisation and provides some examples.
- 1.3 People Services is committed to managing feedback received in a positive way and ensure that services are improved as a result of the learning outcomes. All complaints are logged, monitored and reviewed using a system called Respond. The system used has been specially designed to manage complaints and is only accessible by the Complaints Team to ensure confidentiality.
- 1.4 The importance of raising the profile of Safeguarding Vulnerable Adults has continued to be addressed within the complaints process and information booklets given to service users. In addition the complaints training also included a section on Safeguarding Vulnerable Adults.
- 1.4 Each complaint which is received is reviewed by the safeguarding team to ensure that all issues are identified immediately, this arrangement is working well. Within this reporting year 13 investigations have been taken on by the safeguarding team as a result of this management process, there were 7 the previous reporting year.
- 1.5 Complaints received by Thurrock Council for commissioned providers are also logged and consent forms are sent to the complainants to ask if they are happy for us to share the complaint with the provider. If they are not happy for the complaint to be shared and wish to remain anonymous or request that Thurrock Council investigate instead of the provider Thurrock Council facilitate this request. If the investigation is carried out by the commissioned provider Thurrock council monitor the complaint response, through the Contracts and Compliance Team and the Statutory Complaints Manager.
- 1.6 Processes and procedures are continuously reviewed within the Essex Complaints Managers Network Group, which is co-chaired by the Statutory Complaints Manager. The group discuss and share best practice in complaints management and related issues. In addition they also review changes in statutory legislation relating to these areas.

## 2. Complaints Statistics

- 2.1 The number of complaints received by Adult Social Care Services has slightly decreased during this reporting year in comparison to the previous year.
- 2.2 A total of 44 complaints were received during the reporting year for Thurrock Council, there were 58 the previous year. Of these 9 were withdrawn and 8 were cancelled. This left 27 complaints which were investigated; there were 45 the previous year. Of those investigated 1 was classed as on the spot, 6 as low level, 19 medium level, 1 high level and no top level. In addition to these complaints, 3 Customer finance complaints were monitored, however these were processed through the corporate complaints procedures.
- 2.3 We have also received 13 concerns for Thurrock Council – these were not previously recorded, however to ensure that trends are identified, Adult Social Care has started to track these.
- 2.4 Appendix 1 also shows the nature of complaints received for Thurrock Council, 22 related to service, 9 related to staff and 5 related to policy/ procedure. There has been a large decrease in staff complaints received from the previous year where there were 26. This has been a result of continuous emphasis on staff training, in particular within customer service.

Of those complaint closed, there has been an ongoing decrease in upheld and partially upheld complaints over the past 3 years. This shows that although complaints are being raised more are unjustified. This also demonstrates that within a climate of increased demand of service, the quality of service has continued to improve and perform well. The following table shows these figures compared to last two years:

	2009-2010		2010 - 2011		2011 - 2012	
	Closed outcomes	%	Closed outcomes	%	Closed Outcomes	%
Not upheld	8	13%	12	23%	12	24%
Upheld	21	35%	10	20%	11	22%
Partially upheld	24	39%	17	32%	11	22%
Withdrawn	8	13%	7	13%	9	18%
Cancelled	0	NIL	6	12%	7	14%

- 2.5 There has also been an increase in cancelled complaints; this is normally due to the council taking the decision not to investigate certain complaints as there is lack of information for the investigation to progress. Alternatively it could be because the safeguarding team are going to progress the matter through their procedures. Adult Social Care review all complaints received to see if the issues can be investigated and if the issues raised warrant investigation, rather than automatically instigating an investigation.

In addition there has also been an increase in withdrawn complaints, this is due to staff dealing with issues raised proactively as they arise and therefore complainants are withdrawing their complaints as they are being resolved effectively.

- 2.6 A total of 47 complaints were received by Thurrock Council for commissioned providers, there were 43 the previous year. Of these 2 were withdrawn and 10 were cancelled. Of the remaining complaints, 2 were classed as on the spot, 17 was low level, 12 medium level and 4 were high level. Of the 35 complaints managed, 13 were investigated by Thurrock Council due to complexity, content or at the complainant's request
- 2.7 In addition, we have also received 56 concerns for commissioned providers – these were not previously recorded, however to ensure that trends are identified, the council has started to track these. The largest issue continuously raised was that visits from careers were either not made or where at the incorrect time.
- 2.8 From the 49 Commissioned provider complaints closed, 4 were not upheld, 14 were upheld, 19 were partially upheld 2 were withdrawn and 10 were cancelled.

The following table shows these figures compared to last year:

	2009-2010		2010 - 2011		2011 - 2012	
	Closed Outcomes	%	Closed outcomes	%	Closed outcomes	%
Not upheld	12	22%	8	19%	4	8.2%
Upheld	28	52%	11	26%	14	28.5%
Partially upheld	13	24%	21	50%	19	38.7%
Withdrawn	1	2%	2	5%	2	4%
Cancelled					10	20.4%

Please note that the majority of cancelled complaints were progressed as safeguarding investigations.

- 2.9 The number of complaints investigations managed by safeguarding has increased, there were 14 this reporting year and 7 during the last year. This reporting years figure reflects figures prior to 2009, as last year we experienced a decrease. Of the 14, 12 were complaints against commissioned providers.
- 2.10 A total of 219 compliments were recorded during the reporting year, there were 160 the previous year, 61 of these were internal and 158 were external. This number shows an increase of 59 compliments this reporting year. Appendix 1 shows a breakdown of the compliments received.
- In addition to the compliments highlighted above, 10 were also received for commissioned Providers.
- 2.11 The number of MP Enquiries received, 10, mirrors the figures from the previous reporting year, 11.
- 2.12 The number of Cllr Enquiries recorded has slightly decreased from the previous reporting year from 38 to 30 this reporting year.

- 2.13 The Statutory Complaints Manager has shared the feedback statistics with the Eastern Region Complaints Managers Group. As each of the authorities is very different in set up, size and geographical area covered, it was felt that it was inappropriate to benchmark against each other.
- 2.14 5 complaints were escalated to the LGO during the reporting year. Of these 3 were discontinued, 1 concluded no maladministration and 1 concluded local settlement. 5 LGO enquiries were received last year, all of which concluded no maladministration.
- 2.13 Complaints statistics for commissioned providers are also shared with the co Contracts Compliance team on a quarterly basis. The information is added to issues already logged by the team. Further analysis is then carried out to identify any trends and to ensure these are picked up on during contacts compliance visits.
- 2.14 Approximately 12% of satisfaction questionnaires were returned, the majority of these were positive; this figure was 16% the last reporting year. The return rate of these questionnaires continues to be higher than other authorities.

### **3. Learning from Complaints**

- 3.1 The Learning from Complaints form includes a complaints log, which highlights what was investigated, what the findings were, and the conclusions and recommendations following the investigation.

All of the complaints are monitored by the Statutory Complaints Manager and final closure letters are sent from the Head of Adult Social Care. Learning actions have been logged and monitored to ensure that all promised action has been taken forward. Learning from complaints is discussed on a monthly basis by the Head of Strategic Commissioning and Resources and the Statutory Complaints Manager.

- 3.2 Appendix 2 provides some examples of case studies which demonstrate the actions/ service improvements which have taken place following complaints received.

Many more learning actions have been raised, in addition, learning logs are also completed for complaints received regarding commissioned providers; again recommendations are logged and monitored until they are complete.

### **4. Response Timeframes**

#### **4.1 Complaints**

The Adult Social Care procedures highlight that each complaint needs to be dealt with flexibly, simply and with the intention to improve the service, therefore the timeframes are set by the investigating officers further to consultation with the complainants. No complaint should be open after six months. All of the investigations were concluded well within this timeframe.

When a complaint is initially responded to, the complainants are given a period of 2 weeks to respond to the investigating officers with any further queries or concerns. If no further correspondence is received the complaint is closed and a final closure letter is sent by the Head of Adult Services.

Each investigation and response letter and is checked by the line manager of the investigating officer to ensure that all issues have been answered clearly.

Each letter of response is also quality checked and if needed, advice is given to the investigating officer and their manager on areas which can be improved in future investigations.

#### 4.2 Enquiries

The timeframes for Cllr Enquiries and MP Enquiries is 10 working days, the table below shows the impressive response timeframes achieved within the reporting year.

Type of Enquiry	Number of enquiries		% within timeframe	
	2010/2011	2011/2012	2010/2011	2011/2012
MP Enquiry	10	9	100%	100%
Cllr Enquiry	38	29	95%	90%
LGO Enquiry	5	5	100%	100%*

\* The LGO enquiry timeframe is 28 days; however the council has an internal timeframe of 21 days.

All five of the LGO enquiries were responded to less than 21 days, the average response timeframe of the 5 responses issued was 15 days.

### 5. Development of complaints management

5.1 The training for investigating officers has continued and complaints are only allocated to officers who have attended the training. In addition one to one follow up support has been given to investigating officers of Thurrock Council and commissioned providers. Training delivered has received positive feedback.

In addition a LGO guidance document, aimed at commissioned providers was circulated and discussed at meetings with the providers.

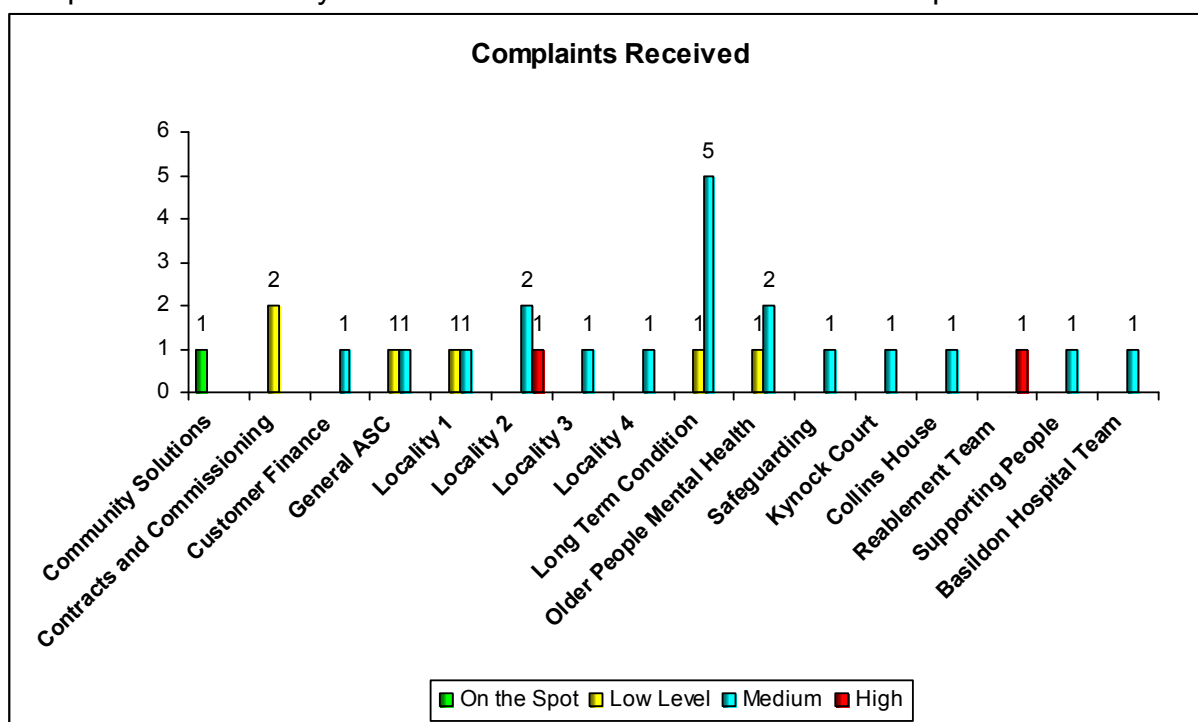
5.2 Training for front line staff and how to deal with dissatisfied customers is now available via relearning. The course aims to develop officers to deal with issues and problems as they arise – rather than sending them down the complaints route unnecessarily. Adult Social Care has already seen the benefit of this course as the number of complaints being cancelled has increased – this is due to officers resolving problems without delay.

5.4 The booklet entitled “How you can feedback” is given to all new service users. This booklet has been changed to highlight feedback rather than complaints in the title.

- 5.5 A joint working protocol is also in place between the Essex Region Complaints Managers (NHS, Ambulance Service and Social Care), this ensures that joint complaints are managed the same regardless of where they are received.
- 5.6 An agreement regarding sharing Mediation Services amongst the Essex Region Complaints Managers is close to being finalised. This will ensure that a free service of mediation will be available to all those within the agreement and resource will be shared between the organisations, and when such need arises, they will not need to commission services externally.

## Appendix 1

Complaints received by each area and the level of intervention required.



Issue Nature of complaints received in the past two years:

Service Area	Policy/Procedure		Service		Staff	
	10/11	11/12	10/11	11/12	10/11	11/12
Basildon Hospital Team			1	1	1	
Collins House			2	2		
Community Solutions Team			2	1		
Contracts and Commissioning		1	3	1	1	
Customer Finance	1		6	1		1
Disability provider Services					1	
General ASC	2	3	2			
Reablement Team				1	2	1
Locality 1			7	2	2	
Locality 2		1	1	3	1	
Locality 3			1	1	1	
Locality 4			1	1	1	1
Long Term Conditions			3	4	6	3
Older Peoples Mental Health			2	1	4	2
Piggs Corner					3	
Quality Development Team					1	
Safeguarding					2	1
Transition			1			
Workforce Planning			1			
Kynock Court				1		
Supporting People				1		
Occupational Therapy				1		
<b>Total</b>	<b>3</b>	<b>5</b>	<b>32</b>	<b>22</b>	<b>26</b>	<b>9</b>

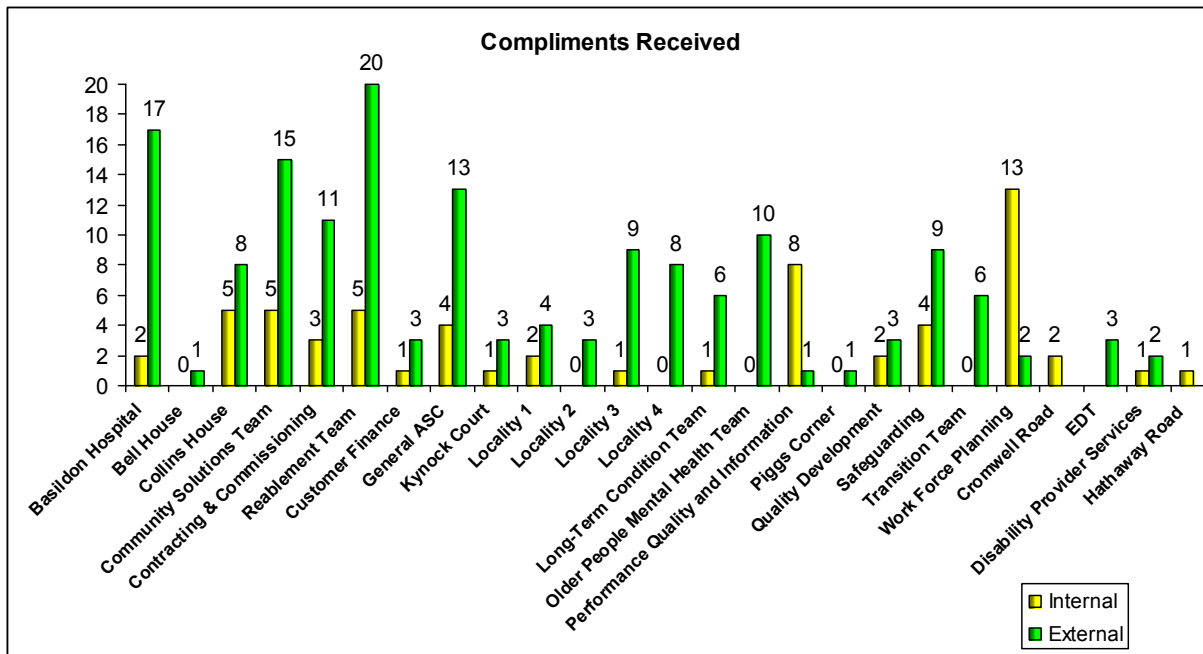
Report Name: Annual Feedback Report 2012

Author: Bali Nahal

Position: Statutory Complaints Manager, People Services

Please note that withdrawn and cancelled complaints have not been included in the figures above

### Compliments Received during 2011 – 2012



In addition to the compliments highlighted above, 10 were also received for commissioned Providers.



## Appendix 2

### Learning from Complaints - Thurrock Council Examples

1. All assessments are now checked by line managers for accuracy and the use of factual terminology.
2. Staff have been reminded about the Council's policy regarding placements in care homes outside the borough and the process to follow to ensure accurate and consistent information is given to service users and their families.
3. The format of assessments has been reviewed and amended to ensure they are customer friendly and easy to understand.
4. Staff to ensure that any form of communication which contains sensitive and confidential information is only sent to the relevant people. This message has been circulated with staff during their appraisals and through team meetings.

### Learning from complaints – Commissioned Provider Examples

1. A particular care home has been reminded that staffing levels are not compromised at any time.
2. An alarm has also been installed on the door of one care home to prevent service users from leaving the premises unsupervised as there were concerns over security.
3. Medication sheets have been amended to capture relevant information. In addition staff have been asked to ensure that they check dossett boxes before signing that they have been finished.
4. The quality of food delivered by a provider has been investigated, as a result, packaging has been changed, menus' have been amended and the portion sizes have been adjusted.

There are more cases where complaints have been learnt from on the "you said we did" page of the Thurrock Council website.

## Appendix 3

Category Intervention	Description	Example Complaints
--------------------------	-------------	--------------------

Report Name: Annual Feedback Report 2012

Author: Bali Nahal

Position: Statutory Complaints Manager, People Services

On the Spot (Instant Resolution)	It is difficult to encourage staff to log these types of complaints as they are sometimes embarrassed by them and feel they reflect badly on their professionalism. Staff should be encouraged to log these as it shows that staff are able to resolve complaints instantly.	<ul style="list-style-type: none"> <li>Complainant is not given enough information over the phone and complains to the member of staff. They apologise over the phone and give the information, which is requested.</li> </ul>
Low Level	No/ Minimal impact and risk to the provision of care or service. No lasting detriment. No risk of litigation	<ul style="list-style-type: none"> <li>Delayed or cancelled appointments</li> <li>Event resulting in minor harm (eg cut, strain)</li> <li>Lack of cleanliness</li> <li>Single failure to meet care needs (eg missed call back)</li> </ul>
Medium Level	Impact of service provision/ delivery. Legitimate service user concern but no lasting detriment. Potential risk of litigation	<ul style="list-style-type: none"> <li>Event resulting in moderate harm (eg fracture)</li> <li>Failure to meet care needs</li> <li>Miscommunication or misinformation</li> <li>Incorrect treatment</li> <li>Staff attitude or communication or misinformation</li> </ul>
High level	Significant issues of standards, quality of care, or denial of rights. Complaints with clear quality assurance or risk management implications. Issues causing lasting detriment. Possibility of litigation	<ul style="list-style-type: none"> <li>Event resulting in serious harm (significant levels of bruising or bleeding)</li> <li>Multiple issues relating to a longer period of care, often involving more than one organisation or individual (see medium level list)</li> </ul>
Top Level	Serious adverse	<ul style="list-style-type: none"> <li>Events resulting in serious harm or death</li> <li>Gross professional misconduct</li> <li>Abuse or neglect</li> <li>Criminal offence (assault)</li> </ul>

<b>20 September 2012</b>		<b>ITEM 5</b>
<b>Audit Committee</b>		
<b>2011/12 ANNUAL COMPLIMENTS, COMPLAINTS &amp; ENQUIRIES REPORT</b>		
<b>Portfolio Holder:</b> Cllr Phil Smith – Central Services		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non Key	
<b>Accountable Head of Service:</b> Director Accountability (see below)		
<b>Accountable Director:</b> Martin Hone - Corporate Director of Finance & Corporate Governance		
<b>This report is:</b> Public		
<b>Purpose of Report:</b> The purpose of this report is to: <ol style="list-style-type: none"> <li>1. Detail complaints and compliments statistics for 2011/12</li> <li>2. Detail complaints dealt with by the Local Government Ombudsman (LGO)</li> </ol>		

**Comment [s]:** Please leave this for completion by Democratic Services

**Comment [s]:** PLEASE CLICK THIS BOX ONCE and enter the name of the Committee you are reporting to (in font 16, not capitals)

**Comment [sj]:** PLEASE CLICK THIS BOX ONCE and enter the title of your report (in font 16 and in capitals) – a Cabinet Report should be consistent with the wording on the Forward Plan – see Guidelines 2.3

**Comment [s]:** Please state the name of the Cabinet Member and the Portfolio to which the report refers

**Comment [s]:** Please enter details of any Wards and Communities affected by the report. If this section is not applicable, you should enter “none”.

**Comment [s]:** Yes/No/Not Applicable – a ‘Key Decision’ is generally one affecting more than 2 wards or above £50,000 expenditure – see Guideline 2.7

**Comment [sj]:** Please state the Head of Service’s name and job title

**Comment [sj]:** Please state Director’s name and job title

**Comment [sj]:** State whether your report is Public or Exempt. If Exempt (i.e. not to be given to the public or discussed in

**Comment [sj]:** Briefly set out the purpose of your report

**Comment [sj]:** Please provide a summary of the key points in your report

**EXECUTIVE SUMMARY**

- There has been an 18% decrease in complaints compared to 2010/11 (statistics shown in 3.1.1 below)
- The service areas that received the highest volume of complaints are shown below. However these services will always receive the highest volume of complaints, due to the nature of the services and the number of residents that these services are provided to.
  - Missed Bin collections
  - Housing Repairs
  - Council Tax.
- Performance in responding to complaints within timeframe has improved. During the reporting year (2011/12), 97% of complaints were responded to within timeframe (compared to 89% for 2010/11).
- There has been a reduction in external compliments received. During 2011/12, 527 external compliments were received (compared to 677 for 2010/11).

- Our LGO performance in responding to enquiries has continued to improve. Our average response time has reduced to 15.4 days compared to 20.5 days during 2010/11. The LGO stated within their annual review letter, that they were pleased to report that there are no concerns regarding Thurrock's response times and there are no issues arising from the complaints that require attention.
- Members enquiries performance has dipped during 2011/12, even though there has been a decrease in volumes. During the reporting year, 881 were received with 83% processed within timeframe (for 2010/11 performance was 92% with 1259 received). However since December 2011, the responsibility for logging, tracking and co-ordinating these enquiries is managed by the Corporate Complaints Team, with 99% (274 out of 276) being processed within timeframe.
- The number of MP enquiries has increased in 2011/2012. During 2011/12, 298 were received (245 received during 2010/11). The performance has improved from 86% for 2010/11 to 94% during the reporting year.
- The key task for this year ahead is to drive forward learning from complaints. More work is required to identify common trends and themes with complaints and to address the root causes and ensure that recommendations are implemented. This will allow the Council to demonstrate that we are learning from complaints.
- Children's Social Care - There was a 13% decrease in complaints received for Children's Social Care in 2011/2012, along with 143% increase in compliments (90 this year compared to 37 last year). 82% of complaints were responded to within the set deadlines.
- The number of complaints received within Adult Social Care has decreased for the third year. More issues are now successfully resolved at the point they are raised, which avoids progressing through the complaints route unnecessarily.
- Within Adult Social Care, key development of shared services and protocols with local health services will benefit the council, for example free mediation services will be shared between organisations within the Essex region. In addition continuous training has contributed to a significant decrease in staff complaints being received.

1. **RECOMMENDATIONS:**

- 1.1 To note the statistics for 2011/12.
- 1.2 To note that the Council will continue to learn from complaints as a mechanism to drive forward service improvements.

2. **INTRODUCTION**

- 2.1 This report sets out details relating to the Council's corporate complaints statistics and performance for 2011/12.
- 2.2 Adult Social Care and Children's Social Care have separate statutory complaints procedures, which are managed separately by the Statutory Complaints Managers within the People Services Directorate.

Comment [s]: The recommendations should be set out in bold in the form of the decision that the decision-maker is being asked to make - See para. 5.2 of the report writing guidelines

Comment [s]: You should briefly explain why the report is on the agenda - See para. 5.3 and 5.4 of the report writing guidelines.

### 3. BACKGROUND

3.1.1 During 2011/12, the Council received, registered and dealt with 2618 corporate complaints. The table below shows complaint numbers received over the last 6 years along with the % of complaints that were processed within time.

Year	Complaints received	% Responded on time
2011/12	2618	97%
2010/11	3187	89%
2009/10	2787	82%
2008/09	2185	75%
2007/08	2313	65%
2006/07	1992	80%

3.1.2 The Council's target for 2011/12 was to process 89% within timeframe, so to achieve 97% is an excellent outcome. This is due to the successful implementation of the corporate complaints team which was set up in April 2011. However service areas should also be praised for helping turn around complaints within timeframe.

3.1.3 During 2011/12, the Council received 569 fewer complaints than the previous year. When analysing section 3.1.4 below, it is evident that there has been a significant reduction regarding complaint volumes within the following service areas. Figures in brackets show the reduction in complaints received as a comparison against the previous year (2010/11):

- **Council Tax (187)** - The Debt Recovery Team has streamlined their processes and has been more pro-active when chasing arrears which are both current and historic. It is evident that this new approach, coupled with 'Debt surgeries' offering advice and support, has highlighted the importance to residents regarding their obligations.
- **Missed Bin Collections (355)** - During September 2010 the waste collection rounds were reviewed and re-shaped which resulted in an increase in complaints for 2010/11 as crews familiarised themselves with new rounds. The aim of this review was to reduce the number of vehicles in daily use.

However it should be noted that the Council received an increase of 179 housing repair complaints compared to the previous year. The corporate complaints team will work alongside Housing to assist them with any work that can help move this forward. Some examples of this will include:

- To work alongside Housing at the Morrison Operations Board meetings to analyse complaints data to learn from complaints
- To track and ring complaints directly to ensure agreed actions from complaints responses have been completed. This will prevent unnecessary escalation due to promised actions not being delivered.

- To change our processes for responding to complaints with more resources targeted at ringing complaints directly.

3.1.4 The table below shows the most common complaints received for 2011/2 across the Directorates. Figures in brackets represent previous year volumes.

Directorate	Complaint Type	Number of complaints received
<b>People Services</b>	Special Education Needs	10 (4)
	Admissions	10 (7)
	Early Years	5 (3)
<b>Housing</b>	Repairs	562 (383)
	Grays Office	61 (68)
	Tilbury Office	39 (54)
	Stanford/Corringham Office	17 (28)
	Purfleet Office	14 (35)
	Chadwell Office	26 (45)
	Ockendon Office	29 (82)
	Thurrock Choice Based Homes	13 (47)
	Private Housing & Adaptation	10 (14)
	Rent	17 (15)
	Homeless	36 (36)
	<b>Europa</b>	Basic Maintenance
Decent Homes		18 (4)
Gas breakdown		10 (7)
Parking		15 (13)
Traffic Management		9 (23)
<b>Vertex</b>	Council Tax	256 (443)
	Housing Benefit	68 (91)
	Contact Centre	36 (71)
	Face to face	36 (27)
	Exchequer Services	13 (18)
<b>Central Services</b>	Organisational Development	8 (24)
<b>Environment and Planning Services (previous Sustainable Communities Directorate)</b>	Missed Bin Collections	313 (668)
	Waste and Recycling staff	39 (62)
	Street Services	57 (121)
	Development Control	11 (31)
	Pollution	14 (14)
	Parking	43 (54)

	Non return of bins	46 (64)
	Horticulture	26 (35)
	Greening services	14 (20)
	Kerbside collection	19 (56)

3.1.5 All Social Care complaints are managed under separate statutory guidance from the respective regulatory bodies and as such, are required to provide dedicated annual reports regarding the effectiveness of the process. Both follow separate processes from that set out for corporate services. Appendix 2 contains the annual complaint statistics and summary for children's social care complaints, however a high level summary has been provided below:

- 2011/12 saw a 13% decrease in complaints received for Thurrock's Children's Social Care (93 complaints received for 2011/12 compared to 107 received for 2010/11)
- The decrease could be attributed to the introduction of an Information Pack that is distributed to service users new to working with Children's Social Care. The Information Packs give service users an insight into what they can expect from the teams they are working with, and what the teams expect from the service users. The packs also contain information of additional support services available to the service users.
- A successful 'Mystery Shopper' complaints exercise was carried out by Children's Social Care. Six teams were randomly chosen to receive 'complaints', in all cases the 'complaint' was forwarded to the Complaints Manager within the five day deadline for acknowledging complaints.

3.1.6 Appendix 3 contains the annual complaint statistics and summary for People Services Adult Social Care complaints. To support the ongoing development of the one stage complaints process within Adult Social Care, all investigating officers have attended complaints training and one to one support is provided by the Statutory Complaints Manager. The principles of this statutory process have been set by the Department of Health, and the process aims to be flexible, to the needs of the complainant rather than being process driven. Each complaint is signed off by the Head of Adult Services and each response is quality checked by the Statutory Complaints Manager, to ensure that all lessons identified have been learnt from. This also includes complaints received regarding commissioned providers.

3.1.7 Training - Staff within People Services who handle complaints have been trained in complaints handling by the Statutory Complaints Manager. The training package includes how to investigate complaints and respond to them effectively following the LGO's principles. The Statutory Complaints Manager and the Workforce Planning Team have also developed a package for front line staff, with regards to dealing with complaints effectively to avoid escalation. This package has now been developed into an e-learning package, to enable staff to have training as and when needed and has received excellent feedback.

3.1.8 Outcomes and categories - The table below provides the % of upheld complaints across all stages. Figures in brackets represent 2010/11 statistics.

Stage	Total complaints	Complaints upheld	% upheld
Stage 1	1939 (2630)	599 (860)	31% (33%)
Stage 2	596 (508)	134 (148)	22% (29%)
Stage 3	83 (see 3.1.9 below) (49)	10 (16)	12% (33%)

3.1.9 The increase in stage 3 complaints shown this year is due to the way in which these have been classified. The 83 shown for 2011/12, include 39 which were assessed and rejected therefore the number of stage 3 complaints fully investigated is 44. The 39 rejected were done so following a meeting with the complainant and the corporate team, as it was considered that all issues had been answered during the earlier stages of our complaints process. This assessment meeting is key to avoid the Council unnecessarily investigating complaints.

3.1.10 The Corporate Complaints Team also frequently resolve concerns from residents at first point of contact, thereby stopping formal complaints, either by face to face meeting or over the telephone. This has improved the customer's experience with council services and has resulted in savings for the council in terms of officer's time i.e. formalising complaint responses.

### 3.2 Compliments

3.2.1 During 2011/12 a total of 765 compliments were received (527 external and 238 internal). This is a reduction to the previous year (as last year 677 external and 286 internal were logged). The table below shows compliments received since 2006/07 (includes Adult Social Care and Children Social Care compliments).

Year	Compliments received
2011/12	765
2010/11	963
2009/10	1068
2008/09	733
2007/08	350
2006/07	275

3.2.2 The table below shows external compliments per Directorate for 2011/12:

Directorate	External Compliment
-------------	---------------------



Central Services	3
Vertex	30
Europa	34
Environmental and Planning	125
People Services	263
Housing	72

### 3.3 MP and Councillor Enquiries

- 3.3.1 **Member Enquiries** – 881 enquiries were received in 2011/12, and of these 83% were responded to on time. During 2010/11, 1259 enquiries were received with 92% responded to within timeframe. This dip in performance was due to the logging and tracking not being the responsibility of the corporate complaints team until December 2011. Since December 2011, 274 out of 276 enquiries have been responded to within timeframe (99%).

Since the corporate team inherited responsibility for this area of work, the average timeframe to respond to enquiries is 5 days. Prior to this, the average response timeframe was 8 days with 161 enquiries exceeding 10 days.

- 3.3.2 **MP Enquiries** – 298 MP enquiries were received in 2011/12 with 94% responded to within timeframe. During 2010/11 245 enquiries were received with 86% processed within timeframe. The improvement in response time is a positive achievement and can be attributed to the enhanced tracking process set up by the corporate complaints team.

### 3.4 Learning lessons from complaints

- 3.4.1 The most important aspect of any complaints management framework is the ability to demonstrate that the Council can show evidence that it is learning from complaints received. Appendix 1 details a sample of case studies that have been published on the Councils 'You Said We Did' website. During 2012/13 more work will be done to improve from learning from complaints.

### 3.5 Local Government Ombudsman (LGO)

- 3.5.1 The LGO set the Council a deadline of 28 days to respond to their first enquiries, however Thurrock have implemented a 21 day deadline due to a dip in performance during 2006- 2009.

3.5.2 Below is Thurrock’s average response time over the past 6 years, and the figures in brackets represent number of enquires that were received from the LGO investigation team.

- 2006/07 - 26.8 days (19)
- 2007/08 - 31.2 days (31)
- 2008/09 - 35 days (24)
- 2009/10 - 23.6 days (28)
- 2010/11 - 20.5 days (20)
- 2011/12 – 15.4 days (33)

3.5.3 The Council continues to improve in responding to LGO complaints/enquiries as during 2011/12 our average response time was 15.4 days. The management of corporate LGO complaints transferred to the Corporate Complaints Team in April 2011 and there is a dedicated officer in this team who ensures that timeframes are maintained.

3.5.4 Enquiries and complaints received by the LGO are shown in the table below. Previous year’s information has also been shown as a comparison. Figures in brackets represent premature complaints. In most cases the LGO will not investigate premature complaints/enquiries, as these have not gone through our internal complaints process. Premature enquiries will be directed back to the Council to look into.

LGO Service Area Classification	2010/11	2011/12
Adult Social Care (statutory)	7 (1)	7 (1)
Benefits and Tax	37 (17)	19(11)
Corporate and other Services	4 (0)	6 (37)
Education/Children	12 (4)	12(3)
Environment Services/Public Protection/Regulation	16 (7)	14 (4)
Highways transport	3 (0)	6 (2)
Housing	22 (11)	38 (16)
Planning and Development	4 (1)	5 (1)
<b>Total</b>	<b>105</b>	<b>107</b>

3.5.5 Of the 107 enquiries received in 2011/12, the LGO looked into 52 complaints. (during 2010/11 43 cases were looked into).

3.5.6 Formal published reports are issued by the LGO, if they consider the actions or lack of actions by the Council in processing complaints have resulted in some form of maladministration on the part of the Council. During 2011/12 the LGO did not issue any formal reports against the Council.

3.5.7 Within the LGO’s Annual Review Letter, the LGO confirmed that they were *pleased* to report that they have no concerns regarding our response times, and there are no issues arising from the complaints that warrant attention.

### 3.6 Centralisation of complaints

3.6.1 The centralised complaints team commenced on the 1<sup>st</sup> April 2012. This has proved a success, as the team feel like a team and the location of the team together allows resources to be pooled to undertake a range of complaint activity tasks. The service is more streamlined and there is consistency with process.

3.6.2 The centralisation has allowed a range of additional value added tasks to be introduced, which provide a benefit to a number of service areas, customers and the Council. A summary of these are shown below:

- **Quality checking complaints responses** – This has saved Departments time, as the central team through their day to day involvement with complaints, check a sample of responses for stage 1 and stage 2 complaints. This check is key to ensure all issues have been answered which will prevent unnecessary escalation to the next stage. During 2011/12 1676 complaints responses were quality checked (at stages 1 and 2), with 22% rejected as all complaint issues had not been responded to by the service area.
- **Improved performance in responding to complaints/enquiries at all stages** – Since the commencement of the team in April, corporate wide performance has improved in responding to complaints within timeframe across all stages.
- **Improved performance in responding to corporate LGO enquiries** – As a result of streamlining the process and the corporate team providing the additional support to the service areas.
- **Independent investigations at stage 3 of the complaint process** – The management of stage 3 complaints has extended to include those complaints which have been directly entered at stage 3 (at the request of the Chief Executive). Independent investigations have also resulted in some complaints being upheld, which were previously not upheld by the service area, and has resulted in lessons being learnt and recommendations actioned. The independent review supports and promotes Thurrock as a transparent Council.
- **Savings for the Council** - Year on year savings (£30k) due to centralisation of staff (and a reduction in FTE) have been achieved which form part of the transformation programme.
- **Tracking to ensure actions are implemented** – Some service areas who agree to implement changes/actions as a result of a complaint, do not always implement the agreed actions resulting in the customer being let down by the Council (and the complaint escalated to the next stage). The complaints team are now logging all actions on the complaints system, and the service areas are chased to ensure they are actioned.

4. **ISSUES AND/OR OPTIONS:** -

- 4.1 The key tasks for 2012/13 will be to:
- Maintain strong performance
  - To embed a learning from complaints culture.

5. **CONSULTATION (including Overview and Scrutiny, if applicable)**

- 5.1 This report was sent for consultation to Performance Board. The report was also submitted to Directors Board on the 28<sup>th</sup> August.

6. **IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 6.1 Complaints impact on the Councils' priority of delivering excellence and achieving value for money.
- 6.2 The complaints process seeks to create a culture of corporate learning from best practice from listening to our customers and by acting on complaints. All complaints received must have learning applied if the complaint outcome is upheld.
- 6.3 The complaints process aims to improve customers and users experience of accessing council services. This will support our customer services strategy.

7. **IMPLICATIONS**

7.1 **Financial**

Implications verified by: Sean Clark  
 Telephone and email: 01375 652010  
 sclark@thurrock.gov.uk

- There are no direct financial implications with this report

7.2 **Legal**

Implications verified by: David Lawson  
 Telephone and email: 01375 652087  
 dlawson@thurrock.gov.uk

- Both the Courts and the Local Government Ombudsman expect complainants to show that they have exhausted local complaints / appeal procedures before commencing external action.

**Comment [s]:** Other headings may be appropriate. The report should outline the reasoning that leads to its recommendations and **must** include:

1. a brief summary of options considered;
2. consultation outcomes
3. a risk assessment.
4. Whether the responsible cabinet members have been consulted/contributed to the report (NB professional and political advice must be clearly distinguished)

- See para.5.5 of the report writing guidelines.

**Comment [j]:** This should include any consultation with Ward Members and Shadow Portfolio Holders, as well as any public or statutory consultation

**Comment [a]:** Please refer to Section 5.7 of the Report Writing Guidelines

**Comment [sj]:** This section should always be completed – if they are dealt with fully in another part of the report, they also need a brief cross reference here. The names and job titles of the officers providing the implications should be

**Comment [sj]:** See Guideline 6.2

**Comment [sj]:** See Guideline 6.3

- The implementation of our learning from complaints and listening to our residents should lead to a reduction of complaints received and a reduction in those going to the Ombudsman or the Courts.
- Social Care for Adult and Children are required to follow a separate procedure stipulated by the Department of Health (DOH) and Department for Education & Skills (DFES).

7.3 **Diversity and Equality**

Implications verified by: Samson DeAlyn  
 Telephone and email: 01375 652472  
 sdealyn@thurrock.gov.uk

- It is important that there is accessibility to complaints information in respects of language, Braille, audio, and the new complaints leaflet incorporates this.
- The Information Management Team will continue to work with the Diversity Team to provide data that can be broken down into race, gender and disability themes in order to address any inequalities in relation to service delivery. This initiative will also support our aim to reach of using complaints data as a service improvement tool.

7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None

8. **CONCLUSION**

8.1 The information within this report is for Audit Committee to note performance in relation to complaints and compliments for 2011/12. The report focuses on corporate complaints and compliments but also includes appendices that cover complaints and compliments performance for Children’s and Adult Social Care.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- None – Information obtained from the complaints system.

**APPENDICES TO THIS REPORT:**

- Appendix 1 – Sample case studies
- Appendix 2 – Children’s Social Care complaints Report
- Appendix 3 – Adult Social Care complaints Report

Comment [sj]: See Guideline 6.4

Comment [sj]: This should inform the recommendations in the report

Comment [sj]: See Guideline 8. If any Papers are to be placed in the Members room that relate to this report, you should also list them here

Comment [sj]: List the Appendices referred to in the Report

**Report Author Contact Details:**

**Name:** Lee Henley  
**Telephone:** 01375 652500  
**E-mail:** lhenley@thurrock.gov.uk

**Comment [sj]:** Insert the full contact details of the author of the report

**Item 5**  
**Appendix 1 – Sample Case Studies**

**COMPLAINTS CASE STUDY**

<b>ISSUE NATURE:</b>	Development Control
<b>KEY ISSUE:</b>	Ignoring a resident's representations regarding a planning application

**Comment [T]:** Detail the Issue Nature – e.g. Council Tax

**Comment [T]:** A very brief heading detailing the complaint issue

<p><b>THE COMPLAINT</b></p> <p><b>Issue 1</b> The complainant raised concerns that the Council have ignored all representations he has submitted in relation to his neighbours planning application. The complaint alleged that the Council have ignored:</p> <ol style="list-style-type: none"> <li>1. A letter sent in during February addressed to the Case Officer, where objections were raised and he also asked for the application to go before Planning Committee.</li> <li>2. A follow up email in March to the Case Officer. This email asked questions as to why no response had been received to the February letter. He also raised concerns that the application has now been approved even though he requested that the application should go via the planning committee.</li> <li>3. A further email sent in during April to Development Control and the Case Officer.</li> </ol> <p><b>Issue 2</b></p> <p>The complainant raised concerns that the Planning Department have confirmed to him that the Case Officer contacted him in advance of the application approval date to discuss the call in procedures, when this was not the case.</p> <p>The complainant also confirmed that his first conversation with the Case Officer was on the 24<sup>th</sup> March (after approval was granted) and this was supported by his telephone records. The complainant was concerned that he was not informed of how members of the public can request applications to be discussed at Planning Committee, when he clearly raised objections back in February (and requested that this application goes via Planning Committee). He was of the view that if he was advised of the call in process, then he would have followed this in order for his representations to be heard in front of the Committee.</p>
---

<p><b>THE FINDINGS</b></p> <p>An independent investigation took place at stage 3 of the Council complaints process.</p>
---

**Issue 1**

The Case Officer was of the view that the Planning Department did not have to respond to the enquiries received, as we had previously sent a letter on the 1<sup>st</sup> February 2011. This letter confirmed that *“Due to the number of letters received we are unable to respond in writing on an individual basis to letters of representation”*.

However the stage 3 findings confirmed that to rely on a letter sent to the consultees in February, as a means to not respond to enquiries is unacceptable. It was clear in the complainant’s letter in February that he had requested this application to go in front of Planning Committee and to ignore this request was a failing on behalf of the Department.

**Issue 2**

Planning were of the view that the Case Officer has had at least 2 telephone conversations with the complainant in advance of approval decision, however Planning confirmed that they have no records of this.

As part of the stage 3 investigation the Case Officer was interviewed who confirmed that they can recall telephoning the complainant in advance of the application approval on more than one occasion. The Case Officer confirmed that during these calls, the complainant was advised that he could contact his Councillor to call this application in. No records of these conversations were evidenced on the system.

As part of the stage 3 investigation telephone logs were checked, and there is no evidence to prove that the Case Officer contacted the complainant in advance of the application approval. With this in mind it was the Information Manager’s view that the call did not take place, unless the Case Officer called from a line/phone not linked to our telephone network.

**Summary of findings;**

The stage 3 has confirmed that the handling of this case has been poor due to.

- A lack of response to the communications sent in has potentially prevented the complainant from raising his representations via Planning Committee.
- The record keeping arrangements within Planning have not been robust, and there will be learning for the Council regarding this complaint.

**THE LEARNING**

The Council need to learn from this case. It has been agreed that:



- Key issues raised by residents/consultees/objectors regarding planning applications will always be responded to.
- Additional information will be made available to objectors and consultees that clearly explain the call in procedures.
- Case Officers must provide documented notes/records of telephone conversations going forward.

**Comment [T]:** Detail the Issue Nature – e.g. Council Tax

**Comment [T]:** A very brief heading detailing the complaint issue

<b>ISSUE NATURE:</b>	Bookings at Thameside Theatre
<b>KEY ISSUE:</b>	A booking made with the theatre was subsequently cancelled

#### **THE COMPLAINT**

The complainant, a member of an amateur company, placed a booking with the Council to use the theatre. The complainant states that at the time of the booking it was confirmed and she was advised that a booking form would issued in due course.

The complainant then received a telephone call some months later advising that the booking had been cancelled and that another company had taken precedence over the dates in question.

The complainant was upset about this and felt that she had not been treated fairly and was of the view that no apology had been given for the inconvenience she had been caused.

#### **THE FINDINGS**

The independent investigation into this complaint concluded that the issue regarding the cancellation of the booking was not addressed within the previous complaint response. It also failed to include any comment regarding the booking/hiring process of the theatre.

The investigation did conclude that the dates that the complainant had requested had already been booked by another company, and as this booking was actually taken in advance of the complainant's booking this is why the cancellation occurred.

#### **THE LEARNING**

Following the independent investigation a number of learning points were recommended:

- A policy document to be produced explaining the booking process regarding the hiring of the Theatre and for this to be made available on the Council webpage
- The Council webpage entitled 'Hiring the Theatre' needs to be updated
- A review of the way in which bookings are recorded is carried out in order to prevent a similar occurrence in the future

### COMPLAINTS CASE STUDY

<b>ISSUE NATURE:</b>	Housing
<b>KEY ISSUE:</b>	Contractor's appointments

#### INTRODUCTION / BACKGROUND

The complainant initially raised a complaint regarding mould in her property back in February 2011. An inspector called and prepared a report which identified that a lot of work was required. The complainant stated that in March 2011 she returned home to find a note to say that plasterers had visited the property to undertake some repairs but that the complainant was not at home. The complainant contacted the number on the note the following day to be informed that they would call her later to arrange another appointment. Unfortunately, this did not happen.

The complainant stated that she waited and waited but nothing happened and as she was so frustrated she contacted the Council again in June 2011 to be advised that her repair had been closed down on the Council's system because she was not at home when the initial visit took place.

#### WHAT HAPPENED

An investigation was undertaken by the Repairs Services Manager who confirmed that the job had been closed down on the Council's system. An apology was extended to the complainant for the fact that the Council's appointed contractor failed to contact the complainant again to make a further appointment.

The matter was escalated to the Council's appointed contractors who subsequently contacted the complainant to make a mutually convenient appointment in order to complete the necessary repairs.

#### CONCLUSION

As a result of this complaint the repairs service have raised the issue of

**Comment [T]:** Detail the Issue Nature – e.g. Council Tax

**Comment [T]:** A very brief heading detailing the complaint issue

**Comment [T]:** Describe the problem in detail, this should include a brief overall description which summarises the main feature of the complaint

**Comment [T]:** Please detail what the complaint investigation found; this should be a short narrative on how we dealt with the complaint and what the outcome was. You may also want to include relevant policy details and include appropriate implications

**Comment [T]:** The conclusion MUST include the learning for the Council, this must be REAL learning that as an officer you are satisfied has or will be actioned

appointments with the appointed contractors, to ensure that all missed appointments are followed up in line with the necessary procedures so that repeated complaints of this type are no longer received and that complainants are not subject to further, unnecessary delays.

This page is intentionally left blank

<b>20 September 2012</b>		<b>ITEM 6</b>
<b>Audit Committee</b>		
<b>ACCESS TO RECORDS REPORT – 2011/12</b>		
<b>Portfolio Holder:</b> Councillor Phil Smith – Central Services		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> None	
<b>Accountable Head of Service:</b> Director Accountability (see below)		
<b>Accountable Director:</b> Martin Hone – Corporate Director of Finance and Corporate Governance		
<b>This report is</b> This is a public report		
<b>Purpose of Report:</b> To provide a summary of Freedom of Information (FOI) and Data Protection requests received and processed during 2011/12		

**EXECUTIVE SUMMARY**

- During 2011/12 the Council processed 97% of FOI requests within the legal timeframe.
- There has been a 10% increase in the volume of FOI requests received compared to 2010/11.
- Based on data captured within the FOI database, it has been estimated that the average FOI request takes departments 3.5 hours to gather the information requested. This has been based on a sample of 172 requests.
- FOI awareness across the Council continues to be high and the procedures in place for managing requests are working well.
- During 2011/2012 the Council received 51 Subject Access Requests under the data protection legislation. 55% of these requests were processed within timeframe.
- The Information Management Team have continued to drive forward processes to reduce FOI requests. This includes routinely populating a number of completed FOI requests onto the Council’s website, so that requestors asking for the same or similar information can be directed to the website (as opposed to being logged as another FOI request). A project is also underway to allow a greater percentage of responses to be added to our website.
- The Council challenge and/or refuse requests when it is believed that the requestor has used a false name, where we have reasonable grounds to believe the applicant is acting as part of a campaign or in consort with others, or where their questions do not meet the other validity requirements for FOI.

## 1. RECOMMENDATIONS:

- 1.1 To note the performance and statistics for 2011/12 for both FOI and Data Protection.

## 2. INTRODUCTION/BACKGROUND

- 2.1 From 1 January 2005 the Freedom of Information (FOI) Act 2000 was fully implemented. This resulted in access to recorded information held by the Council being made available, allowing anyone to submit a written request to see information about almost anything that is recorded.
- 2.2 FOI affects up to 100,000 public sector bodies and organisations in England, Wales and Northern Ireland, including central and local government, the police, NHS, schools, dentists, opticians and pharmacists. Anyone, from anywhere in the world, may make a request for information that is held by the Council (they can be a person, business, or organisation). FOI requestors do not have to give reasons for seeking the information, and the Council cannot make enquiries as to why information is being sought.
- 2.3 On receipt of an FOI Request the Council have 20 working days to process the request. The Council cannot charge for processing FOI requests unless the time taken to process the request is considered to be in excess of 18 hours.
- 2.4 Principle 6 of the Data Protection Act states that personal information must be processed in accordance with the rights of data subjects. This can result in anybody making a request to the Council about any information we hold on them and these are referred as Subject Access Requests (SAR). Requests range from very specific records (such as Council Tax and Benefits claim history) to a wide range of records (such as **all** information held by the Council).
- 2.5 When the formal SAR process is utilised, the Council have 40 calendar days in which to complete the request. The timeframe is met at the point at which we have prepared all files for disclosure and have invited the applicant in to collect their records from the Council.

## 3 ISSUES AND/OR OPTIONS:

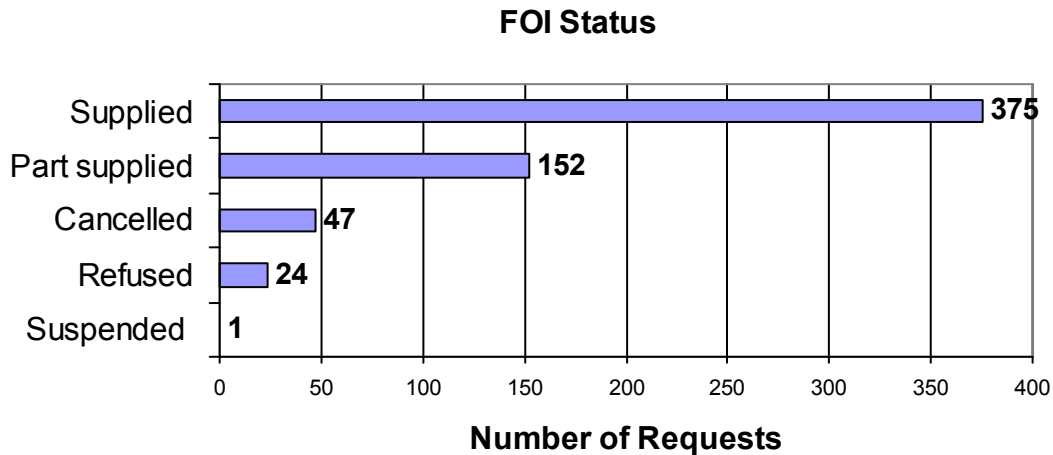
### 3.1 Freedom of Information Performance

- 3.1.1 During 2011/12, 599 FOI requests were recorded on the Council's FOI tracking system. This equates to a 10% increase from last years figures. The FOI tracking system is maintained and managed by the Information Management Team. During 2011/12, 97% of requests were responded to within timeframe. Below is a table showing year-on-year volume and performance data since the Act came into force on 1<sup>st</sup> January 2005.

Year	Number of Requests	% responded to in time
2004/2005	53	98%
2005/2006	275	99%
2006/2007	252	98%
2007/2008	225	97%
2008/2009	366	96%
2009/2010	512	99%
2010/2011	547	99%
2011/2012	599	97%

3.1.2 Out of the 599 received, 17 were not answered within 20 working days. The most common reasons for requests not meeting the deadline relates to problems with achieving escalation (approval) from senior officers due to availability.

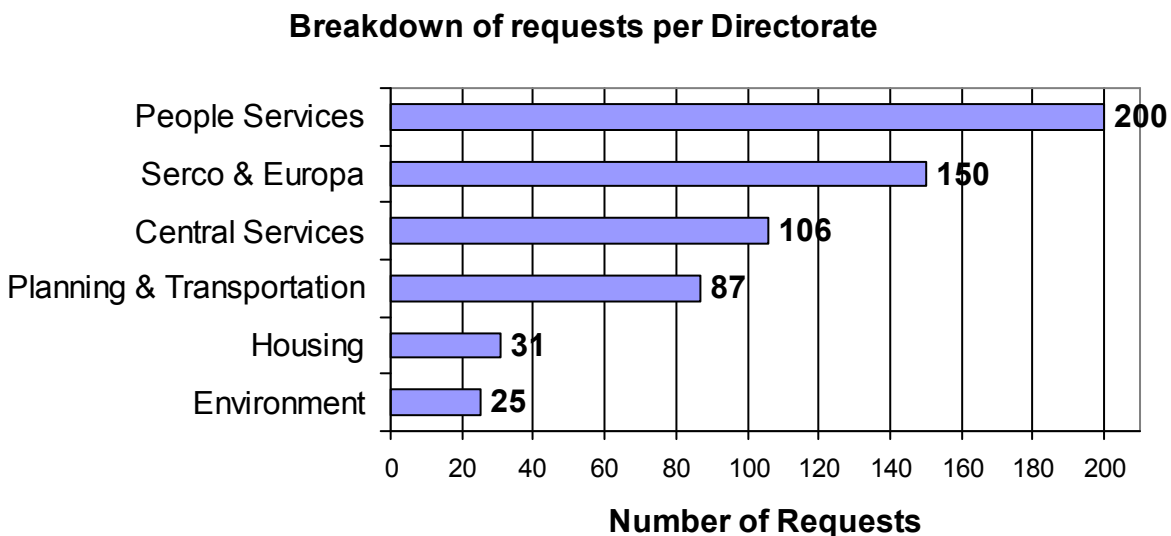
3.1.3 The chart below shows that of the 599 FOI requests received in 2011/12, 375 (63%) were supplied with all of the information requested, 24 (4%) were refused, 152 (25%) were part supplied, 47 (8%) were cancelled and 1 request was suspended due to non-payment of fee.



3.1.4 The average number of days taken to answer a Freedom of Information request for 2011/2012 was 14.7 working days. This figure was 13.6 working days for 2010/11. The statutory timeframe is 20 working days.

**3.2 Type of Information requested**

3.2.1 The chart below shows requests received per Directorate out of the 599 requests in total. For the purpose of this report Transformation, Finance and Corporate Governance (F&CG) & Chief Executive Delivery Unit (CEDU) have been grouped together, and named as Central Services.



3.2.2 With regards to the Directorate split of requests shown in 3.2.1 above, it should be noted that:

- Serco and Europa received a high volume of requests relating to highways maintenance, ICT and procurement.
- The Planning & Transportation Directorate received a number of requests in relation to planning and parking issues.
- The Environment Directorate received a high volume of requests for the Waste Department, which included the waste contract. This Directorate also received 12 requests that were processed under the Environment Information Regulations.
- Within the People Services Directorate a high volume of requests were received for the Commissioning department regarding provision of Adults Social Services. Topics were often related to arrangements with our provider partners such as health and older people services. There was often a strong focus on costs to residents, the move towards Direct Payments and funding issues. A number of requests were also received in relation to taxi licensing.
- The Housing Directorate's requests mainly focused on new homes and housing availability issues across the borough.
- Central Services received a number of requests that focused on expenditure on events, employment and HR matters affecting the whole Council.

### **3.3 Exemptions Used**

3.3.1 The chart below shows the type of exemptions and refusals that were relied upon (based on a total of 176 requests that were part supplied or refused). The exemptions allow the Council to withhold information where disclosure would cause significant prejudice to the Council's business at a particular time, and which is therefore not in the public interest to release. Please note the chart below does not add up to 176, as more than one exemption can be relied upon per request.

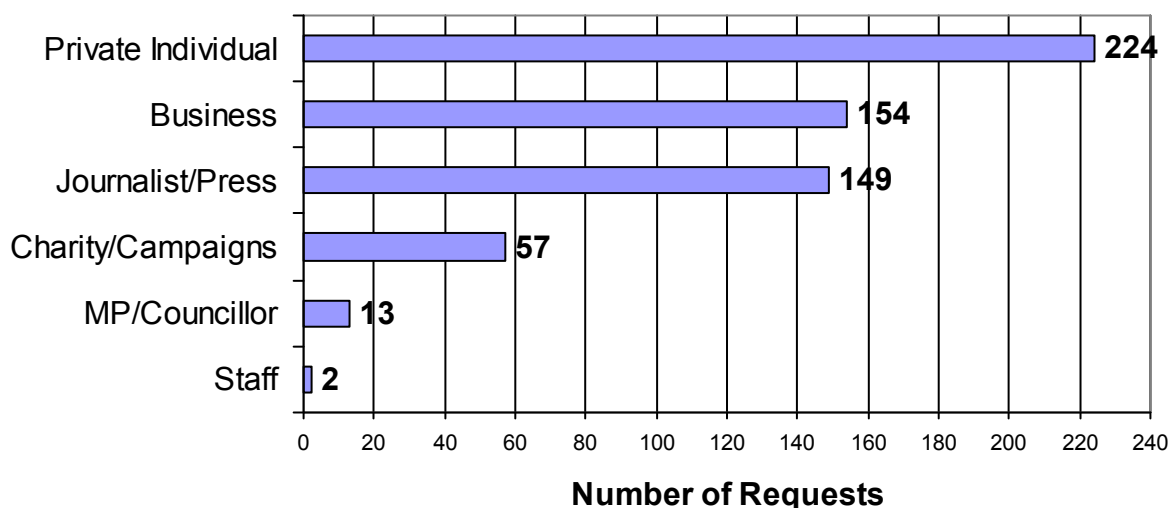
3.3.2 The Information Management Team maintains responsibility for making decisions on the application of Exemptions (to withhold information) under the Act. These are recorded and evidenced to support the approach taken, and to demonstrate how the Public Interest Test has been applied for Qualified Exemptions. This part of the process is vital to prevent and respond to complaints about FOI responses where data has been withheld, either partially or in full.

### **3.4 Request shown by Group**

3.4.1 The chart below identifies where FOI requests to the Council originated from.



### Who FOI requests were made by



### 3.5 Misuse of FOI

3.5.1 A national frustration across all Public Sector bodies affected by FOI is that the legislation is being used for what these bodies consider to be the wrong purposes (such as requests received by businesses and companies for company research purposes). However under the current legislation, FOI requests remain purpose blind, which prevents the Council from asking why any information is being requested.

3.5.2 The Council have previously sent a letter to the Secretary of State for Communities and Local Government, raising concerns that the legislation is being misused and proposing that the current 18 hour charging threshold is reduced (that would allow us to charge for requests that take less than 18 hours to process). The Council challenge and refuse requests when it is believed that the requestor has used a false name.

### 3.6 Reducing Requests

3.6.1 Learning from FOI can be evidenced by ensuring that as a Council we routinely make information available within the public domain. To achieve this, the Information Management Team routinely populate completed FOI requests onto the Council's website, so that requestors asking for the same information can be directed to the website to obtain the information (as opposed to being logged as another FOI request).

3.6.2 Since last year, the Council has continued to address our responsibilities to increase availability of information which is in the public interest. This includes the routine publication of NNDR data, salary data for senior officers (available online) as well as the routine publication of all expenditure where a single transaction costs £500 or more (available online). Requests on these subject matters are not logged as FOI requests.

3.6.3 In addition, since September 2011 the Information Management Team have diverted a total of 48 requests for information away from FOI and these have been managed as routine business by relevant departments. These decisions are based on the data being readily available – to help ensure that FOI is only utilised in the proper circumstances for which the legislation is intended. Work is also on-going to ensure each Directorate publishes 3 datasets per quarter.

### 3.7 Data Protection Subject Access Request (SAR) Performance

3.7.1 The Data Protection Act gives individuals the right to be told what ‘personal data’ an organisation is processing about them and, unless an exemption applies, to receive a copy of that information. They do this by making a data subject access request, which must be in writing. The request can be broad such as, “give me a copy of all the information the council hold on me”, or it can be precise “give me a copy of my social care files”.

3.7.2 A current risk for the Council is the ability to comply with SAR’s within the timeframes of the Data Protection Act. During 2011/12 the Council received 51 requests where the fee was paid and therefore the full SAR process was implemented. Of the 51 requests, 55% of requests were processed within the statutory timeframe (40 calendar days from the date that all necessary information and payment are received). During recent months the council received 3 complaints from the ICO regarding non-compliance with timeframes.

3.7.3 The table below shows volumes of requests and performance over a 5 year period:

Year	Number of Requests	% responded to in time
2006/2007	20	95%
2007/2008	39	74%
2008/2009	52	69%
2009/2010	60	93%
2010/2011	32	97%
2011/2012	51	55%

3.7.4 Historically performance at Thurrock in responding to SAR’s has been strong, however performance has dipped during 2011/12 due to a combination of factors including:

- Many “closed and open case” social care requests have been received, which take significantly longer to process, due to complexity and high volume of records in scope. It should be noted that processing SAR’s is a meticulous time consuming process, as thorough checks need to be applied before releasing information. Errors made could result in privacy breaches.
- An increase of general work pressures within the Information Management Team.
- The IMT team have in the past suffered a cut/reduction in resources.

### 3.8 Measures taken to improve performance for data protection requests

3.8.1 The Information Management Team are undertaking the following actions due the dip in performance:

- A shared post has been created working across the team.
- The team have continued to advise applicants during the early stages of their request that the deadline may not be met, however the Information Commissioners Office (ICO) have since recommended that we should not adopt this approach.
- The team are prioritising requests based on date order. A deviation from this may apply if the applicant has threatened to complain to the ICO or due to threat of legal action.

- The team have followed up with a second update letter during the timeframe, before their SAR closes explaining that there will be a delay (if relevant).
- The team agree wherever possible to make a staged disclosure to the applicant – so that they are not waiting months to get *anything* and can at least start reading some of their files. This is dependant on the circumstances of a request and whether or not the person consents to this.
- The processing of SAR's is being monitored.

### 3.9 Risks to the Council if data protection performance is poor

3.9.1 The risk and impact to the council due to the performance dip in processing SAR's is summarised below:

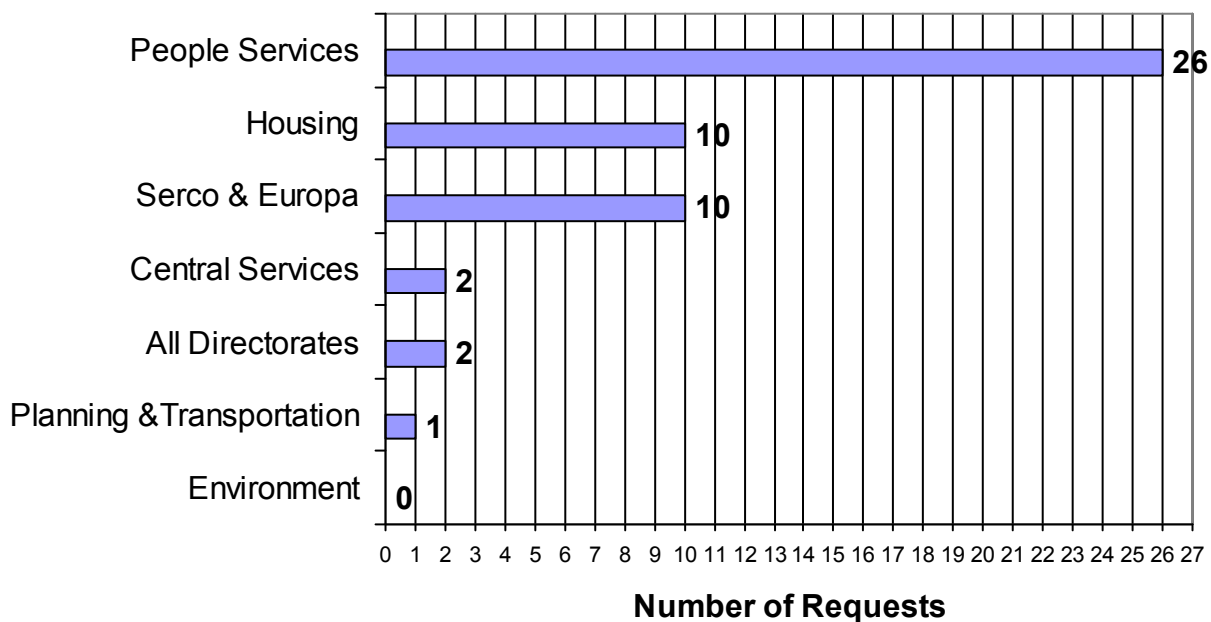
- The ICO have confirmed that failure to process someone's SAR within timeframe is not a criminal offence, but can in theory result in a financial penalty notice. However this is unlikely if it's the only principle the council are in breach of.
- The process the ICO have to go through before they can issue a monetary fine is stringent and they have to show the organisation has acted recklessly in failing to meet the requirements; and that this has had serious consequences for the individual concerned.
- In practice, the ICO would only become involved in cases where they receive repeat complaints about the same Council failing to meet the deadline. They would then go through the following stages:
  - Informal Investigation, however this could turn into a formal investigation.
  - Signed Undertaking (e.g. promise to take steps to improve, signed by the CEO).
  - Enforcement Notice issued looking for an assurance that the Council improve performance up to a certain level, as stipulated by the ICO
  - Monetary Penalty Notice if all of the above has still failed.
- Irrespective of any ICO intervention, individuals have a right to make a financial claim for damages/distress caused and these can and do get taken to court (privately) and result in compensation payments.

3.9.2 The ICO have also confirmed that in the future they are going to be implementing formal monitoring of Council's response rates on data protection in terms of timeframes (at the moment this is only checked if complaints are made).

### 3.10 Data Owners

3.10.1 The chart below shows where the data was owned (i.e. those departments holding data on the applicant) for the 51 requests. This shows that People Services received the most requests for 2011/12.

#### Subject Access Requests – Data Owners



**4 CONSULTATION (including Overview and Scrutiny, if applicable)**

4.1 This report has been agreed by the Corporate Information and Systems Development Board (CISD). The report was also presented to Directors Board on the 28<sup>th</sup> August 2012

**5 IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

5.1 The Council has an effective system and process in place for managing both FOI and Data Protection requests. Procedures are regularly reviewed in order to improve performance.

5.2 The Council’s ability to comply and process FOI and Data Protection requests within the requirements of the respective legislation demonstrates our commitment to openness and accountability. This will allow residents and customers to have a confidence in what we do and will help build trusting relationships.

5.3 Access to information can also be closely linked to our Customer Services and ICT Strategies.

**6. IMPLICATIONS**

**6.1 Financial**

Implications verified by: Sean Clark  
 Telephone and email: 01375 652010  
**sclark@thurrock.gov.uk**

- Along with financial penalties FOI failure could result in regulatory intervention as the ICO are now starting to target poor performing councils for FOI which will lead to reputational damage.
- Income could be received for FOI requests where the cost of locating, retrieving and extracting the information together with the cost of determining whether it holds the information, exceeds £450. However no payments for this work have been received.

- The council can charge £10 to process a SAR under the data protection act.
- Financial penalties for Data Protection breaches have increased to up to £500K and the Information Commissioners Office (ICO) have been given more powers to check for compliance

## 6.2 Legal

Implications verified by: David Lawson  
 Telephone and email: 01375 652087  
**dlawson@thurrock.gov.uk**

- There are various avenues available to the Information Commissioner's Office to address an organisation's shortcomings in relation to the collection, use and storage of personal information. These avenues can include criminal prosecution, non-criminal enforcement and audit. The Information Commissioner also has the power to serve a monetary penalty notice on a data controller.
- The Council must also comply with the Code of Practice issued under section 46 of the Freedom of Information Act 2000. The Information Commissioner may issue practice recommendations to an authority considered to be non-compliant with the Code specifying the steps that should be taken to ensure conformity. Failure to comply with such a recommendation could lead to an adverse report to Parliament in relation to the authority, by the Information Commissioner.
- The Council must also be mindful of its duties under the Public Records Acts 1958 and 1967, the Local Government (Records) Act 1962, the Local Government Act 1972, the Local Government (Access to Information) Act 1985 and any other record-keeping or archives legislation.

## 6.3 Diversity and Equality

Implications verified by: Samson DeAlyn  
 Telephone and email: 01375 652472  
**Sdealyn@thurrock.gov.uk**

- There are significant diversity issues for the whole community regarding FOI and Data Protection. The successful implementation of FOI and Data Protection allows our customers, stakeholders, partners and the public to access and receive information. This supports including people, one of the Council's corporate priorities. The extent to which the Duty to Assist (under the Act) has been met is included in quality checking exercises by the Information Matters Team.

## 6.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental.

None

## 7 **CONCLUSION**

- 7.1 Performance for 2011/12 is strong for FOI, however performance for processing data protection requests will be monitored. The Information Management Team will continue to

drive forward mechanisms allowing the Council to reduce the volume of FOI requests where appropriate.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- None

**APPENDICES TO THIS REPORT:**

None

**Report Author Contact Details:**

**Name:** Lee Henley  
**Telephone:** 01375 652500  
**E-mail:** [lhenley@thurrock.gov.uk](mailto:lhenley@thurrock.gov.uk)

<b>20 September 2012</b>		<b>ITEM 7</b>
<b>Audit Committee</b>		
<b>UPDATE ON THE 2011/12 ACCOUNTS</b>		
<b>Report of:</b> Sean Clark, Head of Corporate Finance		
<b>Wards and communities affected:</b> N/A	<b>Key Decision:</b> Yes	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Martin Hone, Corporate Director of Finance and Corporate Governance		
<b>This report is Public</b>		
<b>Purpose of Report:</b> To update the Audit Committee on the latest position of the 2011/12 Accounts and to seek Committee approval to agree the accounts.		

### **EXECUTIVE SUMMARY**

The Audit Committee received the financial statement on 19 July 2012. This report and appendices reports to Members of the Committee that the Council expects to receive an unqualified audit opinion on both the Value for Money Assessment and on the financial accounts.

Members will be aware from previous reports of the difficulties encountered last year and in compiling the accounts for 2011/12. Despite these difficulties, the outcome of the audit is positive but officers, in line with the findings in the District Auditor's Annual Governance Report (AGR), recognise that there are still a number of improvements to be made in future years. An interim AGR will follow.

The target date for the accounts to be agreed is 30 September 2012 and the auditors and officers are still working towards that date. As such, this report is interim and requests a delegation to the Chair of the Audit Committee to agree the accounts on the advice of officers and following completion of the audit work.

#### **1. RECOMMENDATIONS:**

**That the Audit Committee**

- 1.1 Note the revised statements at Appendix 1 and note that there will be changes as identified and agreed within the Annual Governance Report;**
- 1.2 Consider the matters raised in the Annual Governance Report (to follow) at Appendix 2;**

- 1.3 Note the adjustments to the financial statements set out in the Appendix to the Annual Governance Report;
- 1.4 Agree to not amend the financial statements for the non material misstatements set out in Appendix to the Annual Governance Report;
- 1.5 Approve the letter of representation on behalf of the Council;
- 1.6 Note the Interim Annual Governance Report and delegate acceptance of the final report to the Chair of the Audit Committee; and
- 1.7 Approve the restated accounts in principle and delegate formal approval and agreement of any further changes to the Chair of the Audit Committee.

**2. INTRODUCTION AND BACKGROUND:**

- 2.1. The Audit Committee will recall that there was a significant delay in finalising the accounts for 2010/11 and the reasons for this are well documented in a number of previous reports to the Audit Committee as well as a report to full Council.
- 2.2. The 2011/12 Financial Statement was reported to the Audit Committee on 19 July 2012. The report identified a number of issues that had caused officers difficulties in compiling the Financial Statement and some of these have also impacted on the audit:

<b>Difficulty</b>	<b>Financial Statement</b>	<b>Impact on Audit</b>
Late Closure of the 2010/11 Accounts	Effectively lost 2-3 months of preparation time and meant that the main work of compiling the statement could not start until late in April.	We reported throughout the last year that a number of the problems were deep rooted. Although the majority of issues were corrected in the 2010/11 accounts that were a number outstanding that impacted on 2011/12.
Oracle	The upgrade resulted in the system not being available for the majority of April. Issues with reporting slowed the process of compiling the financial statement.	Reporting has remained an issue. This has impacted on our ability to provide evidence to the auditors and slowed the process of testing.
Valuations	Delays in the receipt of valuations impacted on the completion of key financial statements.	No further impact.
Development Corporation	Delays in receiving relevant	The accounting treatment for the



Difficulty	Financial Statement	Impact on Audit
	information impacted on the timescales for completing the financial statement.	Development Corporation has been a matter of significant debate and there have been changes to the approach throughout the first half of the audit until finalised after discussion with the Audit Commission technical team. This impacts on a number of areas within the Financial Statement whilst also taking considerable officer and auditor time.

- 2.3. Despite these problems, officers and auditors currently expect to be able to issue an unqualified opinion by the end of September, although at the time of writing the audit is ongoing and expects to continue to the end of the month.
- 2.4. As this work is still in progress, it is not possible to provide a full statement. Attached at appendix 1 are the main statements although these will have to be amended by areas identified within the Annual Governance Report.
- 2.5. The Annual Governance Report (AGR) (appendix 2) sets out the District Auditor’s findings, recommendations and opinions on the Financial Statement and Value for Money assessment. Due to the difficulties encountered the District Auditor can only provide an interim report at this stage and this will be circulated as soon as we receive it.
- 2.6. The AGR also sets out two appendices of errors and uncertainties. The first are material adjustments where the Council has agreed to amend the Financial Statement. This year, the schedule will include (but not be limited to):
- 2.6.1. Adjustments linked to the Development Corporation;
  - 2.6.2. Amendments linked to prior years; and
  - 2.6.3. A reduction in both gross expenditure and income relating to education grants and pension charges – this does not impact on the bottom line.
- 2.7. In most audits a number of non-material errors are identified and it is up to the Council as to whether amend these in the final version. Although it is often preferable to do this, officers have agreed with the District Auditor that these changes will not be made so as not to impact on the limited time left.
- 2.8. Members of the Audit Committee should note that the level of balances available to the Council is as previously reported with the following

exceptions, both linked to the accounting treatment for the Development Corporation:

2.8.1. A sum of £4.3m has been transferred from usable capital receipts to usable revenue reserves; and

2.8.2. A sum of £1.4m received in 2012/13 for ongoing Development Corporation projects has now been recognised in 2011/12.

2.9. The AGR also assesses the Council on a number of factors in a Value for Money Assessment and this is set out in more detail in the AGR. Previous years have seen this assessment qualified due to, for instance, the debt restructuring exercise and asset management. Officers are pleased to report that the provisional conclusion is an unqualified opinion.

### **3. CONSULTATION (including Overview and Scrutiny, if applicable)**

3.1 The accounts were open to the public for inspection.

### **4. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

4.1 The closure of the accounts gives certainty to the financial position of the Council which is a key part of the budget setting process.

### **5. IMPLICATIONS**

#### **5.1 Financial**

Implications verified by: **Sean Clark**  
 Telephone and email: **01375 652010**  
**sclark@thurrock.gov.uk**

We can confirm that the usable reserves within this restated financial statement are broadly as previously reported. Indeed, there has been a small increase in usable capital resources that will be used to reduce prudential borrowing in 2011/12.

#### **5.2 Legal**

Implications verified by: **David Lawson**  
 Telephone and email: **01375 652087**  
[\*\*dlawson@thurrock.gov.uk\*\*](mailto:dlawson@thurrock.gov.uk)

There are no direct legal implications arising from this report.

#### **5.3 Diversity and Equality**

Implications verified by: **David Lawson**  
 Telephone and email: **01375 652087**  
**dlawson@thurrock.gov.uk**

There are no diversity and equality implications resulting directly from this report.

5.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None

**6. CONCLUSION**

6.1 The Council faced a number of problems in completing the 2011/12 financial statement. Although there have been a number of improvements it is clear that there are still a number of areas to be improved, especially in terms of working papers.

6.2 The upgraded Oracle system should, for 2012/13, provide an improved chart of accounts and be supported with the appropriate reporting tools.

6.3 Officers will update the Committee at a future meeting on an AGR action plan and progress on the preparation for the 2012/13 accounts.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- There are a number of working papers retained within the Corporate Finance Section.

**APPENDICES TO THIS REPORT:**

Appendix 1 – Financial Statement Extracts

Appendix 2 – Annual Governance Report (to follow)

**Report Author Contact Details:**

**Name:** Sean Clark

**Telephone:** 01375 652010

**E-mail:** sclark@thurrock.gov.uk



## MOVEMENT IN RESERVES STATEMENT

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £'000	Housing Revenue Account Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2010</b>	<b>(2,187)</b>	<b>(2,409)</b>	<b>(12,726)</b>	<b>(1,335)</b>	<b>(2,897)</b>	<b>(11,607)</b>	<b>(33,161)</b>	<b>(663,434)</b>	<b>(696,595)</b>
<b><u>Movement in Reserves in 2010/11</u></b>									
Surplus or (deficit) on provision of services	864	88,456					89,320		89,320
Other Comprehensive Expenditure and Income				(11)			(11)	(21,542)	(21,553)
<b>Total Expenditure and Income</b>	<b>864</b>	<b>88,456</b>	<b>0</b>	<b>(11)</b>	<b>0</b>	<b>0</b>	<b>89,309</b>	<b>(21,542)</b>	<b>67,767</b>
Adjustments between accounting basis & funding basis under regulations (Note 7)	(5,980)	(88,945)	36	(1,001)	(909)	1,358	(95,441)	95,441	0
<b>Net Increase/Decrease before Transfers to/from Earmarked Reserves</b>	<b>(5,116)</b>	<b>(489)</b>	<b>36</b>	<b>(1,012)</b>	<b>(909)</b>	<b>1,358</b>	<b>(6,132)</b>	<b>73,899</b>	<b>67,767</b>
Transfers to/from Earmarked Reserves (Note 21)	659		(530)			349	478	(478)	0
<b>Increase/Decrease in Year</b>	<b>(4,457)</b>	<b>(489)</b>	<b>(494)</b>	<b>(1,012)</b>	<b>(909)</b>	<b>1,707</b>	<b>(5,654)</b>	<b>73,421</b>	<b>67,767</b>
<b>Balance at 31 March 2011</b>	<b>(6,644)</b>	<b>(2,898)</b>	<b>(13,220)</b>	<b>(2,347)</b>	<b>(3,806)</b>	<b>(9,900)</b>	<b>(38,815)</b>	<b>(590,013)</b>	<b>(628,828)</b>

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £'000	Housing Revenue Account Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2011 (Excludes Development Corporation and Heritage)</b>	<b>(6,644)</b>	<b>(2,898)</b>	<b>(13,220)</b>	<b>(2,347)</b>	<b>(3,806)</b>	<b>(9,900)</b>	<b>(38,815)</b>	<b>(590,013)</b>	<b>(628,828)</b>
<b>Heritage Adjustment 1/4/11</b>								<b>(19,449)</b>	<b>(19,449)</b>
<b><u>Movement in Reserves in 2011/12</u></b>									
Surplus or (deficit) on provision of services	(4,868)	180,588					175,720		175,720
Other Comprehensive Expenditure and Income	1,211						1,211	53,292	54,503
<b>Total Expenditure and Income</b>	<b>(3,657)</b>	<b>180,588</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>176,931</b>	<b>53,292</b>	<b>230,223</b>
Adjustments between accounting basis & funding basis under regulations (Note 7)	(3,488)	(178,737)	(16)	760	1,412	1,227	(178,842)	178,842	0
<b>Net Increase/Decrease before Transfers to/from Earmarked Reserves</b>	<b>(7,145)</b>	<b>1,851</b>	<b>(16)</b>	<b>760</b>	<b>1,412</b>	<b>1,227</b>	<b>(1,911)</b>	<b>232,134</b>	<b>230,223</b>
Transfers to/from Earmarked Reserves (Note 21)	5,052		(5,052)				0		0
Transferred (Acquired) Operations (TTGDC)			(5,692)				(5,692)	(53,337)	(59,029)
<b>Increase/Decrease in Year</b>	<b>(2,093)</b>	<b>1,851</b>	<b>(10,760)</b>	<b>760</b>	<b>1,412</b>	<b>1,227</b>	<b>(7,603)</b>	<b>159,348</b>	<b>151,745</b>
<b>Balance at 31 March 2012</b>	<b>(8,737)</b>	<b>(1,047)</b>	<b>(23,980)</b>	<b>(1,587)</b>	<b>(2,394)</b>	<b>(8,673)</b>	<b>(46,418)</b>	<b>(430,665)</b>	<b>(477,083)</b>

## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT

2010/11				2011/12		
Gross Exp £'000	Gross Income £'000	Net Exp £'000		Gross Exp £'000	Gross Income £'000	Net Exp £'000
48,076	(14,123)	33,953	Adult social care	49,445	(12,890)	36,555
18,269	(14,425)	3,844	Central services to the public	16,121	(12,455)	3,666
181,677	(141,519)	40,158	Education and children's services	217,258	(155,088)	62,170
35,016	(5,750)	29,266	Cultural, environmental, regulatory & planning services	36,117	(6,992)	29,125
12,504	(4,281)	8,223	Highways and transport services	15,380	(6,186)	9,194
134,212	(45,734)	88,478	Local Authority Housing (HRA)	226,329	(45,741)	180,588
57,131	(53,568)	3,563	Other housing services	64,531	(58,190)	6,341
(19,280)	0	(19,280)	Exceptional Pension Costs (Note 42)	0	0	0
9,253	(3,677)	5,576	Corporate and democratic core	11,306	(2,578)	8,728
280	(503)	(223)	Non distributed costs	242	(16,702)	(16,460)
<b>477,138</b>	<b>(283,580)</b>	<b>193,558</b>	<b>Cost Of Services</b>	<b>636,729</b>	<b>(316,822)</b>	<b>319,907</b>
2,470	(1,859)	611	Other Operating Expenditure (Note 14)	3,165	(1,993)	1,172
39,752	(12,775)	26,977	Financing and Investment Income and Expenditure (Note 15)	18,912	(14,585)	4,327
0	(131,826)	(131,826)	Taxation and Non-Specific Grant Income (Note 16)	0	(149,686)	(149,686)
<b>519,360</b>	<b>(430,040)</b>	<b>89,320</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>658,806</b>	<b>(483,086)</b>	<b>175,720</b>
		(6,658)	Revaluation of Property, Plant & Equipment (note 39a)			197
		(15,758)	Actuarial gains / losses on pension assets / liabilities (Note 42)			53,292
		863	Other			0
		<b>(21,553)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>53,489</b>
		<b>67,767</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>229,209</b>

## BALANCE SHEET

31 March 2010 restated for Heritage	<b>31 March 2011 DC Restate £000</b>	<b>Notes</b>	<b>31 March 2012 £000</b>
925,297	846,367	22 &	
3,481	3,481	11	871,752
979	734	27	2,743
0	0	28	1,368
19,393	20,002	36	0
0	0	58	20,873
1,257	1,129	31	0
<b>950,407</b>	<b>871,713</b>		<b>993</b>
			<b>897,729</b>
			<b>Long Term Assets</b>
49,063	43,238	30	27,333
0	59	36	1,255
101	141	52	518
36,730	24,128	30 & 34	30,226
12,039	12,266	35	4,674
<b>97,933</b>	<b>79,832</b>		<b>64,006</b>
			<b>Current Assets</b>
(35,788)	(112,002)	30	(95,005)
(30,390)	(37,517)	30 & 37	(36,734)
(785)	(1,264)	11 & 29	(651)
<b>(66,963)</b>	<b>(150,783)</b>		<b>(132,390)</b>
			<b>Current Liabilities</b>
(355)	(350)	32	(111)
(113,439)	(28,220)	30	(189,118)
(134)	(124)		(104)
(135,555)	(104,936)	42	(153,579)
0	0		0
(2,463)	(1,814)	11 & 29	(2,389)
(2,202)	(3,537)	30	0
(11,792)	(13,505)	30 & 46	(6,964)
<b>(265,940)</b>	<b>(152,486)</b>		<b>(352,265)</b>
			<b>Long Term Liabilities</b>
<b>715,437</b>	<b>648,276</b>		<b>477,080</b>
			<b>Net Assets</b>
(33,161)	(38,815)	38	(46,448)
(682,276)	(609,461)	39	(430,632)
<b>(715,437)</b>	<b>(648,276)</b>		<b>(477,080)</b>
			<b>Total Reserves</b>



## CASHFLOW STATEMENT

2010/11 £'000		2011/12 £'000
	Net Consolidated surplus or (deficit) on provision of services	(175,720) 0
(89,320)	Net surplus or (deficit) on the provision of services	(175,720)
115,806	Adjustment to surplus or deficit on the provision of services for noncash movements	41,587
(30,014)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(37,076)
<u>(3,528)</u>	Net Cash flows from operating activities	<u>(171,209)</u>
1,268	Investing Activities	16,680
2,487	Financing Activities	146,766
<u>227</u>	Net increase or decrease in cash and cash equivalents	<u>7,763</u>
12,039	Cash and cash equivalents at the beginning of the reporting period	12,266
12,266	Cash and cash equivalents at the end of the reporting period	4,674

This page is intentionally left blank

# THURROCK COUNCIL

## Annual Governance Statement 2011/12

### CONTENTS

1.0	Scope of responsibility	2
2.0	The purpose of the governance framework	2
3.0	The governance framework	3
	The strategic planning framework	5
	Performance management framework	8
	Legal framework	9
	Financial framework	10
	Risk management framework	11
	Information Governance Assurance	12
4.0	Review of effectiveness of the governance framework	13
	Review of objectives	13
	Performance management and service planning	14
	Legal framework	15
	Financial framework	18
	Councillors' development	24
	Audit (internal/external) and the head of internal audit	24
	Risk management	25
	Anti-fraud and corruption, whistleblowing and money laundering	26
	Business continuity	27
	Information Governance	28
	Audit Committee	29
	The Scrutiny Committee	29
	Standards Committee	30
	External sources of assurance on the governance framework	31
5.0	Significant governance issues	33
	Appendix 1: Thurrock Council management structure	34
	Appendix 2: The terms of reference for the Performance Board	36
	Appendix 3: Supporting Strategic Boards	39

## 1.0 Scope of responsibility

Thurrock Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council approved and adopted a local code of corporate governance. This local code of governance is consistent with “Delivering Good Governance in Local Government” publication produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), which was published in July 2007.

This statement explains how Thurrock Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and 2011 in relation to the publication of a statement on internal control.

[The Council's financial management arrangement conforms with the governance requirement of the CIPFA \*Statement on the Role of the Chief Financial Officer in Local Government \(2010\)\* as set out in the application note to \*Delivering Good Governance in Local Government: Framework\*.](#)

Our website at:

[http://www.thurrock.gov.uk/democracy/pdf/governance\\_code\\_2010.pdf](http://www.thurrock.gov.uk/democracy/pdf/governance_code_2010.pdf) has a copy of the local code of corporate governance.

## 2.0 The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of

failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council has had the governance framework described below in place for the year ended 31 March 2012 and up to the date of approval of the statement of accounts.

### 3.0 The governance framework

The purpose of the governance framework is to do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

Full Council is responsible for directing and controlling the organisation in this manner. Full Council's responsibilities include agreeing the Constitution (except in so far as this function has been delegated to the Monitoring Officer) and key governance documents, the policy framework and key strategies including the Community Strategy (which sets out the community vision and priorities for the next ten years in Thurrock) and agreeing the budget.

Thurrock Council has executive and scrutiny arrangements in place consisting of a Strong Leader/Cabinet and various Overview and Scrutiny Committees. A new Corporate Parenting Committee was created on 29<sup>th</sup> February 2012 whose terms of reference are as follows:

***“To ensure that all elements of the Council work together to ensure that the children looked after by Thurrock get the best possible service that can be offered. The Committee will promote the role of all councillors as corporate parents and provide the robust vehicle for their mandate to be exercised on behalf of young people”.***

Cabinet is responsible for proposing the policy framework and key strategies, proposing the budget and implementing the policy framework and key strategies as set out in the Constitution. The scrutiny function allows a committee to question and challenge the policy and performance of the executive and promote public debate.

The Chief Executive advises councillors on policy and procedures to drive the aims and objectives of the authority. As head of the officer staff, the Chief Executive implements the resolutions made by the General Services Committee who under their terms of reference oversee the employment and conditions of staff that are not dealt with by Officers under delegated powers.

The Chief Executive leads a management team (Directors' Board) which includes the Directors (and Monitoring Officer on occasions). The Board is supported by:

- various Council wide strategic Boards, all of which are sponsored by a Director. The list of the Strategic Boards is shown in Appendix 3.
- a Leadership Group which is a wider group of senior managers including Heads of Service across the Council responsible for providing leadership to the services and ensuring consistency in the cross cutting strategies and policies of the Council.
- a group of senior managers that meet at the Managers' Conference which is held on the 5<sup>th</sup> Tuesday in a yearly calendar.

The Chief Finance Officer, the Monitoring Officer and Heads of Service are responsible for advising the executive, Council and scrutiny committees on legislative, financial and other policy considerations to achieve Thurrock Borough Council's objectives and are responsible for implementing councillors' decisions.

The Council also operates a Corporate Governance Group which meets monthly – comprising a number of the key statutory roles to ensure that the Council is in full compliance with its legal and statutory requirements.

The Council's management structure is at appendix 1 to this document. **[NB: The structure is being reviewed at the time of writing.]**

This year's Annual Governance Statement has been prepared in a very different environment compared to that prevailing at the time of the Council's last review of its governance arrangements in 2011. There have been some significant national policy changes such as the Localism Act 2011, the abolition of Comprehensive Area Assessments, NHS reforms and the abolition of some Urban Development Corporations, one of which was the Thurrock Thames Gateway Development Corporation. These changes have a direct impact on governance arrangement and the Council is actively working through the practicalities of some of these actions.

Our Corporate Plan and Medium Term Financial Strategy sets out the council's strategic objectives and corporate priorities, which are as follows:

- Improve the education and skills of local people
- Encourage and promote job creation and economic prosperity
- Ensure a safe and clean environment
- Provide and commission high quality and accessible services that meet, wherever possible, individual needs
- Build pride, respect and responsibility in Thurrock's communities and its residents

The Council also adopted an Organisational Development Strategy in December 2010 which sets out the Council's values as follows:

- **Leadership** – we interpret our complex environment and inspire through clear direction, support and behaviour
- **Passionate** – energetic and positive about what we do
- **High Performing** – innovative and change orientated, we take personal responsibility for improvement
- **Confident** – we are clear about our priorities and our ability to deliver
- **Fair** – we are fair and unbiased as a service provider and employer, promoting dignity, equality and respect for all
- **Integrity** – we conduct our business openly and honestly, engaging people to generate trust and advocacy

The objectives contained within the Organisational Development Strategy is implemented through a delivery plan, which is further transposed into an annual work plan which is refreshed at the start of each financial year and aligns with Human Resources Service Plans.

The Council has established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. This is underpinned in the Community Engagement Strategy 2011 – 2016 (adopted by Full Council on 30<sup>th</sup> March 2011), the objectives of which are:

- Develop and support communities and local people to get involved
- Support Councillors to be leaders for their communities
- Establish a coordinated, efficient and value for money partnership approach to community engagement

Thurrock Borough Council ensures that clear opportunities are provided to inform, consult and involve residents and community groups across the borough whether it is regarding a routine council function or is one of significant decision. The Communications Officer has fostered a good working relationship with the local press and works closely with them to communicate with the community.

## THE STRATEGIC PLANNING FRAMEWORK

To ensure we do the right things, in the right way, for the right people, in a timely, inclusive, open, honest, cost-effective and accountable manner, our strategic planning framework incorporates residents' and service-providers' views as well as national and local priorities.

The Community Strategy articulates the Council's overarching vision for Thurrock which is **"to be the dynamic heart of the Thames Gateway, a place of ambition, enterprise and opportunity, where communities and businesses flourish."** The Council has adopted five strategic priorities and objectives to deliver the vision. The Corporate Plan and Medium Term Financial Strategy 2012-15 cascades the Community Strategy into the Council's corporate strategic planning process.

The strategy was developed in partnership with public, voluntary, community and private sector organisations. The Council has adopted five strategic priorities and objectives to deliver the vision. The Council cascades the Community Strategy into its business planning framework through the Corporate Plan and Medium Term Financial Strategy which is kept under review and was updated and approved by Full Council in February 2012.

The Council's approach to managing its finance and the objectives and priorities set out have been used as the main drivers for determining the allocation of resources over the medium term. The financial plan has been developed to ensure that the key targets are met and the maintenance of adequate contingencies and balances, and the aim to keep Thurrock's Council Tax increases as low as possible. The Medium Term Finance Strategy is based on an analysis of the key influences on the Council's financial position and an assessment of the main financial risks facing the Council.

The Council has a strong record of delivering services within budget and over the past 2 years the Council has increased its balances to £8m by improving efficiency and making cost savings and restructuring the debt portfolio.

The Council has also approved a new Policy Framework arrangement which will ensure that key strategies are reviewed and aligned to the Council's strategic priorities. The Strategy Board set up in July 2011 will coordinate and enable the preparation of statutory and key strategies of the Council. The Board will advise officers responsible for writing key strategies to ensure that all strategies are aligned to the Council's vision, values and strategic priorities, and integrated where necessary. The Strategy Board will ensure consistency of key strategies by developing guidance templates and offering support.

Our planning framework which incorporates the Local Development Framework, a set of planning policy documents, (most notably the Core Strategy, which was adopted on 21<sup>st</sup> December 2011) and sets out how we will use land, has been the basis to achieve both our partners' and our wider objectives. We also carry out regular consultation with residents and service-users to identify their priorities for service improvement and how satisfied they are with our services.

The Council has in the financial year 2011/12 adopted other strategies including:

- **Housing Strategy**



This strategy will assess the current and future housing market to achieve a supply of homes that meet the housing needs of communities in Thurrock and the Borough's ambitions for growth. It links to the community strategy to reflect the role that housing growth can play in the regeneration of Thurrock. It also links and integrates with other council and partnership strategies. These include the delivery of affordable housing, preventing and tackling homelessness, meeting the needs of vulnerable and older people and improving the quality of our housing stock and the lives of our residents.

- **Asset Management Plan**

The Council has agreed a new Asset Management Delivery Plan (AMDP), focusing its high level strategy to a more detailed level. This included the principle of a phased disposal programme of operational and commercial property.

Work has also begun on other key areas of the AMDP:

- Rationalising the commercial and operational property portfolio, reducing running costs and using the proceeds to finance property transformation and contribute to the savings requirements of the Medium Term Financial Strategy
- Concentrating administrative activities in a revitalised Civic Office building in Grays, supported by a small number of new, "community hubs" for local service delivery.
- Establishing a centralised asset management team to manage both the transformation and the revised portfolio – with all property thenceforth regarded as a corporate asset rather than departmental.

This strategy is being supported by improving the quality of the information kept on the Council's land and property assets, with details of value, costs, income and operational importance. The vision being pursued is of a Council property portfolio which is smaller than currently, and takes full account of the council's priorities and plans for regeneration, delivering operational requirements, supporting communities and maximising value.

- **ICT Strategy 2011 – 14**

The strategy sets out the agenda and framework for the management and investment in ICT for the next 3 years. The aim of the strategy is to provide a context and vision by which Thurrock Council will utilise and implement ICT to improve the lives of Residents, staff and cost base of the Council.

The strategy will be regularly monitored by CISD to ensure it is on target, identify changes and to learn from mistakes. The strategy will be

reviewed on an annual basis to ensure it is still relevant to Directorates and any significant changes will need to go through Directors Board.

The Strategy is deliberately intended to be more than a Strategy document. It seeks to communicate the context and history for ICT within the Council and, from this, develop a future sustainable ICT Platform for delivering the Councils requirements and needs. This is to be refreshed on an annual basis.

## PERFORMANCE MANAGEMENT FRAMEWORK

The Council has a Performance Management Framework through which the achievement of objectives, quality of service and use of resources is measured. The Performance Management Framework, which works on the “Plan-Do-Review-Revise” cycle and covers all areas of performance management including the balanced scorecard process, corporate planning cycle, risk and opportunity management, use of statistical evidence and data quality.

The Corporate scorecard monitors the key performance indicators relating to progress against key strategic objectives within the Corporate Plan/MTFS. This is monitored by the Performance Board on a monthly basis and is formally reported to the Corporate Overview and Scrutiny Committee (quarterly) and Cabinet (monthly) and also by way of an Annual Performance Report. The Performance Board is a cross council group of performance experts tasked with ensuring that the Council’s Performance and Risk & Opportunity Management Frameworks are embedded and support the improvement of the Council’s service. The Board provides assurance that the Council is delivering against its priorities. In the event of underperformance the Board makes recommendations to Directors’ Board to commission recovering planning. Furthermore, the Performance Board acts on behalf of the Directors’ Board in providing overview and scrutiny over service based performance on an exception basis.

The performance management framework flows through the authority, down to an individual employee level. Each employee has a one to one performance development review, part of this process being to identify development needs.

The key performance indicators are reported through the Council’s centralised corporate performance management system, Inphase Performance Plus.

The Performance Management Framework is due for the next review in 2012.

### **How the Corporate Scorecard is reported and monitored**

<b>Group</b>	<b>Role</b>	<b>Audience</b>
Service O&S Committees	Chairs forwarded corporate performance report where an issue relates to that Committee	<b>Members &amp; Public</b>
Corporate Overview & Scrutiny <i>(quarterly)</i>	Receive quarterly report on Corporate Scorecard. Provide challenge and request any further actions/ reports regarding the performance against the Corporate Plan	
Cabinet <i>(monthly)</i>	Receive monthly report on Corporate Scorecard. Consider recommendations from Directors Board and request any further actions. Recommend report to O&S.	
Directors' Board <i>(monthly)</i>	Receive monthly performance reports of Corporate Scorecard. Consider recommendations from Performance Board and request any further actions	<b>Internal</b>
Performance Board <i>(monthly)</i>	Pan Council performance specialists consider "RED" and "Changed" corporate KPIs, provide challenge and request action plans, decide upon focus for DB. Consider Service KPIs by exception.	
Corporate Scorecard & Service Scorecards	Service dialogue with Head of Service and Director	

The terms of reference for the Performance Board (subject to changes in 2012/13) is shown in appendix 2.

The Council also works with its partners in delivering services and operates the following governance arrangement:

- The Council delivers a significant proportion of its services through its strategic service partnership contract with Vertex (which has now been taken over by SERCO Public Services Ltd – a wholly owned subsidiary of SERCO Group Plc). The strategic direction of the partnership is governed through the Strategic Partnership Board and key risks are reviewed annually by Business Development Managers (client side) and representatives of SPSL. The Commercial governance and operational performance issues are managed through the Partnership Operations Board. Reports are also provided to meetings of the Corporate Overview and Scrutiny Committee
- The Council delivers its housing responsive repairs and voids services via a term contract with Morrison Facilities Services. This runs for 5 years from August 2010 with an option for the Council to extend.

## LEGAL FRAMEWORK

Roles and responsibilities for Cabinet, Council, Overview and Scrutiny and all Committees of the Council, along with officer functions are defined and documented, with clear delegation arrangement and protocols for effective communication within the Council's Constitution. The Constitution is regularly

reviewed and updated, with amendments discussed with the Constitution Working Group (which consists of 7 members) and thereafter agreed periodically at the Annual Council meeting.

All decisions are made in accordance with the requirements of the Constitution and the scheme of delegation, which forms part of the Constitution. The monitoring officer will report to Full Council or to Cabinet if it is considered that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration.

In the role of Monitoring Officer, the Head of Legal and Democratic Services contributes to the promotion and maintenance of high standards of conduct through support to the Standards Committee.

The Constitution includes our code of conduct for councillors which all Members sign up to upon election to the Council. This is a national code, approved by Parliament, and was revised in 2007. The Council adopted the revised code and training is provided to Members periodically to ensure that they are fully aware of their responsibilities. (The national Code of Conduct will cease to apply at the end of June 2012 and work is in progress to enable the Council to adopt a new code of conduct.). Employees are also subjected to a Code of Conduct and a number of specific policies set out in the Human Resources Framework. All new members of staff receive one to one induction training with their line manager and attend an induction training session.

The Localism Act came into force on 15<sup>th</sup> November 2011 which includes five key measures that underpin the Government's approach to decentralisation:

- Community rights
- Neighbourhood planning
- Housing
- General power of competence
- Empowering cities and other local areas

The Council is already taking action to meet with the requirements under the Act and will further monitor the implication of the Act over the course of 2012/13. This is being coordinated through the Strategy Board led by the Assistant Chief Executive.

## FINANCIAL FRAMEWORK

The section 151 officer is responsible for the overall management of the financial affairs of the Council. The section 151 officer determines all financial systems, procedures and supporting records of the Council, after consultation with heads of service. Any new or amended financial systems, procedures or practices are agreed with the section 151 officer before implementation.

The Full Council is responsible for approving the following:

### **CORPORATE PLAN AND MEDIUM TERM FINANCIAL STRATEGY**

The medium term financial strategy sets a stable financial framework within which the Council operates, and it is reviewed annually. It guides the medium term financial plan that is reported to councillors during the budget setting process.

### **TREASURY MANAGEMENT STRATEGY**

The treasury management strategy governs the operation of the Council's treasury function, and is reviewed at least annually. This strategy includes parameters for lending and borrowing, and identifies the risks of treasury activity.

### **REVENUE AND CAPITAL BUDGET SETTING**

Both revenue and capital budgets are set by Full Council. Revenue budget setting includes both the calculation of the council tax base and the surplus or deficit arising from the collection fund.

Cabinet has overall responsibility for the implementation of the Council's financial strategies and spending plans, and is authorised to make financial decisions subject to these being consistent with the budget and policy framework and the Constitution.

Heads of service are responsible for ensuring the proper maintenance of financial procedures and records, and the security of assets, property, records and data within their service area.

The Chief Executive, strategic directors and heads of service consult with the Head of Corporate Finance and the Head of Legal and Democratic Services on the financial and legal implications of any report that they are proposing to submit to the Full Council, a committee (or sub-committee), or Cabinet.

### **RISK MANAGEMENT FRAMEWORK**

Risk management is important to the successful delivery of our objectives. An effective risk management system identifies and assesses risks, decides on appropriate responses and provides assurance that the chosen responses are effective. Our risk management approach has been in effect for a number of years and was built on in 2008 to incorporate opportunity management. The overall responsibility for effective risk and opportunity management in the Council lies with the Chief Executive supported by the Director of Transformation and the Corporate Performance team. We use a standard risk and opportunity management methodology which encompasses the identification, analysis, prioritisation, management and monitoring of risks and opportunities.

Councillors have a responsibility to understand the strategic risks and opportunities that the Council faces, and are made aware of how these issues are being managed through regular reports to the Audit Committee.

The Performance Board with some consultancy from the Corporate Performance Team work with services to regularly review and update the Strategic/Corporate Risk and Opportunity Register.

The Council have mainstreamed and integrated the refresh of service risk/opportunity registers with the annual service planning cycle, so that management response arrangements for risk and opportunities can be included in service plans.

Service risk and opportunity registers are in place for each service area and all heads of service are responsible for ensuring that risks and opportunities are identified, prioritised and entered onto the risk/opportunity register. Service risk and opportunity registers are reviewed and updated each quarter under the risk and opportunity framework.

All line managers are responsible for implementing strategies at team level by ensuring adequate communication, training and the assessment and monitoring of risks and opportunities. All officers are responsible for considering risk and opportunity as part of everyday activities and provide input to the risk and opportunity management process.

All services have a plan relating to business continuity to ensure that priority services can continue to be delivered to our customers in the event of an unforeseen disruption.

The Audit Committee undertakes the core functions of an audit committee in accordance with the terms of reference set out in the Constitution.

### Information Governance Assurance

The Council's arrangements for information governance have historically been strong although a serious privacy breach can take place at anytime and by any member of staff or Member. Serious privacy breaches could expose the Council to Information Commissioner Office (ICO) intervention and/or financial penalties.

There are a range of data sets the Council could publish as part of the "*Code of Recommended Practice for Local Authorities on Data Transparency*". This is currently not a mandatory requirement, however Ministers have stated that they may in the future make the code a legally binding requirement to ensure authorities can be held fully accountable to the local people they serve. This work will be delivered.

On the 23 January 2012, the ICO and Department for Communities and Local Government (DCLG) sent a joint letter to all local authority Chief Executives,

emphasising the importance of good information governance in ensuring transparency, providing people with confidence that their personal information is being handled properly, and in protecting the vulnerable.

The letter reminded the local authority community, that back in April 2010 the ICO were given powers to issue fines of up to £500k, for serious breaches of the data protection principles. It should also be noted that the ICO have had to use these powers in relation to a number of local authorities.

The DCLG and ICO have outlined some actions that all local authorities can and should take to reduce the likelihood of fines being imposed on them. They are of the view that all council's should:

- Have identified a trained Board level individual to act as the SIRO
- Continuously make staff aware of the existing information governance policies, emphasising the importance of adhering to such policies and that a breach of policy will be regarded as a disciplinary matter.
- Ensure that all staff undertake regular and relevant information governance training

#### 4.0 Review of effectiveness of the governance framework

The Council has responsibility for conducting, at least annually, a review of the Effectiveness of its governance framework including the system of internal control.

The review of effectiveness is informed by the work of the managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The following highlights our review of our governance framework and sets out the assurances of committees, officers and external organisations.

##### REVIEW OF OBJECTIVES

To ensure that we are doing the right things in the right way and for the right people, in 2011/12 Thurrock Borough Council undertook a major review of the Corporate Plan and adopted the Corporate Plan and Medium Term Financial Strategy 2012/15.

The Corporate Plan and MTFs sets out the strategic direction of the Council, and how it contributes to the delivery of the Community Strategy. In addition, it also addresses how the Council will meet the financial challenges in delivering the priorities.

The Corporate Plan / MTFS cascades the Community Strategy into the Council's corporate strategic planning process and informs the key service plans and objectives. The plan sets out the Council's strategic objectives for 2015 and how it will achieve those objectives.

The Council will update and review the Plan annually to ensure that it remains current in the years leading up to the next redrafting of the plan.

The Council also approved a Policy Framework arrangement in February 2012 which will ensure that key strategies are reviewed and aligned to the Council's strategic priorities.

The Strategy Board set up in July 2011 will coordinate and enable the preparation of statutory and key strategies of the Council. The Board will advise officers responsible for writing key strategies to ensure that all strategies are aligned to the Council's vision, values and strategic priorities, and integrated where necessary. The Strategy Board will ensure consistency of key strategies by developing guidance templates and offering support.

Action:

**Ensure that the strategies and plans subject to annual reviews are undertaken and reported to Cabinet and Full Council.**

## PERFORMANCE MANAGEMENT AND SERVICE PLANNING

In recent years, we have looked to improve the consistency of performance management throughout the Council. To do this, we published a performance management framework, and promoted its uptake via an interactive intranet site.

Performance Board receive quarterly summary reports on service performance across the Council. An example of such is the performance of the Council's Development Management Service on the processing of planning applications. In 2011 -12, performance not only exceeded target but placed Thurrock in the top 2% of authorities in the whole country. This is a key element of the wider regeneration agenda and ensuring excellent customer service.

The Service Planning guidance was also updated in December 2011 and embedded directly into the service planning templates, which is available on the intranet

Thurrock Council also undertook a Peer Review in early December 2011. The Review focussed on key corporate governance areas of leadership, finance and capacity together with key priorities of educational attainment and regeneration. The Review was carried out by a team of members and managers that were sourced from across the local government sector. The



Review Team has submitted its final report to the Council which has identified a number of strengths and areas for improvement.

The recommended improvement areas are around the following themes:

1. Capacity
2. Budget
3. Stability
4. People

An improvement plan has been prepared to address these issues and will be monitored through Cabinet and Overview and Scrutiny Committee.

The combination of the approaches listed above is that the Council has a strong focus on delivering priorities, managing performance against targets, and progressing actions.

Inspections undertaken during the 2011/12 financial year include the following:

### **Children's Services**

1. An OFSTED inspection of the Council's adoption service concluded that the overall quality rating is good.
2. The Annual Performance Assessment conducted by Ofsted concluded that Children's services in Thurrock Council perform adequately, as in 2010. The report highlighted areas for further improvements which are being undertaken in the course of 2012/13.

In relation to the Morrison contract for the housing responsive repairs, the Council has strengthened its governance of the partnership by resourcing monthly audits of costs submitted from April 2012 as well as undertaking a retrospective audit of the outturn costs for 2011/12. Performance measurement based on contract Key PIs is monitored at monthly contract forums and this is to be enhanced by the commissioning of an independent customer satisfaction survey sampling the full range of repairs services from July. It is also intended in the July-September quarter, to table proposals to review the way Morrison is paid, linking this to an audit plan to be agreed with internal auditors, addressing the comments in the latest responsive repairs internal audit report and incentivising performance.

### LEGAL FRAMEWORK

At its meeting on 8<sup>th</sup> June 2011, Cabinet approved proposed changes to the Senior Management Structure, the aim of which was to ensure that the Council becomes and remains more focussed on service outcomes and on delivering quality services to all of the communities in Thurrock. The changes centred on the following:

- The creation of the Chief Executive Delivery Unit
- Creation of a new post of “Director of Planning and Transportation”
- Creation of a new post of Director of Housing
- A new and broad Director role titled “Director of People Services”
- Creation of a new post of “Director of Environmental Services”

At its meeting on 18<sup>th</sup> February 2011, Cabinet agreed a pilot, under which the London Borough of Barking and Dagenham (LBBD) would second from Thurrock, for the period 1 April 2011 to 31 March 2012, the Head of Legal Services to jointly fulfil the role as head of service and Monitoring Officer for both authorities on a shared basis. A review of the sharing arrangement was undertaken and on 22<sup>nd</sup> February 2012, the Council agreed that the current shared arrangements are progressed to Phase Two, which will see joined up legal teams between Thurrock and LBBD.

Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place its officers at the disposal of another authority. Staff who are made available under such an arrangement are able to take binding decisions on behalf of the Council at whose disposal they are placed, although they remain an employee of their original authority for employment and superannuation purposes. This legislation therefore allows officers to be shared between the two councils.

The Constitution was reviewed twice during the year to ensure it is up to date. The “consequential amendments” have covered:

- changes in the law;
- changes to portfolios held by Cabinet Members;
- decisions taken by the Council in respect of Members’ Allowances and Outside Bodies;
- changes to the Officer Structure;
- changes to Officer Scheme of Delegation; and
- minor formatting and typographical errors.

The monitoring officer did not need to use any statutory powers during the year.

The Legal Services team was awarded Lexcel in April 2009. This accreditation is a quality mark which the Law Society has developed and which is only awarded to legal practices that undergo rigorous independent assessment each year to ensure they meet the required standards of excellence in areas such as customer care, case management and risk management.

The Government announced in September 2010 that the Thurrock Thames

Gateway Development Corporation (TTGDC) would cease at the end of March 2012 and that its functions, including its assets and liabilities, would be transferred to Thurrock Council. The transfer was enabled by the making of an Order by the Secretary of State conferred by section 165B of the Local Government, Planning and Land Act 1980.

The Order is set out in three Statutory Instruments prepared by Government which are:

- The Thurrock Development Corporation (Transfer of Property, Rights and Liabilities) Order 2012
- The Urban Development Corporations (Planning Functions) Order 2012
- The Thurrock Development Corporation (Dissolution) Order 2012

The governance of the overall process was managed by the Thurrock Localisation Board. Council officers undertook a considerable amount of due diligence on the information provided on contracts and assets to be transferred from TTGDC to the Council. The due diligence work was done to allow the Council to reach a view about the risks associated with the assets and liabilities being transferred. As well as ensuring the Council becomes aware of what it is inheriting the due diligence process has informed the financial negotiations with DCLG. The functions, liabilities and asset of the Development Corporation became absorbed into the Council on 31<sup>st</sup> March 2012.

The Health and Social Care Act 2012 places new responsibilities onto local authorities and will result in new commissioning arrangements within the NHS that have significant implications for local authorities in general and Thurrock in particular. Specifically:

- Primary Care Trusts will be abolished from 1<sup>st</sup> April 2013;
- NHS Commissioning responsibilities will pass over to locally based Clinical Commissioning Groups (CCGs);
- Local authorities will have a statutory duty to establish Health and Well-being Boards as local partnership, system leaders;
- Certain Public Health functions will pass over to the local authority from 1<sup>st</sup> April 2013;
- The local authority will have a duty to commission Healthwatch which will replace the Local Involvement Network (LINK).

These changes offer significant risks but also significant opportunities for the local authority both in terms of developing joint services with health partners but also in the new responsibilities that will be passing over to local government.

To respond to these challenges Thurrock has put in place the following:

- Established a Public Health Transition Board chaired by the Chief Executive to oversee the transfer of Public Health responsibilities to the Council;
- Seconded over a senior member of staff from the PCT as Health Transition Manager to oversee the commissioning changes;
- Established a Healthwatch steering group chaired by our Head of Commissioning;
- Reached agreement to have a single CCG for Thurrock which will have a Thurrock Council representative on its Board and its Executive Team. Also we will be establishing some joint commissioning posts with Thurrock CCG and basing their officer team within the Civic Offices in Grays.
- Established a Shadow Health and Well-Being Board chaired by the Portfolio holder for Health – Cllr Barbara Rice – which is overseeing all the various changes.

Action(s):

**To further review the Constitution to meet:**

- **the requirements of good governance arising from the joint working arrangements with London Borough of Barking and Dagenham.**
- **Legislative changes arising from the Localism Act and other relevant legislative requirements**

## FINANCIAL FRAMEWORK

### **FINANCIAL REPORTING**

Formal budget monitoring information for both revenue and capital income and expenditure was produced every month from June onwards during the financial year. These were sourced from the financial management system and sets out the budgets, which are profiled along with actual transactions and was sent to heads of service and managers every month. Additionally real time information is provided through the General Ledger and associated systems.

Every month, heads of service are required to submit a return to accountancy, which provides reasons for current variances, and forecasts the end of year outturn position.

Corporate Finance collate the heads of services' returns into a budget monitoring report which is considered by Directors Board every month and Cabinet every quarter.

These reports highlight the key variances being reported by each service, allowing management and Cabinet to focus on them.

The Cabinet budget monitoring reports include details of any virements considered necessary within the quarterly budget monitoring reports. By making budget transfers in-year, we are able to realign resources to ensure that overspends do not impact on our ability to deliver other services.

For all committee reports for which a decision is required, a “financial implications” section is included which details the actual, and potential, financial consequences of the decision being taken. We ensure that this information is accurate and relevant by ensuring that it is verified by a member of the Financial Team.

Officers keep up to date with the latest developments in accounting, which enable them to be prepared for the changes in accounting practice that affect the preparation and presentation of the financial statements. Accountants that attend training courses report back to the rest of the accountancy team on the content of the course. In 2010/11 the team undertook formal training provided by CIPFA.

Each year’s accounts and annual audit letter are available to the public and are published on the Council’s web site. We can make them available in accessible formats. To assist the public in understanding the accounts, we have included an explanatory foreword in the financial statements that explains the purpose of the accounts and summarises the key messages arising from them. We have included a glossary of terms within the accounts to aid understanding.

## **BUDGET MONITORING**

Accountants meet with all service heads or their staff monthly during the financial year to discuss performance against budget and to highlight areas of potentially significant over or under spend. We use this information to prepare the quarterly budget monitoring reports presented to Cabinet, and to substantiate any in-year budget transfers or supplementary estimates required to meet changing circumstances. The in-year monitoring of budgets enables the budget setting process to be based on the very latest estimates of income and expenditure.

Every year the Council sets a comprehensive and balanced budget, which is proved to provide adequate resources by the absence of overspends against total budget in recent years.

The Council’s budget planning cycle is well established. We complete the annual budget for consideration by Cabinet by February, before it is discussed and approved at Full Council later that month. Scrutiny Committee reviewed the budget during October to February.

When the budget is set, the monitoring of income and expenditure against budget continues throughout the financial year by the Chief Finance Officer. Cabinet formally receives budget monitoring reports every quarter, culminating in an outturn report that reflects on the overall performance against budget for the previous year. These are based on returns provided by the heads of service.

## **TREASURY MANAGEMENT STRATEGY**

The Council's treasury management strategy, which Council agrees annually, sets out the Council's policy on managing its investments, which ensures that it has sufficient cash to meet its needs, and that returns are maximised whilst maintaining the security of the Council's assets. The strategy has regard to the Code of Practice for Treasury Management, and the CIPFA Prudential Code.

We report performance against the strategy to Cabinet half yearly.

Cabinet take responsibility for ensuring effective scrutiny of the treasury management strategy, policies and performance in accordance with the CIPFA Prudential code and CIPFA Treasury management code, which were revised in December 2009.

All the arrangements detailed above demonstrate that the Cabinet and the Chief Financial Officer's team exercise collective responsibility for financial matters. The Chief Financial Officer takes responsibility for the stewardship of use of resources and financial accountability.

## **ORACLE**

The Council agreed to upgrade the Oracle financial system and this went live in 2012/13. One of the key improvements that this upgrade will bring is improved reporting and information for each budget manager, including an improved ability for managers to interrogate the system themselves. The Council has also taken the opportunity to improve its Chart of Accounts that, going forward, will improve both financial reporting and the completion of the accounts.

## **CHANGES IN FINAL ACCOUNTS PROCESS FOR 2011/12 OVER 2010/11**

The Council received an unqualified External Audit Opinion, in April 2012 for its 2010/11 accounts some six months after the statutory date. There were a number of issues that led to this and they have been widely reported to the Audit Committee and Full Council. This led to a section 11 report from the District Auditor requiring the Council to strengthen its processes. The section 151 officer has implemented a number of improvements and has reported this to each Audit Committee.

In drawing up its accounts for 2011/12 the following factors have had to be taken into account:

a) Introduction of a hierarchy of referral in drawing up appropriate accounting policies

In drawing up accounting policies Thurrock has, with the overriding objective of clarity to the users of accounts draw upon, in order of influence

1. UK Statute and EU Law, as the prime driver
2. The Chartered Institute of Public Finance and Accountancy Code of Practice on Local Authority Accounting (CIPFA CODE),
3. Other policies of other UK organisations, such as Government (IFReM), NHS and private sector, where the CIPFA CODE is silent or allows judgement
4. The International Accounting Standards Board framework and standards
5. Best International Practice, from other countries with several years of municipal IFRS accounting

b) Changes in the regulatory framework as encapsulated in the CIPFA CODE

In response to both International Financial Reporting Standard and operational imperatives, CIPFA have recommended the following changes to English municipal reporting requirements:

- 1) Inclusion of Heritage Assets. In 2010/11 the presence of these assets needed to be assessed and their existence noted. For 2011/12 there are distinct reporting and disclosure requirements. The definition of a Heritage asset includes the concept that it is held for its contribution to knowledge and culture. CIPFA makes no requirement for valuation other than that which benefits the users of accounts.
- 2) There are new disclosure requirements for exit packages.
- 3) Reintroduction of a note on the number and nature of trust funds held by the Authority, at present 2two environmental and one personal
- 4) Additional disclosures for financial instruments

c) New impacts relating to the scope of the Councils business activities

With effect from 30<sup>th</sup> March 2012 Thurrock will acquire the assets and liabilities of the Thurrock Thames Gateway Development Corporation.

Thurrock staff are working closely with colleagues from the TTGDC on budgets, asset valuation and annual financial statement closure to ensure as smooth a transition as possible.

Of course this dynamic environment is made even more intricate by the 2012/13 addition of a new valuation method for the Authorities highway assets. Currently valued at historic cost they will be revalued at depreciated replacement cost. Thus the 2011/12 accounts with the heritage and TTGDC issues will be further changed in 2012/13.

It is necessary therefore to add a stage to the 2011/12 closedown process that produces a simplified and clarified version of the accounts after statutory production to the Audit Committee on 28<sup>th</sup> June 2012.

This stage however will not be subject to audit.

d) Improvements to the Councils internal processes in response to cost, management, oversight and Audit drivers in 2011/12 and 2012/13

Producing the Annual Financial Statements can be viewed as an end in itself but does present opportunities for valuable inputs into the financial cycle of the Council, such as prior year expenditure, recording the volatility of its non current asset base and stating the financial position which is especially relevant at times such as this. A major objective of current investment activity in the financial system is the long term goal of interim balance sheets, cash flow and asset management information.<sup>1</sup>

In 2011/12 closedown activity is being formally project managed for the first time. Staff resources both financial and departmental are being mapped into distinct time frames with quality control systems to deliver outputs on time on budget. The system being used will provide costing information to drive future efficiencies.

Thurrock is entering a period of accounting transition and expansion with the addition of development corporation assets and liabilities, improved highways accounting and recognition of heritage assets. Such fundamental changes in the balance sheet financial position, does question the validity of traditional ratio analysis in a period of rapid change.

Within best International practice the determination of financial resilience is an iterative process that can be summarised down to 12 factors. The sequence of factors is deliberate covering solvency to sustainability. Initial factors focus on cash fundamentals, then factors relating to collection rates and revenue growth and finally factors relating to revenue protection and overall financial outcome measures.



Given that our process is an iterative process if there is a problem with one factor it means that there must be an adjustment in financial strategy to correct the Authority's financial position

The selection of indicators applied can be deduced from budgets, prudential indicators and Annual Financial Statements to ensure ease of calculation and degrees of verification by external stakeholders.

Action:

- **To build on the Oracle system upgrade to further improve financial management and reporting.**
- **To undertake a review of skills and competencies of finance staff to target level of investment to improve capacity, capability and better performance within an appropriate competency framework.**
- **Finance team to undertake in 2012/13 the CIPFA Public Accounting examination to assess capability and identify areas for improvement and development.**
- **To establish a virtual network with other municipalities at home and internationally on financial matters.**
- **To develop the range of indicators and integrate them into the monitoring regime.**
- **To put in place and thereafter monitor during 2012/13 the required processes to restate the transferred assets and liabilities within Thurrock's accounting policies.**
- **To keep the number of financial resilience factors to the optimum level that can provide the Council and other stakeholders with compliance confidence without becoming overly unwieldy and complex, although it is accepted that a range of other factors also could be included. Once budgets have been compiled this analysis can be produced as a simple by product that can be monitored monthly.**

## **COMMENT ON THE ROLE OF THE CHIEF FINANCE OFFICER**

The section 151 officer, or chief financial officer, has a responsibility to ensure that an effective internal audit function is resourced and maintained. The Council's outsourced internal audit function is provided by RSM Tenon and led by a Director of RSM Tenon who acts as Head of Internal Audit. There is a permanent on-site team led by a Client Audit Manager.

The Council requires internal audit to provide an effective service in accordance with professional standards, and internal audit officers must abide by the Institute of Internal Auditors Code of Ethics and receive suitable training and development to maintain the appropriate skills, experience and competence. The performance of internal audit is subject to annual review through an annual report by the Audit Committee that also considers key issues from specific audit reports.

### COUNCILLORS' DEVELOPMENT

We offer councillors a comprehensive induction programme. Soon after the last election, councillors were invited to an induction evening to sign their declarations of acceptance of office and to sign up to the code of conduct. At the induction session, councillors met the Chief Executive and Monitoring Officer and also indicated their training needs. Training sessions on planning have been undertaken with Members and licensing and other trainings have also been scheduled with needs assessment taking place in order to provide further relevant training.

### AUDIT (INTERNAL/EXTERNAL) AND THE HEAD OF INTERNAL AUDIT

Internal audit is an independent assurance function that primarily operates in accordance with best practice professional standards and guidelines. It reviews on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives, and contributes to the proper, economic, efficient and effective use of resources.

Internal audit reports are presented to the Audit Committee on a quarterly basis and at the July meeting through the Head of Internal Audit's annual assurance opinion on the overall internal control and governance environment. Any individual internal audit review judged "red" or "red/amber" is subject to a timely action plan and follow up audit.

The Head of Internal Audit's overall opinion in the Annual Audit Report 2011/12, to be submitted to Audit Committee in July 2012 is that the overall control environment was amber, corporate governance arrangements were green and risk management was amber. These are all positive assurance opinions but the amber ratings indicates that there were some areas where weaknesses were identified and need to be addressed.

The External Auditor concluded that for 2010/11, the arrangements for producing the Council's accounts and supporting working papers were inadequate. The main issues identified resulted from errors in the restatement of the 2009/10 accounts and opening balance sheet to meet international financial reporting standards (IFRS). However, there were also many instances where figures within the accounts did not agree to supporting working papers and also where working papers included errors. To ensure the Council takes appropriate action to address the significant issues identified during this year's audit, the Auditors made recommendations to the Council under Section 11 of the Audit Commission Act 1998.

Action:

- **The Council has already taken significant steps to improving the project management, capacity and capability relating to the production and publication of financial information. This will be reviewed at the close of the audit and further improvements made as necessary.**
- **Council will put in measures to ensure that areas of weakness highlighted in the individual Audit Reports are addressed as a high priority. This will improve the Council's overall control environment.**

## RISK MANAGEMENT

An annual review of Risk and Opportunity Management is undertaken using the ALARM/CIPFA Risk Management Benchmarking Model. This model is designed to test and compare the Council's performance against:

- The major risk management standards.
- The criteria that informs the risk management element of the Annual Governance Statement.
- Other public services organisation arrangements.

The results of the review and the plans to remodel the Council's Risk and Opportunity Management arrangements were reported to Audit Committee 7 December 2011. The report showed that the Council had attained level 3 (Working) out of 5 levels (where 5 is best).

The benchmarking exercise revealed that with some further work the Council's Risk and Opportunity Management arrangements could be enhanced to meet a higher standard.

Action:

**The 2011 benchmarking exercise revealed that with some further work the Council's Risk and Opportunity Management arrangements could be enhanced to meet a higher standard and the Council has already taken steps to improve the practice of risk and opportunity management:**

- **The Performance Board developed and implemented a set of outline responsibilities to ensure the effective delivery of Risk and Opportunity Management across the Council.**
- **The review and reporting arrangements of the Strategic/Corporate Risk and Opportunity Register were revised by Performance Board. A review using the new arrangements was undertaken during**

**November/December 2011 and the outcome the exercise reported to Directors Board 10<sup>th</sup> January 2012.**

- **The Corporate Performance Team in conjunction with the Performance Board had developed the revised Risk and Opportunity Framework and this had been agreed at the Performance Board on 2 December 2011.**

**Further improvements to the Council's Risk and Opportunity Management arrangements were identified by the 2012 benchmarking exercise undertaken in May 2012. Action to address the key improvement opportunities identified by the review include:**

- **Maintain annual benchmarking/review arrangements for ROM and production of annual plan and annual report for ROM to Audit Committee, via Directors Board and Performance Board.**
- **Invest in and develop management capacity by providing ROM training through the Leadership Framework.**
- **Provide ROM Awareness training to the Audit Committee and Members through the Member Development Programme**
- **Through Performance Board work with client department/services to identify key partnerships, the current ROM practices applied and the areas for improvement.**
- **Through Performance Board improve the review arrangements of key risk/opportunity information at Service and Directorate level.**
- **Through Performance Board further develop and improve project level ROM arrangements across the Council.**

#### ANTI-FRAUD AND CORRUPTION, WHISTLEBLOWING AND MONEY LAUNDERING

The Council currently has an Anti Fraud and Corruption Strategy adopted in March 2007. This document is deemed to be out of date and in need of revision. Arrangements are currently being progressed to create a Corporate Fraud team tasked with promoting and bringing into effect a new strategic approach to the Council's objectives in dealing with fraud and corruption issues. Their role will also encompass the review of all money laundering policies.

The Council has a Whistleblowing Policy and Procedure which was effective from 29<sup>th</sup> January 2010 and has further raised the profile of the whistleblowing policies by increasing their visibility through inclusion on the Council's

website. On 1<sup>st</sup> April 2012, a whistleblowing Policy flowchart has also been published and made accessible on the Council's intranet.

At the request of the Chief Executive, RSM Tenon's Fraud Solutions and Internal Audit teams investigated a complaint from a group of parents who applied for places for their children at the three Chafford Hundred Primary Schools. They alleged that some of the other parents were committing fraud by falsely declaring their address to support their applications for school places for their children. A total of 319 applications were reviewed, including those of the 49 unsuccessful applicants within the catchment area of these schools. This resulted in 8 cases where further work was required. Further testing of these 8 cases was carried out and did not identify any evidence of fraud that would have warranted further investigation.

Actions:

**During 2012/13 the new Corporate Fraud team will review anti-fraud and money laundering procedures and arrange training for relevant staff.**

**The Bribery Act came into force on 1 July 2011. The Council will incorporate the requirements of the Bribery Act 2010 within the anti-fraud and corruption policy and raise awareness of the Act amongst councillors and staff.**

## BUSINESS CONTINUITY

The Council has in place a Business Continuity Plan corporately and for individual service areas. Plans are annually reviewed. The last exercise was 8<sup>th</sup> Dec 2011 "Exercise Phoenix" which made recommendations and which was cascaded through to the Service Heads of the relevant teams.

The Emergency Planning Team which also has responsibility for Business Continuity is made up of three people. Recently, two members of the team have left the Council so internal transfer of staff (by way of secondments) has been implemented to ensure continuity on the provision of the Emergency Planning and Business Continuity functions

Action:

**Continued work is undertaken in 2012/13 to fill the permanent posts in the Emergency Planning Team to ensure that emergency planning and business continuity function is maintained and delivered adequately.**

**Review of a number of plans will be completed by March 2013 and the team will continue to work on the remaining plans as resources allow.**

**The recommendations of all plan reviews and exercises will be**

**cascaded to the relevant Heads of Service and staff involved to ensure plans are effective and relevant.**

## INFORMATION GOVERNANCE

The Audit Committee considered a report on Information Governance on 28<sup>th</sup> March 2012. As a result the following have now been set:

- The Senior Information Risk Owner (SIRO) should be an Executive Director or Senior Management Board Member who will take act as a champion for information risk on the Board. The SIRO must understand how the strategic business goals of the Council work, and how those risks may be managed. The SIRO implements and leads the Information Governance (IG) risk assessment and management processes within the Council. The Director of Finance and Corporate Governance is currently responsible for Information Management/Governance at Thurrock; and it was agreed at Directors Board on the 28 February that this Director will inherit the responsibilities of the SIRO. SIRO training for the Director of Finance and Corporate Governance will take place on the 20<sup>th</sup> June 2012.

Historically performance at Thurrock in responding to Subject Access Request's has been strong; however performance has dipped during 2011/12 due to a combination of factors. The Information Management Team (IMT) is undertaking the following actions due the dip in performance:

- A shared post has been created working across the IMT
- IMT continue to advise applicants during the early stages of their request that the deadline may not be met.
- IMT are prioritising requests based on date order. A deviation from this may apply if the applicant has threatened to complain to the ICO or due to threat of legal action.
- IMT follow up with a second update letter during the timeframe, before their SAR closes explaining that there will be a delay (if relevant).
- IMT agree wherever possible to make a staged disclosure to the applicant - so that they are not waiting months to get *anything* and can at least start reading some of their files. This is dependant on the circumstances of a request and whether or not the person consents to this.
- The processing of SAR's has been raised as a performance indicator to be monitored as part of the corporate scorecard process.

Action:

**Continued work to be undertaken to ensure that the Council is meeting its obligations under the Data Protection Act, to avoid financial penalties or potential reputational damage or harm to individuals and/or the**

**Council.**

### AUDIT COMMITTEE

Our Audit Committee undertakes the core functions of an audit committee by providing independent assurance that the Authority's financial and risk management is adequate and effective and that there is a sound system of internal control that facilitates the effective exercise of its functions, including:

- keeping under review the Authority's own audit standards and whether they are relevant and represent best practice;
- considering or reviewing the following and the action taken on them and advising the Council and/or the Cabinet, as appropriate:
  - (a) internal and external audit plans and progress against plans
  - (b) summaries of external and internal audit reports and progress against recommendations made in audit reports
  - (c) the annual report of the internal auditor and the Annual Governance Statement
  - (d) approving the annual statement of accounts and whether appropriate accounting policies have been followed
  - (e) reports from inspection agencies, including the external auditor's Annual Management letter and report to those charged with governance issues
  - (f) keeping under review the Authority's control environment and anti fraud and anticorruption arrangements, including compliance with the Financial and Contracts Procedure Rules
  - (g) keeping under review the relationships between external and internal audit and other inspection agencies.
- reviewing the performance of the Council's appointed Internal Audit provider.

Action:

**Ensure that effective training is provided to the Audit Committee Members.**

### THE SCRUTINY COMMITTEE

The Council reviews at its meeting the Annual Report of the Scrutiny Committee (see Council meeting agenda 20<sup>th</sup> June 2012) which details the work of its committees and their main achievements for that municipal year.

The aim of this is to improve the effectiveness of the scrutiny function. These committees continues to help develop council policy, reviews performance in meeting council objectives and satisfies themselves that there are robust governance arrangements in place.

The Council currently operates 5 scrutiny committees as follows:

- Corporate Overview and Scrutiny Committee;
- Children's Services Overview and Scrutiny Committee;
- Health and Well being Overview and Scrutiny Committee;
- Cleaner, Greener and Safer Overview and Scrutiny Committee;
- Planning, Transport, Regeneration Overview and Scrutiny Committee;

The terms of reference for each of the five committees mentioned above are set out in the Constitution and are reviewed and agreed annually by Full Council.

### STANDARDS COMMITTEE

The Council is currently working on adopting a new code of conduct in 2012. As the need arises, officers will deliver training on the code of conduct to councillors.

The Standards Committee submits an Annual Report to Council which addresses the work of the Standards Committee over the last 12 months and looks forward to its Work Plan for the current year.

The Chair of the Committee has continued to play an active role in the forum of Essex Chairs of Standard Committees and to report back on areas of local good practices.

Highlights undertaken during the year are as follows:

- reviewed proposed amendments to the Corporate Policy on the Regulation of Investigatory Powers Act 2000 – looking at the number of investigations undertaken, the robustness of the statutory safeguards and requesting that Corporate Overview and Scrutiny Committee consider looking at the effectiveness of the policy and practice in comparison with other Local Authorities.
- analysing the Annual Compliments, Complaints and Enquiries Report 2010/2011 and highlighted the need to identify common trends and themes with complaints in order to address the root cause clearly demonstrating the authority was learning from its monitoring activities.
- reviewed and made suggestions on the Members' Induction Programme, Access to Records Report 2010/11, the Anti Fraud Strategy, and the Ethical Governance Audit Action Plan and in



particular encouraged training for Members as to how to get involved in the Voluntary and Community Sector.

During the 2011/12 municipal year, a total of four complaints were received by the Monitoring Officer, and submitted for consideration by the Standards Initial Assessment Sub-Committee. There were no complaints received by the Monitoring Officer that were not able to be passed for consideration due to them falling outside the Sub-Committee's remit, although there were three enquiries about making complaints but these were not followed up by the potential complainants. .

Of the four complaints received, one was a self referral from the Member themselves, one from a voluntary organisation and two from members of the public. The complaints related to three different Members.

The committee continues to carry out the local assessment of code of conduct complaints. In addition to formal scheduled training sessions, briefing notes on relevant topics are brought to the Committee for approval and subsequent distribution to officers and members. These have included updated advice on predetermination and bias, the Localism Bill and the future of standards.

#### EXTERNAL SOURCES OF ASSURANCE ON THE GOVERNANCE FRAMEWORK

Issues raised by our external auditor, the Audit Commission, and other external inspectors are used to identify improvement areas in our governance arrangements.

In March 2011 the Audit Committee considered the Audit Commission's certification of annual claims and returns and action plan.

An action plan has been developed to ensure that the Council meets the conditions relating to grants.

#### **LOCAL GOVERNMENT OMBUDSMAN**

The Local Government Ombudsman (LGO) provides summary information on complaints about Thurrock Council to enable the Council to incorporate any feedback into service improvement.

The Council's aim to be a top performing Council for responding to complaints from the LGO is showing good progress as evidenced within the LGO's Annual Review Letter where the LGO stated that "*I am pleased to say that I have no concerns about your authority's response times and there are no issues arising from the complaints that I want to bring to your attention*". The LGO set the Council a deadline of 28 days to respond to their first enquiries, however Thurrock have implemented a 21 day deadline due to a dip in performance during 2006-2009.

Below is Thurrock's average response time over the past 6 years, and the figures in brackets represent number of enquires that were received from the LGO investigation team.

- 2006/07 - 26.8 days (19)
- 2007/08 - 31.2 days (31)
- 2008/09 - 35 days (24)
- 2009/10 - 23.6 days (28)
- 2010/11 - 20.5 days (20)
- 2011/12 – 15.4 days (33)

The Council continues to improve in responding to LGO complaints/enquiries as during 2011/12 our average response time was 15.4 days. The management of all LGO complaints transferred to the Corporate Complaints Team in April 2011 and there is a dedicated officer in this team who ensures that timeframes are maintained.

Enquiries and complaints received by the LGO are shown in the table below. Previous year's information has also been shown as a comparison. Figures in brackets represent premature complaints. In most cases the LGO will not investigate premature complaints/enquiries, as these have not gone through our internal complaints process. Premature enquiries will be directed back to the Council to look into.

LGO Service Area Classification	2010/11	2011/12
Adult Social care	7 (1)	7 (1)
Benefits and Tax	37 (17)	19(11)
Corporate and other Services	4 (0)	6 (37)
Education/Children	12 (4)	12(3)
Environment Services/Public Protection/Regulation	16 (7)	14 (4)
Highways transport	3 (0)	6 (2)
Housing	22 (11)	38 (16)
Planning and Development	4 (1)	5 (1)
<b>Total</b>	<b>105</b>	<b>107</b>

Of the 108 enquiries received in 2011/12, the LGO looked into 52 complaints. (during 2010/11 43 cases were looked into).

Formal published reports are issued by the LGO, if they consider the actions or lack of actions by the Council in processing complaints have resulted in some form of maladministration on the part of the Council. During 2011/12 the LGO did not issue any formal reports against the Council.

[We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.](#)

## 5.0 Significant governance issues

We propose over the coming year to take steps to address the matters set out in the action boxes above to further enhance our governance arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signature

Date

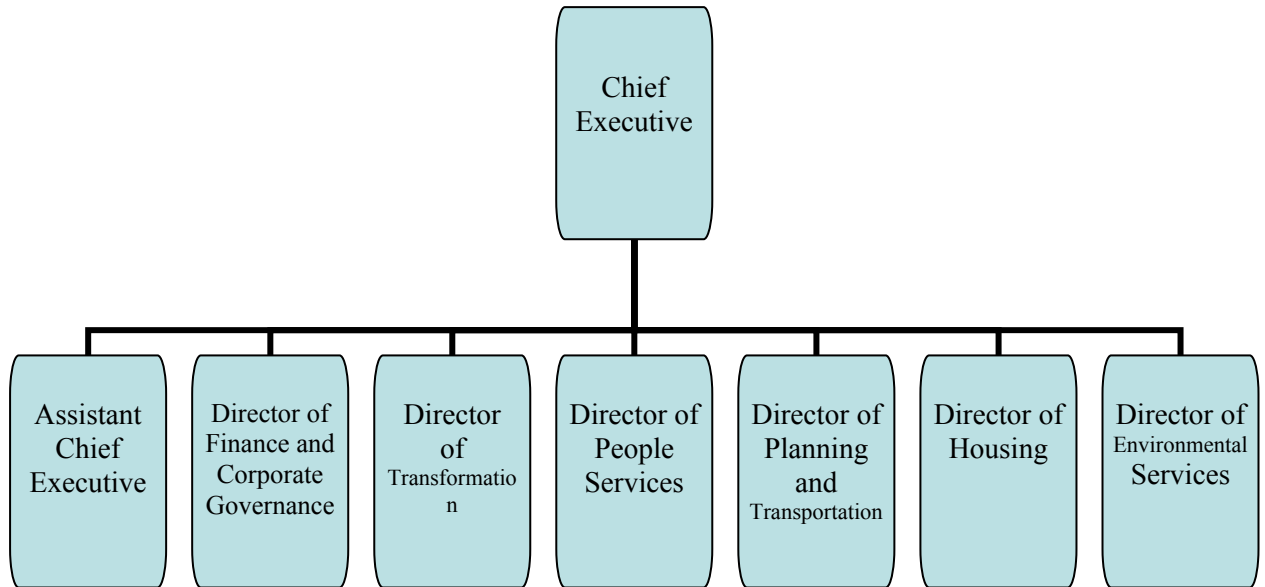
Graham Farrant, Chief Executive

Signature

Date

Cllr John Kent, Leader of the Council

## Appendix 1: Thurrock Borough Council management structure



Title	Broad Areas of Responsibilities
Chief Executive	Head of Paid Services
Assistant Chief Executive	Chief Executive's Delivery Unit Community Development Corporate Communications Equality and Diversity Policy and Strategy Regeneration
Director of People Services	Children's Social Care Children, Youth and Family Services Schools Provision Strategic Commissioning & Resources Libraries and Cultural Services Transformation and Independence for Adults Environmental Services Public Protection Licensing
Director of Housing	Strategic Housing Services Landlord and Tenant Services Housing/Building maintenance Housing Strategy and Regeneration Management
Director of Planning and Transportation	Development Management Building Control Strategic Planning Transportation and Highways Major Projects
Director of Finance and Corporate Governance	Finance Services Section 151 Officer Legal Services

	Assets
Director of Transformation	Transformation Programme Vertex Contract Performance Management Human Resources/Organisational Development
Director of Environmental Services	Street Cleansing Refuse Collection Grounds maintenance Highways Repairs

## Appendix 2 - The terms of reference for the Performance Board

### **Performance Board**

#### **Overall Purpose**

- **To oversee the performance of specific services within the Council and report to Directors Board, Audit/Overview and Scrutiny Committee(s) and Cabinet on the Council's overall performance.**

#### **Scope**

Performance Management Framework including Data Quality, Risk & Opportunity Management, Regulation and audit activity.

A cross-council and partnership approach to the Performance Management Framework encapsulating performance, improvement, risk management, service planning, data quality, research and intelligence, and regulation linking in with related engagement and other organisational development issues.

#### **Terms of Reference**

- To promote and oversee the implementation of the Performance Management Framework
- To monitor and review the Council's performance against the corporate scorecard and other key indicators and escalating issues as necessary
- To promote data quality, encouraging good practice with a consistent approach, using mutually agreed data and definitions, thereby minimising duplication and ensuring understanding and ownership across the council and partners of data
- To share and discuss good practice, ideas, issues, expertise and concerns about performance, data and intelligence across all services/partners and use as learning and business solutions tools
- To oversee the implementation of the Risk & Opportunity process which sets out a formal framework for the identification, assessment and management of strategic, operational and projects risks
- To maintain and review a Corporate Risk & Opportunity Register
- To co-ordinate responses to cross cutting self assessments/inspections
- To develop and establish links with other Corporate Groups

#### **Powers**

- the authority to commission sub groups to undertake time-bound projects to address issues raised to report back to this group
- a reporting line with Directors Board to ensure accountability and influence within the Council

- the power to investigate and challenge issues of under or poor performance and non-compliance with corporate performance & risk/opportunity frameworks and to escalate as appropriate
- the authority to invite expertise from within the authority/partners or from external sources (i.e PCT, police, fire service) to join/present to the group, as and when required

## **Frequency of Meeting**

Monthly

## **Accountability**

The Group is responsible to Directors Board through the Director of Transformation (Sponsor).

## **Membership** (as at December 2011) [substitutes in brackets]

### ***Sponsor***

- **Richard Waterhouse** - *Director of Transformation*

### ***Chair***

- **Roger Harris** - *Head of Commissioning, People Services*

### ***Directorate Representatives***

#### ***People Services***

- **Rhodri Rowlands** [ Mandy Moore] - *Service Manager, Performance, Quality and Information, Adult Social Care*
- **Alison Jacobs** [Damon Last]- *Principal Inspection & Review Officer*

#### ***Sustainable Communities***

- **Marcelle Puttergill** - *Business Improvement Officer,*
- **Geoff Gladwin** - *Business Services Manager*

#### ***Housing***

- **Linda Sinclair** [Carol Gregory]- *Interim Head of Housing*

#### ***Transformation***

- **Chris Stephenson** - *Corporate Performance Manager*
- **Sarah Welton** - *Performance & Risk Officer*
- **Andy Owen** - *Performance and Risk Officer*

#### ***Finance & Corporate Governance***

- **Mike Jones** [TBC] - *Group Finance Manager, Corporate Finance*

***CEX Delivery Unit***

- **Samson DeAlyn [TBC] – *Corporate Diversity Manager***

***Vertex***

- **Sam Harvey [TBC] - *Change Manager, Vertex***



## Appendix 3

### Supporting Strategic Boards

1. **Strategy Board** – to ensure consistency between strategies and to carry out horizon scanning to ensure the Council is aware of future opportunities and threats.
2. **Regeneration Board** to oversee the delivery of specific significant regeneration projects.
3. **Resources and Finance Board** – overseeing the management of the finances of the Council.
4. **Corporate Information and Systems Development Board** – managing the overall performance and investment in ICT and IT infrastructure across the Council.
5. **Performance Board** – overseeing the performance of specific services within the Council and reporting to DB, Overview and Scrutiny Committee and Cabinet on the Council's overall performance.
6. **Corporate HR, Equalities and Cultural Change Board** – overseeing the Council's corporate HR policies, strategy and performance.
7. **Corporate Health and Safety Board**
8. **Procurement and Efficiency Board** – overseeing and managing significant procurement and procurement policy.
9. **Strategic Property** - To provide proactive leadership of the Council's management of its property assets, including the development of asset management and capital strategies. To support the Council's Improvement Programme through delivering a radical transformation in the way the Council's land and property resources are managed and governed.

**Note:** All the Strategic Boards mentioned above have a Director Sponsor

---

This page is intentionally left blank

<b>20 September 2012</b>		<b>ITEM 9</b>
<b>Audit Committee</b>		
<b>ANNUAL GOVERNANCE STATEMENT 2011/12</b>		
<b>Wards and communities affected:</b> N/A	<b>Key Decision:</b> N/A	
<b>Accountable Head of Service:</b> Tasnim Shawkat, Head of Legal & Democratic Services		
<b>Accountable Director:</b> Martin Hone, Corporate Director of Finance and Corporate Governance		
<b>This report is Public</b>		
<b>Purpose of Report:</b> To receive and approve the Draft Annual Governance Statement for 2011/12.		

**1 RECOMMENDATIONS:**

**Audit Committee is recommended to:**

- 1. Consider the changes made to the Draft Annual Governance Statement in the light of the review of the Annual Governance Statement at the last meeting on 19<sup>th</sup> July 2012, prior to the Chief Executive and Leader of the Council signing the document**
- 2. Approve the Draft Annual Governance Statement, for signing by the Chief Executive and Leader of the Council.**

**2 INTRODUCTION AND BACKGROUND:**

- 2.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in a way which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2 The Accounts and Audit Regulations require the Council to ensure that it has a sound system of internal control which 'facilitates the effective exercise of the Council's functions and which includes arrangements

for the management of risk. The Annual Governance Statement, and the process that has been put in place to produce it, is fundamental to that assurance process.

2.3 At the last meeting of the Audit Committee, members reviewed the draft Annual Governance Statement for 2011-2012 (AGS) and stated that the following comments should be reflected in the AGS:

- Percentage of business continuity to be completed in the next financial year
- The Risk Management section of the AGS to be amended to reflect more information on the benchmarking exercise undertaken in 2012
- Information on the investigation undertaken pertaining to a complaint from a group of parents in relation to 3 Chafford Hundred Primary Schools and the result of that investigation

Following the last meeting of the Audit Committee, officers have undertaken the work required by members as follows:

- The Risk Management section of the AGS has been revised to take into account the result of the benchmarking exercise undertaken in May 2012 and this is reflected in the action box
- Page 27 of the AGs now includes the work undertaken by RSM Tenon's Fraud Solution and Internal Audit teams and the results of that investigation
- Discussions were undertaken with the Business Continuity Team to get further clarifications about the percentage of the business continuity plans that will be reviewed in the next financial year. It is acknowledged that the review of the business continuity has commenced, however it would be difficult at this stage to commit to a definitive percentage in relation to the review of the business continuity on the basis that any shared service approach undertaken in the 2012/13 financial year could result not only in a review but possibly a redraft of the business continuity plan for the relevant department. On this basis, the section of the AGS relating to the review of the Business Continuity plans remains as previously drafted.

2.4 The draft AGS has also been submitted to and commented on by the Audit Commission and the comments submitted to officers have been addressed and incorporated into the statement. These are shown by way of track changes in the statement attached at Annex 1 of this report.

### 3 ISSUES AND/OR OPTIONS

3.1 These are detailed in the action boxes in Part 4 of the Statement.

### 4 IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

4.1 The Annual Governance Statement is a key public document that shows that the Council recognises that there are areas for improvement and also ensures that measures are implemented in enhancing the Council's aim of being good in achieving its corporate priorities which impact directly on the services provided to the community.

4.2 Sound corporate governance is at the heart of effective use of resources. Embedding the AGS framework within the business planning and performance management framework will ensure a robust corporate approach is maintained for the future.

### 5 IMPLICATIONS

#### 5.1 Financial

Implications verified by: **Sean Clark (Head of Corporate Finance)**  
 Telephone and email: **01375 652010**  
**[sclark@thurrock.gov.uk](mailto:sclark@thurrock.gov.uk)**

The Annual Governance Statement does not require separate implications as it forms part of the Statement of Accounts.

#### 5.2 Legal

Implications verified by: **David Lawson (Deputy Head of Legal and Deputy Monitoring Officer)**  
 Telephone and email: **01375 652087**  
**[dlawson@thurrock.gov.uk](mailto:dlawson@thurrock.gov.uk)**

The preparation of an Annual Governance Statement is required by the CIPFA/SOLACE Framework in order to meet the statutory requirement set out in paragraph 4(3) of the Account and Audit (England) Regulations 2011.

#### 6.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**  
 Telephone and email: **01375652472**  
**[sdealyn@thurrock.gov.uk](mailto:sdealyn@thurrock.gov.uk)**

The Annual Governance statement for 2011/12 ensures that the Council is compliant with standards in the public sector. In this context good governance arrangements are necessary to ensure that the Council is meeting its statutory equalities duties and objectives.

**6.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

The Council's approach to the Annual Governance Statement is to have a 'live' system whereby issues are identified and escalated to the appropriate level. The Annual Governance Statement is a process of identifying governance issues and suggesting key actions to mitigate potential risks to the Council. These are then monitored throughout the year until resolution.

**7 CONCLUSION**

- 7.1 By receiving and approving the Council's Annual Governance Statement for 2011/12, the Audit Committee is ensuring that the Council's business is conducted legally and to proper standards, and that the Council operates efficiently, effectively and economically. The Statement recognises where there is room for improvement and the action boxes in Part 4 of the Statement set out how these improvements will be achieved.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- Annual Governance Statement 2010/11
- CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

**APPENDICES TO THIS REPORT:**

Appendix 1: Annual Governance Statement 2011/12

**Report Author Contact Details:**

**Name:** Martin Hone

**Telephone:** 01375 652412

**E-mail:** mhone@thurrock.gov.uk

<b>20 September 2012</b>		<b>ITEM 10</b>
<b>Audit Committee</b>		
<b>HEAD OF INTERNAL AUDIT'S ANNUAL REPORT 2011/12</b>		
<b>Portfolio Holder:</b> Cllr Phillip Smith, Portfolio Member Central Services		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Not Applicable	
<b>Accountable Head of Service:</b> Chris Harris, Head of Internal Audit		
<b>Accountable Director:</b> Martin Hone, Corporate Director of Finance and Corporate Governance		
<b>This report is</b> Public		
<b>Purpose of Report:</b> Review of audit work undertaken and opinion on internal control environment for 2011/12		

**1. RECOMMENDATIONS:**

- 1.1 That the Audit Committee receive and note the Head of Internal Audit's Annual Report for 2011/12.

**2. INTRODUCTION AND BACKGROUND:**

- 2.1 The role of internal audit is to provide management with an objective assessment of the adequacy and effectiveness of internal control, risk management and governance arrangements. Internal audit is therefore a key part of Thurrock Council's internal control system and integral to the framework of assurance that the Audit Committee can place reliance on to assess its internal control system.
- 2.2 Under the Accounts and Audit Regulations 2006 (amended) the Council is responsible for maintaining an adequate and effective system of internal audit. This responsibility has been delegated to the Corporate Director Finance and Corporate Governance under the Executive Scheme of Delegation and is delivered through the Head of Audit in consultation with the Corporate Director of Finance and Corporate Governance.
- 2.3 The CIPFA Code of Practice for internal audit in Local Government in the United Kingdom specifies organisational standards that underpin the delivery

of an effective internal audit department, including the independence and status of the Head of Internal Audit.

- 2.4 The procedures and practices that Internal Audit operates at Thurrock are designed to reflect adherence to these standards.
- 2.5 The CIPFA Code of Practice further states that The Head of Internal Audit must provide a report to those charged with governance to support the Annual Governance Statement and that this should include an opinion on the overall adequacy and effectiveness of the organisations control environment.

### 3. **IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 3.1 The achievement of corporate priorities is a key consideration of the Corporate Directors, senior management and internal audit when they are planning the years work. A positive opinion in the Head of Internal Audit's Annual Report provides an independent assurance that the Authority has adequate control and risk management processes in place.

### 4. **IMPLICATIONS**

#### 4.1 **Financial**

Implications verified by: **Mike Jones**  
 Telephone and email: **01375 652772**  
 mxjones@thurrock.gov.uk

There are no direct financial implications arising from this report.

#### 4.2 **Legal**

Implications verified by: **David Lawson**  
 Telephone and email: **01375 652087**  
 David.Lawson@BDTlegal.org.uk

The Council has the legal obligation under the Accounts and Audit (Amendment)(England) Regulations 2006, to maintain an adequate and effective system of internal auditing of its accounting records and systems of internal control. The effectiveness of the system of internal audit should be reviewed annually and a report of the review considered by the appropriate body in the Council, in this case the Audit Committee. In receiving and considering this report, the Council is complying with its obligations under the Regulations.

#### 4.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
 Telephone and email: **01375 652472**  
 sdealyn@thurrock.gov.uk

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



4.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

In terms of risk and opportunity management, the Head of Audit's Annual Report and its outcomes are a key part of the Council's risk management and assurance framework.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- Internal Audit Reports issued in 2011/12.

**APPENDICES TO THIS REPORT:**

- Head of Internal Audit's Annual Report 2011/12.

**Report Author Contact Details:**

**Name:** Gary Clifford

**Telephone:** 01375 652702

**E-mail:** [gclifford@thurrock.gov.uk](mailto:gclifford@thurrock.gov.uk)

This page is intentionally left blank

**RSM Tenon**

Page 113

THURROCK COUNCIL

Internal Audit Annual Report for the year ended 31 March 2012

Presented at the Audit Committee meeting of: 19<sup>th</sup> July 2012 (deferred to 20<sup>th</sup> September 2012)

Approved by: Chris Harris as Head of Internal Audit

## CONTENTS

Section	Page
1 Introduction	1
2 Internal Audit Assurance for 2011/12	1
Appendix A Internal Audit Assurance Map 2011/12	6
Appendix B Internal Audit Opinions and Recommendations 2011/12	19

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report is prepared solely for the use of Board and senior management of Thurrock Council. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

© 2012 RSM Tenon Limited

RSM Tenon Limited is a member of RSM Tenon Group

RSM Tenon Limited is an independent member firm of RSM International an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office 66 Chiltern Street, London W1U 4GB. England

## 1 INTRODUCTION

### 1.1 The Role of Internal Audit

The role of internal audit is to provide management with an objective assessment of the adequacy and effectiveness of internal control, risk management and governance arrangements. Internal audit is therefore a key part of Thurrock Council's assurance framework and, if used properly, can inform and update the organisation's risk profile. Internal Audit is just one of the sources of assurance available to the Council and Audit Committee.

The definition of internal audit, as described in CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, is set out below:

- Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- Whilst Internal Audit "primarily" provides an independent and objective opinion to the organisation on the control environment, it may also undertake other, non-assurance work at the request of the organisation subject to the availability of skills and resources. This can include consultancy work; indeed, Internal Audit intrinsically delivers consultancy services when making recommendations for improvement arising from both assurance and fraud-related work.

### 1.2 Governance Statement

Under Regulation 4[2] of the Accounts and Audit Regulations 2011, the relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control. From 2007/08, authorities have had to publish an annual governance statement in line with the CIPFA/SOLACE Good Governance Framework to meet that statutory requirement.

As your internal audit provider, the assignment opinions that RSM Tenon provides the organisation during the year are part of the framework of assurances that assist the Council in preparing an informed governance statement.

## 2 INTERNAL AUDIT ASSURANCE FOR 2011/2012

### 2.1 Context

As the provider of the internal audit service to Thurrock Council we provide the Council through the Audit Committee, with an opinion on the adequacy and effectiveness of your governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is reasonable assurance that there are no major weaknesses in the risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report is prepared solely for the use of Thurrock Council and its senior management team. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

**2.2 Internal Audit Assurance Statement**

This annual Head of Internal Audit opinion is provided to Thurrock Council by RSM Tenon Limited.

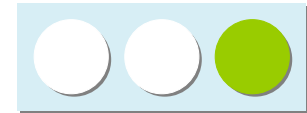
We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of Thurrock Council's arrangements. However, additional work requested by the Council has had an impact on the number of assurance reports issued and this needs to be monitored in the future.

For the 12 months ended 31 March 2012, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of Thurrock Council's arrangements for governance, risk management and control is as follows:

Red    Amber    Green

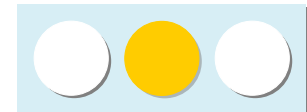
**Governance**

No specific review of governance was undertaken in 2011/12. No significant substantial issues arose from audits carried out in respect of governance. It was noted that governance arrangements around partnership working with contractors had improved.



**Risk Management**

This remains unchanged from last year as the review was deferred due to the implementation of a new risk and opportunity management framework by the Council. There continues to be regular updating and reporting of the Corporate Risk Register to the Audit Committee.



**Control**

There was an improvement in the number of red reviews issued in 2011/12 (8%) when compared to 2010/11 (13%). If this direction of travel continues in 2012/13, the assurance level should be green in next year's Annual Report.



### 2.3 Scope of the Internal Audit Opinion

In arriving at our opinion, we have taken into account:

- The results of all internal audits undertaken during the year ended 31 March 2012 (see Appendix A for a risk map of our internal audit assurances and Appendix B for a summary of audits);
- The results of follow-up action taken in respect of audits from previous years;
- Whether high or medium recommendations have been accepted by management and, if not, the consequent risks;
- The effects of any material changes in the Council's objectives or activities;
- Matters arising from previous reports or other assurance providers to the Audit Committee;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the Council; and
- What proportion of the Council's internal audit needs have been covered to date.

### 2.4 The Basis of the Opinion

During 2011/12, we issued a total of 29 assurance reports of which 3 are still with the client awaiting responses. These will be presented as part of the progress report to the September Committee and have not been included as part of our assurance opinion. In addition, substantial advisory work was carried out due to the challenging circumstances surrounding the Council's partnership arrangements, the transfer of staff and assets from the Thames Gateway Development Corporation, the National Fraud Initiative and a number of formal complaints that required

independent review and investigation. Changes to the plan to allow internal audit to carry out this work were agreed at the Audit Committee meeting held in December 2011.

The chart at 2.7 below shows that 92% of final reports were issued with a positive level of assurance, compared to 87% in 2009/10. However, 8% of final reports issued received a red level of assurance. The final reports issued as red assurance were:

- Morrison Responsive Repairs Contract; and
- Payroll including HR

Follow up work carried out during 2011/12, identified that 87% of recommendation had been implemented, compared to 67.2% in 2010/11. Recommendations contained within internal audit reports, and their implementation by officers have been given an increased level of scrutiny by the Audit Committee, Directors and Heads of Service and the Council are making good progress in implementing Internal Audit recommendations. We welcome these developments.

#### Acceptance of Recommendations

All of the recommendations made during the year were accepted by management.

### 2.5 Governance Statement

The overall opinion may be used by the Council in the preparation of the annual governance statement.

### 2.6 Conflicts of Interest

We have not undertaken any work or activity during 2011/12 that would lead us to declare any conflict of interests.

## 2.7 Benchmarking data

The tables overleaf show the split of internal audit recommendations and opinions for Thurrock Council in 2011/12 and those made in 2010/11. This shows that there has been an increase in the percentage of high level recommendations, from 2% to 14%. However, the increase is almost entirely due to the number of high recommendations made in the two red assurance reports. The percentage of medium recommendations has remained broadly similar.

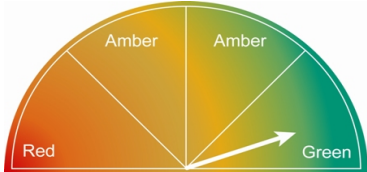
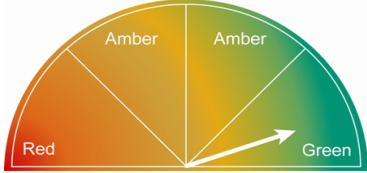
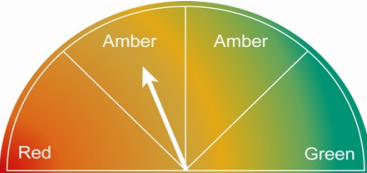
In relation to the Assurance levels, the number of red reports issued has reduced from 14% to 8% since 2010/11, with a 6% increase in green (substantial) assurance reports. This shows that the Council is continuing to improve.



**Comparison of the categories of internal audit  
recommendations made 2011/12 and 2010/11**

**Comparison of assurance levels provided by internal audit in  
2011/12 and 2010/11**

**APPENDIX A: INTERNAL AUDIT ASSURANCE MAP 2011/2012**

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
There is not a clear process in place to ensure staff and Members of the Authority have received an appropriate level of clearance which puts vulnerable clients at risk.	Strategic Risk Register	Our audit of <b>CRB Checks</b> identified one medium recommendation which related to the need to remind Managers and HR staff of the importance of using risk assessments after a positive trace has been returned.  This was a significant improvement from the previous year when this report received a red assurance opinion.	
The Building Control Service is not meeting the needs of its customers and is not providing an effective, efficient and economical service.	Management request	Our audit of <b>Building Control</b> identified one medium recommendation which related to the need to liaise with Debtors prior to carrying out an inspection to ensure fee payments had been received.	
The criteria relating to Business User Allowance may not be applied appropriately.  Business User Allowance may not be monitored and reviewed on a regular basis.	On-going cyclical review process.	Our audit of <b>Business User Allowances</b> identified one high and one medium recommendation. Both these recommendations related to the lack of guidance on the criteria applied to the allowance which was not clear and was open to interpretation and abuse by managers and staff.	

Page 120

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Direct Payments are not controlled resulting in the needs of the client not being met.	Management request	<p>Our audit of <b>Direct Payments</b> identified four medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>• Direct Payments were not always reviewed annually;</li> <li>• There was not always a Direct Payment Agreement signed off by the Service Manager, client and a witness;</li> <li>• Clients who did not return their six monthly returns were not always contacted in a timely manner; and</li> <li>• Highlighted significant underspends were not followed up to identify that the care was appropriate, or, whether the service user was having difficulty in procuring their care.</li> </ul>	
Failure to comply with contract procedure rules results in Responsive Repairs costs escalating.	Management request	<p>Our audit of <b>Morrison's Responsive Repairs Contract</b> identified six high recommendations. These related to:</p> <ul style="list-style-type: none"> <li>• Changes to working practices post contract award, if they had happened, could have resulted in the Council facing an increased risk of legal challenge.</li> <li>• Contract monitoring arrangements were insufficient to manage the contract.</li> <li>• The lack of IT infrastructure and interface between the Authority's systems and those of Morrison Facilities Services (MFS) Limited led to widespread inefficiencies.</li> <li>• The breakdown of the invoicing system and supporting documentation had resulted in consolidated payments which could not be accurately verified.</li> <li>• Lack of accurate record keeping of work undertaken and variations to works led to uneconomic repairs being carried out and misleading information being supplied by MFS, Vertex and the Authority, culminating in complaints from tenants.</li> </ul>	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
Independent contractors providing residential care may not provide an effective, efficient or economic service that meets the needs of their service users and value for money is not obtained.	Management request	<p>Our audit of <b>Residential Care Contracts</b> did not identify any high or medium recommendations. It was noted that:</p> <ul style="list-style-type: none"> <li>• Commissioning for residential care for Older People and Adults was benchmarked to other Authorities across the region and care costs were kept to a minimum.</li> <li>• Payments were approved correctly and management checks applied.</li> <li>• Effective contract monitoring was taking place to review the quality of service.</li> <li>• Compliments and complaints were monitored and satisfaction surveys analysed.</li> <li>• Panel decisions and assessments were not always easily accessible.</li> <li>• There were invoice scanning delays in Creditors.</li> </ul>	
Authorisation and monitoring of Section 17 payments is not in line with the Financial Procedure Rules and legislation leading to non-compliance.	Management request	<p>Our audit of <b>Section 17 Payments</b> identified three medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>• The lack of a system to monitor costs incurred on a family by family basis making budgetary control difficult.</li> <li>• Invoices lacked detail and purchase orders were not always properly authorised.</li> <li>• Petty cash payments sometimes exceeded the agreed limit and receipts were not always evident.</li> </ul>	
The use of Purchase Cards results in staff ordering and paying for goods that are not appropriate resulting in a financial loss to the Council.	Internal Audit	<p>Our audit of <b>Purchase Cards</b> identified five medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>• The Bank allowed individual limits to be exceeded.</li> <li>• The Financial Services Department did not keep a log of card holders.</li> </ul>	

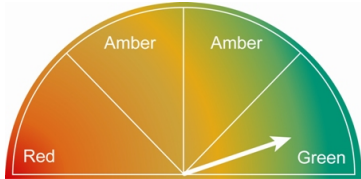
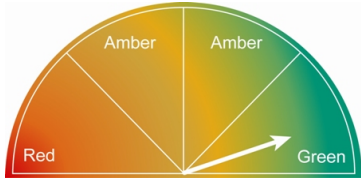
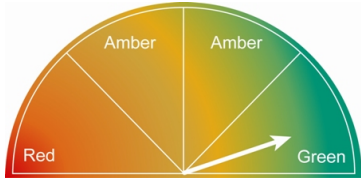
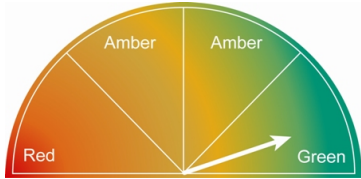
Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
		<ul style="list-style-type: none"> <li>VAT receipts were not always obtained so VAT was not reclaimed.</li> <li>Credit Card Procedures were not always complied with.</li> <li>Statements were not reconciled in a timely manner by someone other than the cardholder.</li> <li>Credit Cards were not always cancelled immediately an employee left the organisation.</li> <li>Arval invoices were not reconciled to sales vouchers prior to payment.</li> <li>Regular checks had not been introduced to ensure diesel purchased was reasonable for the mileage incurred.</li> </ul>	
There are no arrangements in place to safeguard vulnerable adults.	Management request	<p>Our audit of <b>Safeguarding Vulnerable Adults</b> did not identify any significant issues. It was noted that:</p> <ul style="list-style-type: none"> <li>There is a multi-agency approach with the Council taking a lead in training for their own staff and other agencies;</li> <li>Awareness raising sessions were being held within the Community.</li> <li>Safeguarding concerns were being received from a number of sources which indicates the success of the multi-agency approach.</li> </ul>	
Children are not appropriately placed with adoptive parents who have been through a robust adoption process.	Management request	<p>Our audit of <b>Adoption</b> identified one high and two medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>The Financial Assessment process was not robust with incorrect payments being made and insufficient information being requested from Adopters. Management review was not evident and procedures had not been reviewed and updated.</li> <li>Payments were being made without sufficient information on file</li> </ul>	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
		<ul style="list-style-type: none"> <li>Special Guardianship Allowances were not reviewed on an annual basis and payments were not made in line with the Fostering Boarding Allowance.</li> </ul>	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate, increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>Chafford Hundred Business &amp; Enterprise College</b> identified two medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>The school fund was not audited on an annual basis as per the school's own Financial Regulations.</li> <li>The petty cash was not being reconciled on a monthly basis. There was a slight discrepancy which was more difficult to identify due to termly reconciliations.</li> </ul>	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate, increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>Horndon-on-the-Hill Primary School</b> did not identify any high or medium recommendations but the number of low recommendations (7) resulted in an amber/green assurance opinion. It was noted that:</p> <ul style="list-style-type: none"> <li>The School's Financial Regulations had not been formally signed off by the Chair of Governors.</li> <li>The inventory was not up to date.</li> <li>Outstanding dinner money was not always chased up in a timely manner.</li> <li>The School has recently completed major building works, which resulted in the movement of the offices and documents were available to show value for money had been considered.</li> </ul>	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate, increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>Orsett CofE Primary School</b> identified 2 medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>School fund reconciliations were not independently checked and counter-signed by the Head Teacher and there was an inadequate separation of duties.</li> <li>Cancelled cheques had not been retained and stapled into the cheque book and claims were not being submitted frequently.</li> </ul>	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
		It was noted that with the assistance of the Education Finance team, the school have worked very hard to eradicate a budget deficit.	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate, increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>Quarry Hill Primary School</b> identified 3 medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>The audited account 2009/2010 for the School Fund had not been presented to the Governors.</li> <li>The school fund was not reconciled against the bank account every month.</li> <li>Staff were not paid the correct overtime, or had not completed the claim form correctly.</li> </ul> <p>It was noted that strong controls are in place at the school regarding the collection of income from dinner money and lettings.</p>	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate, increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>Stifford Clays Junior School</b> did not identify any high or medium recommendations. It was noted that:</p> <ul style="list-style-type: none"> <li>Petty Cash reimbursement claims were not always made when the amount reaches 50% of the imprest level.</li> <li>One of the Governors had not signed an up to date Business Interest Form.</li> <li>There were strong controls in place at the school. In all critical financial areas there was a clear separation of duties</li> </ul>	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>Treetops School</b> identified 2 medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>The level of £30,000 before 3 quotes were obtained was too high.</li> <li>Dinner Money was not banked on a weekly basis.</li> </ul> <p>It was noted that there was a clear separation of duties around financial transactions and system security and back-up was very</p>	

Risk Based Coverage			
Risk(s)	Source	Headline Findings	Assurance
		strong and minimised the risk of loss of data.	
The operational and financial management arrangements in Secondary and Primary Schools are inadequate increasing the risk of impropriety.	On-going cyclical review process.	<p>Our audit of <b>William Edwards School and Sports College</b> identified 1 high and 1 medium recommendation. These related to:</p> <ul style="list-style-type: none"> <li>Income from lettings should not be paid into the School Fund.</li> <li>Purchase Orders are not raised before the invoice date, and not raised at all for those which are paid by Direct Debit.</li> </ul> <p>It was disappointing to note that the school had not implemented the recommendations made during the previous review in 2010.</p>	



Other Coverage			
Area	Rationale for coverage	Headline Findings	Assurance
Cash Receipting	External Audit Reliance	Our audit of <b>Cash Receipting</b> identified one medium recommendation around the need to ensure suspense items were cleared promptly within the Finance Section.	
Creditors	External Audit Reliance	Our audit of <b>Creditors</b> identified one medium recommendation relating to the need to remind departments to always raise a purchase requisition before contacting the supplier to order the goods/services.	
Debtors	External Audit Reliance	Our audit of <b>Debtors</b> did not identify any high or medium recommendations. It was noted that: <ul style="list-style-type: none"> <li>• There was documentary evidence to support transactions.</li> <li>• Reconciliations were carried out on a regular basis.</li> <li>• Prompt recovery action was undertaken.</li> <li>• The Debt Collection Procedure will need to be reviewed and updated following the installation of the upgraded Oracle system.</li> </ul>	
Council Tax	External Audit Reliance	Our audit of <b>Council Tax</b> did not identify any recommendations. It was noted that: <ul style="list-style-type: none"> <li>• Council Tax records were dealt with in a timely and accurate manner.</li> <li>• Valuations were reconciled weekly.</li> <li>• There is a rolling programme in place to verify continuing entitlement to the Single Person Discount.</li> </ul>	

Other Coverage			
Area	Rationale for coverage	Headline Findings	Assurance
		<ul style="list-style-type: none"> <li>Where discounts and exemptions are granted, there are records that confirm the entitlement to them.</li> <li>Regular review of discounts and exemptions by the Revenues Manager.</li> <li>Reminder and debt collection procedures are robust and action is taken in line with best practice.</li> <li>Debt collection performance is regularly monitored.</li> </ul>	
NNDR	External Audit Reliance	<p>Our audit of <b>NNDR</b> did not identify any recommendations. It was noted that:</p> <ul style="list-style-type: none"> <li>The NNDR valuation of residential properties is monitored on at least a weekly basis to the valuations provided by the Valuation Office Agency.</li> <li>Where discounts and exemptions are granted, there are records which confirm the entitlement to them.</li> <li>A timetable is in place to ensure that each property in the borough receiving an exemption is inspected twice a year – once by each of the two voids inspectors.</li> <li>Debt collection performance is regularly monitored and targets have been set.</li> </ul>	
Housing Benefits	External Audit Reliance	<p>Our audit of <b>Housing Benefits</b> did not identify any high or medium recommendations. It was noted that:</p> <ul style="list-style-type: none"> <li>The overall performance for new claims and change in circumstance is within expected target levels.</li> <li>The Verification Framework is complied with.</li> <li>Policies and procedures are evident.</li> <li>Reconciliations are undertaken on a regular basis.</li> </ul> <p>The scope of this review was extended to include controls around the</p>	

Other Coverage			
Area	Rationale for coverage	Headline Findings	Assurance
		processes for assessing the accuracy of the data that was submitted to support the subsidy claim.	
Treasury Management	External Audit Reliance	<p>Our audit of <b>Treasury Management</b> noted that:</p> <ul style="list-style-type: none"> <li>The treasury management policy statement/strategy complies with statute and regulations (CIPFA).</li> <li>Senior Management authorise transactions on the system.</li> <li>Reconciliations are carried out and the general ledger is updated promptly with all transactions. However, the January 2011 reconciliation was not carried out until early March 2011.</li> <li>The Treasury Management Policy lists risks related to treasury management adequately</li> <li>There are procedures in place for the management of cash-flow.</li> <li>Performance is monitored and any significant variances from expected returns are promptly identified and reported.</li> </ul>	
Payroll including HR	External Audit Reliance	<p>Our audit of <b>Payroll including HR</b> identified five high and two medium recommendations. These related to:</p> <ul style="list-style-type: none"> <li>A member of teaching staff who went through a formal capability process, was not reported to the General Teaching Council but was instead offered a compromise agreement.</li> <li>Evidence of qualifications was not always obtained, even though the job required that the post holder was qualified.</li> <li>Some leaver forms were submitted late by the relevant department.</li> <li>Incremental rises were paid to staff on probation.</li> <li>Claims for additional hours were submitted that were arithmetically incorrect, lunch breaks had not been deducted</li> </ul>	

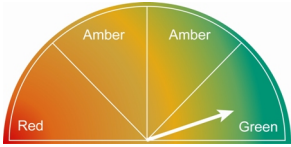
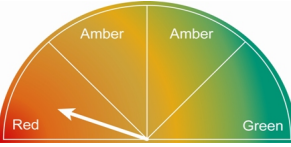
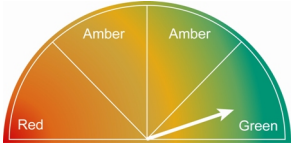
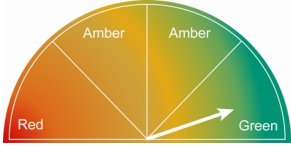
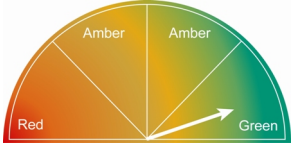
Other Coverage			
Area	Rationale for coverage	Headline Findings	Assurance
		<p>and incorrect overtime rates were applied.</p> <ul style="list-style-type: none"> <li>Issues with Pay in Lieu (PILON) of Notice, Redundancy Payments and Compromise Agreements resulted in additional costs having to be met by the Council.</li> </ul>	
Bank Reconciliation	External Audit Reliance	<p>Our audit of <b>Bank Reconciliation</b> noted that:</p> <ul style="list-style-type: none"> <li>At the time of this audit, reconciliations for April, May and June had not been counter-signed by the Finance Manager.</li> <li>Items were not cleared down from the Suspense Account, within a reasonable timescale.</li> </ul>	
Duplicate Payments	Management request	<p>The review of duplicate payments identified approximately £4,500 which had been paid twice. The main issues were around a supplier who had multiple invoices paid twice as they had several supplier accounts set up on the accounts payable system. A further two invoices that were paid to the wrong supplier were then subsequently paid to the correct supplier. Recommendations were made to enhance the control environment.</p>	N/A
National Fraud Initiative	Statutory	<p>The NFI is part of the statutory audit process for health, local government and the other public sector providers that the Audit Commission is responsible for. Its aim is to help prevent and detect fraud by comparing different sets of data, like payroll or benefit records, against other records held by the same, or another organisation, bringing to light potentially fraudulent claims and payments. Where a match is found, this means there may be an inconsistency that needs investigation. The organisations taking part get a report on these matches, which they can then follow up to detect fraud, under or overpayments and other errors by taking action or updating their records as required. Resourcing of the NFI has always been an issue as the systems used to identify matches has increased and new datasets have been brought in. This has resulted in Internal Audit carrying out significant extra work in this area.</p>	N/A

<b>Other Coverage</b>			
<b>Area</b>	<b>Rationale for coverage</b>	<b>Headline Findings</b>	<b>Assurance</b>
Member driven complaints in respect of responsive repairs contract	Management request	Following two complaints relating to works carried out by Morrison, the Chief Executive requested internal audit increase the scope of the responsive repairs review to include the investigation of the complaints. Findings and recommendations were incorporated into the responsive repairs review and presented to the Audit Committee.	N/A
Formal complaints involving members of staff.	Management request	At the request of the Information Manager, the RSM Tenon Client Manager has conducted three separate independent investigations into allegations of impropriety by four members of staff. This type of work is very resource intensive as it involves carrying out a series of tests to review evidence and interviews have to be held with relevant staff, contractors, the complainant etc. These would not form part of the internal audit plan but do have a significant impact upon the plan when this additional work is requested.	N/A
The Thames Gateway Development Corporation transfer of staff and powers	Management request	This review was extended to provide audit advice to the Integration Project Group. The scope of the review included mapping the due diligence process, liaison with the Development Corporation to identify assets, log project activity and create a high level record of project tasks for the Authority. This work contributes to the task of collating due diligence activities and identifies key documents obtained in this process.	N/A
Director driven request in respect of Morrison Schedule of Rates work	Management request	A responsive repairs contract review was undertaken and reported separately to the Audit Committee in November. In addition to this, Internal Audit was also requested to carry out a limited review of the schedule of rates for the Morrison contract. This work was carried out in conjunction with Housing for the Director of Transformation.	N/A
Academies	Management request	A total of six secondary schools became academies in 2011/12 Internal audit carried out reviews at these schools to ensure that they were not making inappropriate purchases prior to the transfer and all contracts paid on the school's behalf by the Council had been cancelled and reinstated under the name of the relevant academy.	N/A

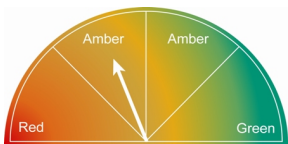
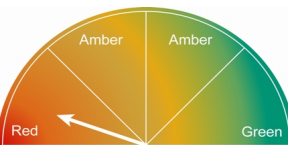
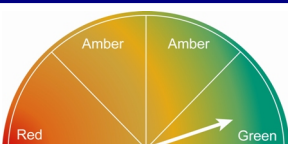
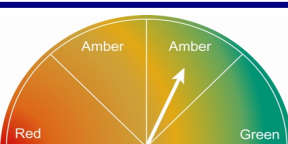
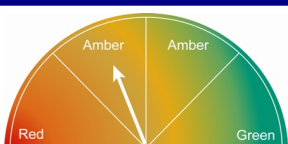
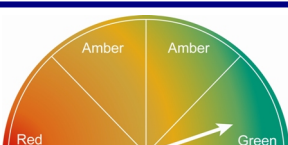
<b>Other Coverage</b>			
<b>Area</b>	<b>Rationale for coverage</b>	<b>Headline Findings</b>	<b>Assurance</b>
Anti-fraud & Corruption Strategy	Management request	A review of the effectiveness of the anti-fraud and corruption strategy was carried out. The findings were passed to the Head of Corporate Finance and presented to the Standards Committee. As a result of this work and other issues identified within the Council, a Corporate Fraud Team is being set up.	N/A
Follow up	Ongoing assurance over the implementation of internal audit recommendations.	Our follow-up reviews carried out in 2011/12 identified that 87% of recommendation had been implemented. This is an improvement on the previous year where 67.2% of recommendations checked had been implemented. The introduction of a more rigorous approach by the Audit Committee, Directors and Heads of Service during 2011/12 has helped drive these improvements. This represents good progress.	N/A
Risk Maturity	Ongoing assurance over the Council's risk management processes.	We consider the organisation to be Risk Defined. There was evidence of regular review and updates to the Corporate Risk Register were regularly reported to the Audit Committee. The risk management review was deferred until 2012/13 due to the implementation of a new risk management framework in early 2012.	N/A

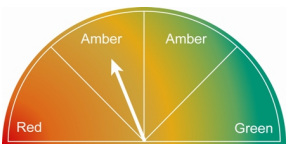
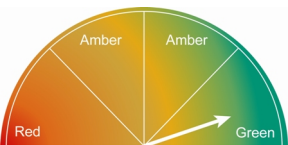
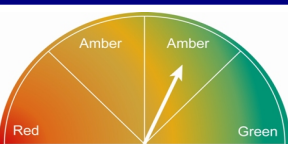
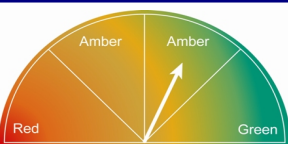
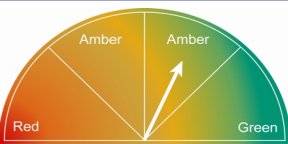
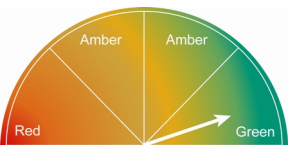
**APPENDIX B: INTERNAL AUDIT OPINIONS AND RECOMMENDATIONS 2011/2012**

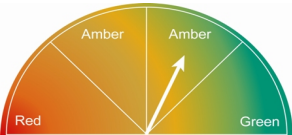
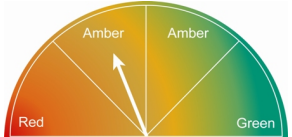
Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Cash Receiving		0	1	0	1	1
Creditors		0	1	3	4	4
Debtors		0	0	1	1	1
Council Tax		0	0	0	0	0
NNDR		0	0	0	0	0
Housing Benefits		0	0	6	6	6

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Treasury Management		0	0	1	1	1
Payroll		5	2	0	7	7
Bank Reconciliation		0	0	3	3	3
CRB Checks		0	1	1	2	2
Building Control		0	1	2	3	3
Business User Allowance		1	1	1	3	3



Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Direct Payments		0	4	3	7	7
Morrison's Responsive Repairs Contract		6	0	0	6	6
Residential Care Contracts		0	0	2	2	2
Section 17 Payments		0	3	0	3	3
Purchase Cards		0	5	3	8	8
Safeguarding Vulnerable Adults		0	0	2	2	2

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Adoption		1	2	0	3	3
Chafford Hundred Business & Enterprise College		0	2	2	4	4
Horndon-on-the-Hill Primary School		0	0	7	7	7
Orsett CofE Primary School		0	2	5	7	7
Quarry Hill Primary School		0	3	2	5	5
Stifford Clays Junior School		0	0	2	2	2

Auditable Area	Assurance Level Given	Number of Recommendations made				
		High	Medium	Low	In Total	Agreed
Treetops School		0	2	3	5	5
William Edwards School and Sports College		1	1	4	6	6
Duplicate Payments	Advisory	N/A	N/A	N/A	N/A	N/A
National Fraud Initiative	Advisory	N/A	N/A	N/A	N/A	N/A
Member driven complaints in respect of responsive repairs contract	Advisory	N/A	N/A	N/A	N/A	N/A
Formal complaints involving members of staff.	Advisory	N/A	N/A	N/A	N/A	N/A
The Thames Gateway Development Corporation transfer of staff and powers	Advisory	N/A	N/A	N/A	N/A	N/A
Director driven request in respect of Morrison Schedule of Rates work	Advisory	N/A	N/A	N/A	N/A	N/A
Academies	Advisory	N/A	N/A	N/A	N/A	N/A
Anti-fraud & Corruption Strategy	Advisory	N/A	N/A	N/A	N/A	N/A
Follow-up	Good progress	N/A	N/A	N/A	N/A	N/A
Risk Management	Risk Defined	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>		<b>14</b>	<b>31</b>	<b>53</b>	<b>98</b>	<b>98</b>

This page is intentionally left blank

**RSM** Tenon

Page 139

**THURROCK COUNCIL**

Corporate Anti-Fraud Services Annual Work plan for 2012/2013

CONFIDENTIAL

August 2012

David Foley – Associate Director

DRAFT

## CONTENTS

Section	Page
1. Executive Summary	3
2. Our Methodology	6
3. Summary of Work Plan Areas and Resources Allocation	9

This report has been prepared for Thurrock Council and should not be disclosed to any third parties, including in response to requests for information under the Freedom of Information Act, without the prior written consent of RSM Tenon and Thurrock Council.

This report is prepared solely for the use of Board and senior management of Thurrock Council. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

© 2012 RSM Tenon Limited

RSM Tenon Limited is a member of RSM Tenon Group

RSM Tenon Limited is an independent member firm of RSM International an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office 66 Chiltern Street, London W1U 4GB. England.

## 1. EXECUTIVE SUMMARY

### 1.1. BACKGROUND

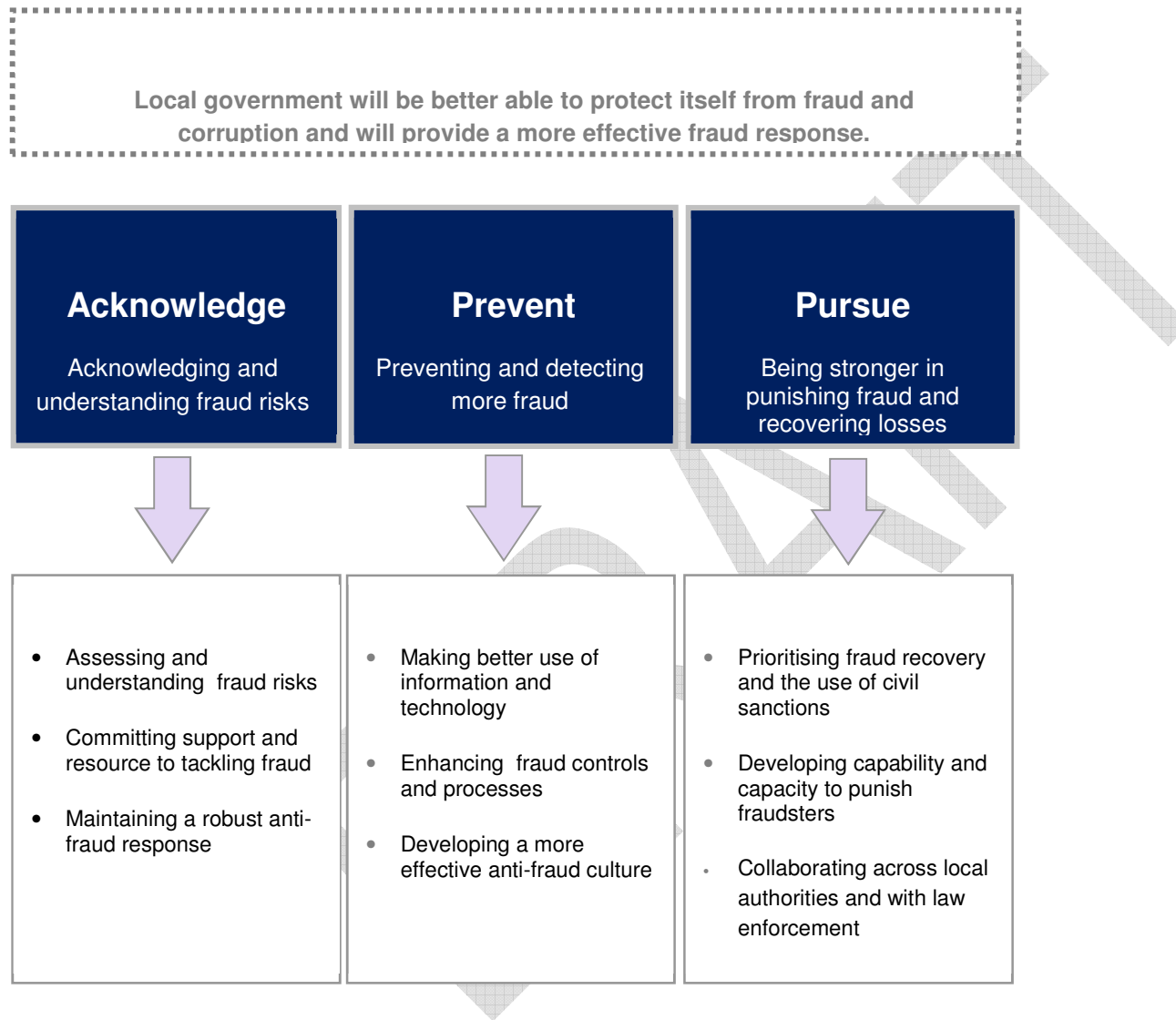
1.1.1 Each year the National Fraud Authority (NFA) produces the Annual Fraud Indicator (AFI) which provides an overview of the cost of fraud broken down by sector. The AFI for 2012 identified that in excess of £2 billion was lost to fraud across local government. This year the NFA has also published Fighting Fraud Locally: The Local Government Fraud Strategy, which is intended to help councils tackle and prevent these fraud losses and provides a blueprint to better equip local authorities to fight a range of frauds.

1.1.2 In line with the strategy for tackling fraud, a greater emphasis is now placed on preventing fraud from occurring in the first place, added with mechanisms and resources encouraged towards detecting occurrences of fraud. This is a shift from the traditional approach of tackling fraud, which was typically based around reactive methods such as conducting investigations. Whilst an effective investigative resource is an essential part of any strategy, it is considered more cost effective and less damaging to an organisation's reputation to prevent losses through fraud from occurring in the first place.

1.1.3 The workplan presented takes into consideration these range of best practice principles of effectively tackling fraud within Thurrock Council. The range of activities are categorised as:

- Acknowledge – acknowledging and understanding fraud risks
- Prevent – preventing and detecting more fraud
- Pursue – being stronger in punishing fraud and recovering losses

This plan is a corporate fraud plan and does not include coverage for Housing Benefit Fraud, or Housing Tenancy Fraud investigation, whilst the future remit of these areas is decided. The diagram overleaf describes the approach recommended by the NFA across local government.





- 1.1.4 This plan focuses on the type of work to be conducted during financial year 2012-13 and informs a proactive detection work programme across Thurrock Council over the coming financial year.
- 1.1.5 Outlined below are some areas which will form part of this programme over the coming three year cycle. These areas will be subject to on-going review, with changes made as required on the identification of emerging fraud risks or areas identified through proactive work undertaken, or reactive investigations root cause analysis work:
- Fraud within Procurement
  - Fraud within the Payroll System
  - Grant Fraud / Funding of Voluntary Organisations
  - Blue Badge Fraud
  - Education & Schools (including admissions)
  - Public Health Services
- 1.1.6 This plan has been constructed with consideration of objectives and incorporating best practice devised from:
- National Fraud Authority Fighting Fraud Locally: The Local Government Fraud Strategy (2012)
  - Thurrock Council's Anti-fraud Strategy
  - Department for Communities and Local Government publication 'Ten ways to tackle council fraud'
  - National Fraud Authority (NFA) 'Tackling fraud and error across the public sector 2011' document
  - Audit Commission – 'Protecting the Public Purse 2011' document
  - CIPFA Red Book 2 "Managing the Risk of Fraud" best practice document
  - Intelligence gained from RSM Tenon client base, specifically key risks identified of relevance to Thurrock Council
  - Liaison with Internal Audit relating to their work conducted during 2011/12 and planned for 2012/13
  - A review of a number of Audit Reports completed during 2011/12

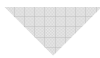
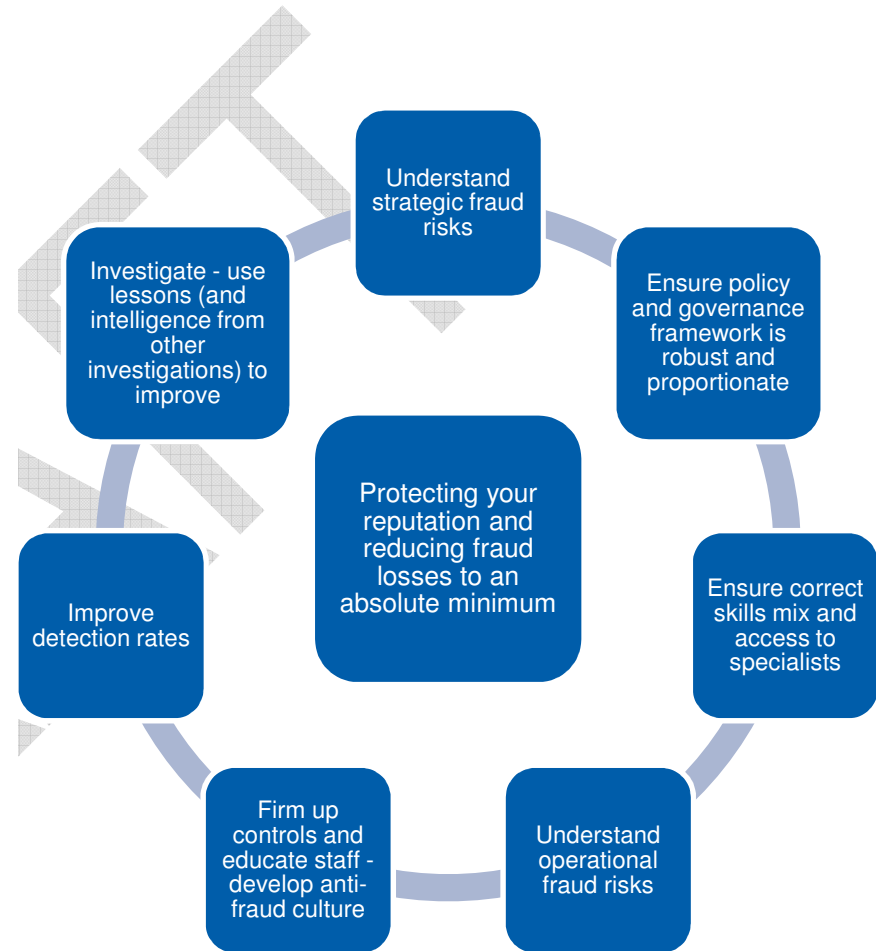
## 2. OUR METHODOLOGY

### 2.1 PROACTIVE APPROACH

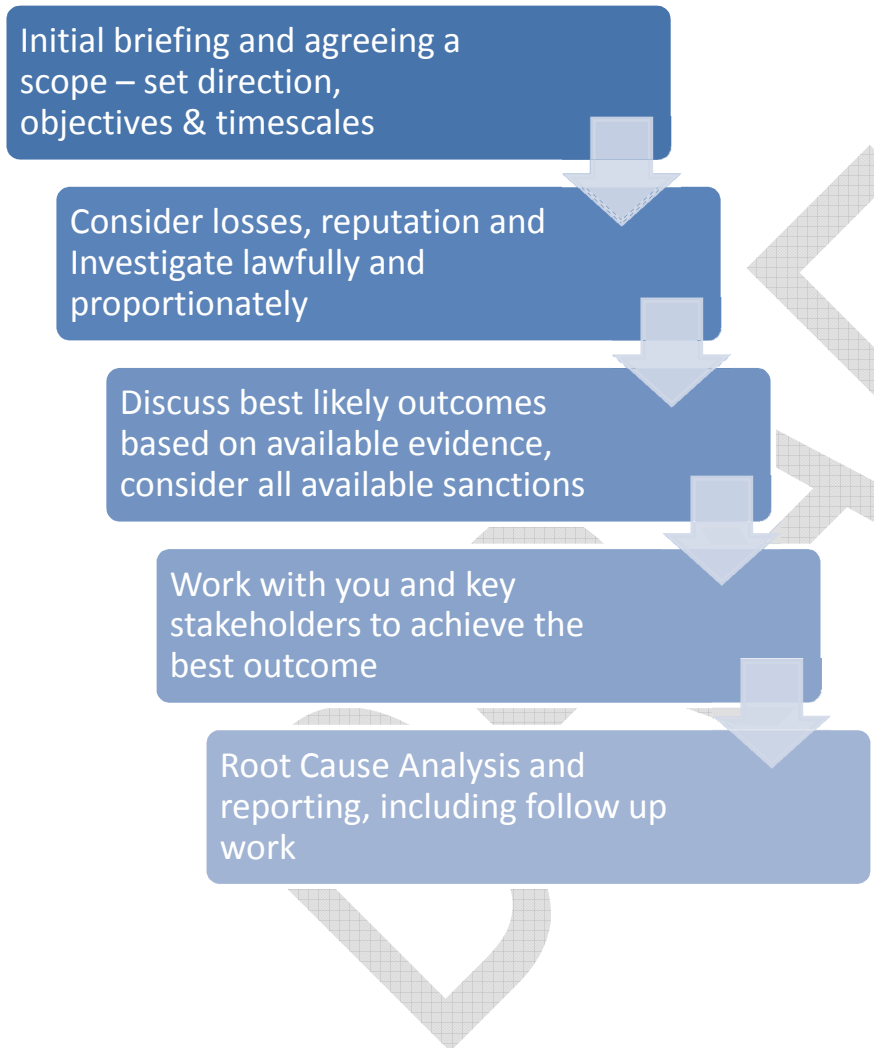
Our approach to delivering an effective proactive work plan is ensuring that it is part of a three year strategy, which is flexible and bespoke to your risks at any point in time.

During year one, we will ensure that we devise a work plan which covers areas deemed high risk, such as:

- Engagement with key stakeholders across the Council to raise awareness of RSM Tenon as the new anti-fraud provider, ensuring that confidence is built upon and levels of interaction are high;
- Implementation of a rolling fraud awareness programme, providing coverage across your areas of significant levels of expenditure, such as Finance, Procurement & Payroll;
- Engagement with those responsible for policy design and review across the Council;
- Maintaining a visible and responsive presence.



2.2 REACTIVE INVESTIGATIONS APPROACH



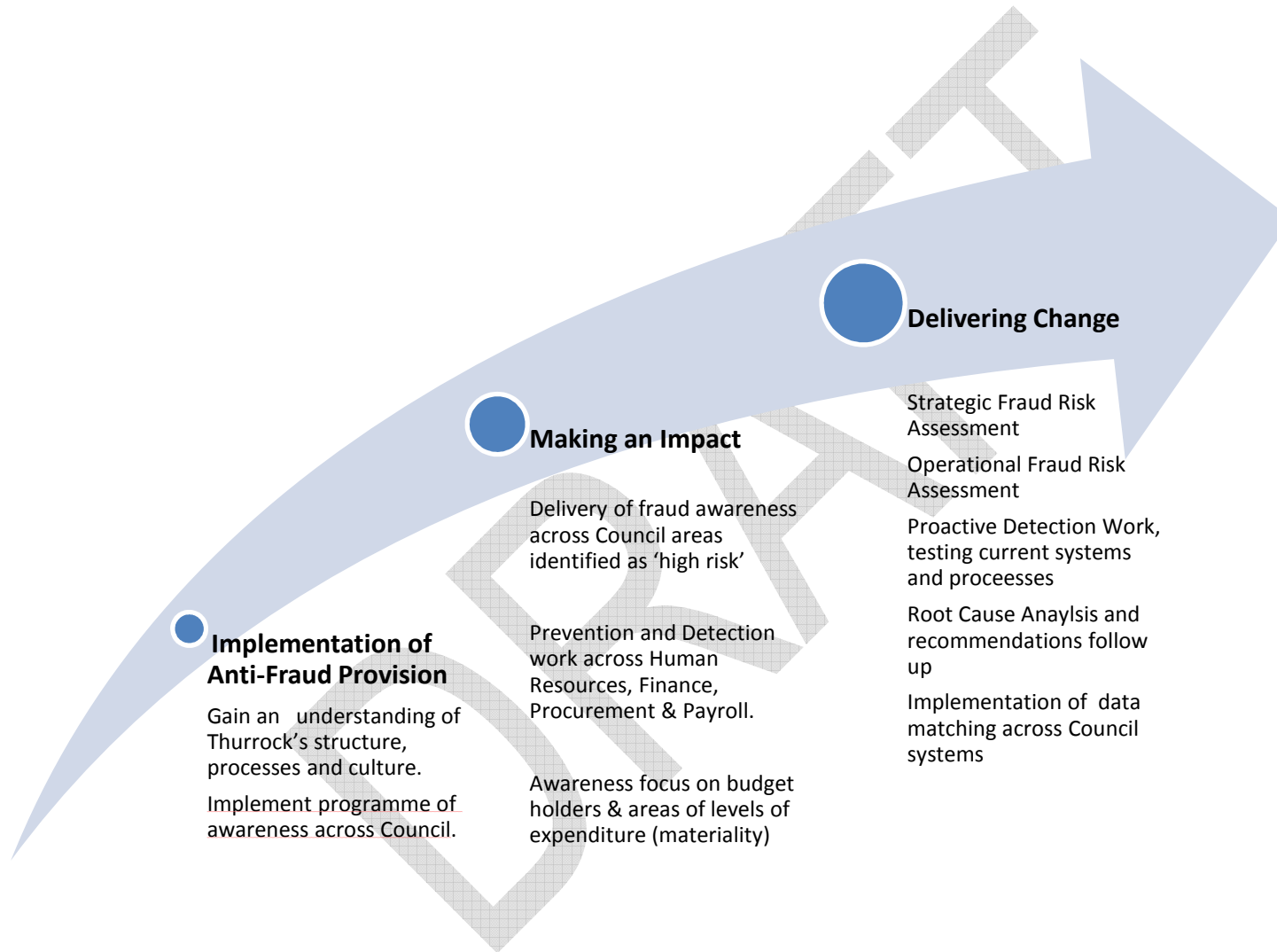
Investigations can be expensive and to ensure that your resources are spent in the most cost-efficient way, we will work with you to adopt a decision-making process based on a scorecard approach that takes into consideration levels of evidence, referral source and other intelligence that can help to decide whether to take investigations forward.

We will undertake investigations without undue delay and provide specialist support as required:

- Acknowledge and respond to investigations within a 24 hour period;
- Conduct an initial assessment to determine appropriate action;
- Progress investigations without any impact on the delivery of your proactive work;
- Investigations support via our Specialist Investigations Team where necessary, inclusive of support from Forensic Computing staff and ACAS trained investigators;
- Ensure a link between reactive work and the proactive plan, including close working with Internal Audit.

### 2.3 IMPLEMENTATION OF PROACTIVE PLAN

Page 146



### 3. SUMMARY OF WORKPLAN AREAS AND RESOURCES ALLOCATION

	Number of Days
<b>PROACTIVE</b>	<b>104.75</b>
Acknowledge	54
Prevent	50.75
<b>REACTIVE</b>	<b>As required</b>
Pursue	As required

The following tables detail the utilisation of the above days in more detail.

## ACKNOWLEDGE

### COMPLIANCE WITH CIPFA RED BOOK 2 “MANAGING THE RISK OF FRAUD”

### RECOMMENDED TASK / OBJECTIVE

#### ANTI- FRAUD CULTURE

1a) Ensure that the Council has a clear programme of work attempting to create a real anti-fraud and corruption and zero tolerance culture

2a) Ensure there clear goals for this work (to maximise the percentage of staff and public who recognise their responsibilities to protect the organisation and its resources).

3a) Ensure this programme of work being effectively implemented.

4a) Ensure there arrangements in place to evaluate the extent to which a real anti-fraud and corruption culture exists or is developing throughout the Council.

5a) Ensure there are agreements in place with stakeholder representatives to work together to counter fraud and corruption.

6a) Ensure arrangements been made to ensure that stakeholder representatives benefit from successful counter fraud and corruption work.

#### AREAS OF WORK TO INCLUDE:

- Input to Induction process, inclusive of design & dissemination of new starter fraud pack as required, and delivery of training session. **6 days**
- Bespoke Fraud Awareness Training Workshop Sessions, inclusive of all fraud awareness material, design & dissemination. Evaluation of sessions and follow up work. Areas deemed high risk to be covered during Year 1: **16 days**
  - Human Resources & Recruitment
  - Finance Department
  - Procurement Department
  - Payroll Department
  - IM&T Department
- Work with Thurrock Council to implement a rolling programme of fraud awareness training for all budget holders / authorised signatories across the Council. **12 days**
- Communications Campaign, to increase level of fraud awareness – Internal & External **5 days**
  - Specific Topics TBC– Q3
  - Specific Topics TBC – Q4
- Engagement with key stakeholders, inclusive of contractor services providers, to ensure reporting lines are implemented and fraud risks are identified and fed into proactive plan of work; **8 days**



## PREVENT

### COMPLIANCE WITH CIPFA RED BOOK 2 "MANAGING THE RISK OF FRAUD"

### RECOMMENDED TASK / OBJECTIVE

#### DETERRENCE/ PREVENTION/DETECTION

1b) Ensure Thurrock Council has a clear programme of work attempting to create a strong deterrent effect which publicises the:

- Hostility of the honest majority to fraud and corruption;
- effectiveness of preventative arrangements;
- sophistication of arrangements to detect fraud and corruption;
- professionalism of those investigating fraud and corruption and their ability to uncover evidence;
- likelihood of proportionate sanctions being applied; and
- likelihood of losses being recovered.

3b) Ensure that Thurrock Council successfully publicised work in this area.

4b) Ensure publicity been targeted at the areas of greatest fraud losses.

1c) Ensure Thurrock Council seeks to design fraud and corruption out of new policies and systems and to revise existing ones to remove apparent weaknesses.

2c) Ensure concluding reports on investigations include a specific section on identified policy and systems weaknesses that allowed the fraud and corruption to take

#### AREAS OF WORK TO INCLUDE:

- Delivery of Fraud Risk Assessment (FRA) across Thurrock, consisting of Strategic and Operational levels using RSM Tenon "Fraud Mapping Tool." Inclusive of interviews of staff, drafting of report and implementation into proactive work plan and three year strategy. **18 days**
- Review / Implement Protocols & Strategies, consisting of: **2.5 days**
  - Human Resources & Anti-Fraud Service Protocol
  - Internal Audit & Anti-Fraud Service Protocol
  - Payroll Protocol.
- Develop and implement counter fraud in policy / system review, design & implementation cycle, to ensure that fraud risk is designed out of any Thurrock Council policy or procedure. **0.75 days**
- Undertake a Proactive Review of the following policies, ensuring compliance with Bribery Act 2010: **4.5 days**
  - Anti-Fraud Policy
  - Whistleblowing Policy
  - Other policies deemed 'high risk' such as Financial, Human Resource & Corporate Policies.
- Implement a Bribery Act Implementation Strategy Guidance Note for Thurrock, ensuring a programme of actions ensuring corporate compliance. **3 days**
- Submit and follow up intelligence bulletins, fraud alerts / notices received by organisation. **As required**



**PREVENT**

<p>place.</p> <p>3c) Ensure there a system for considering and prioritising action to remove these identified weaknesses.</p> <p>1d) Ensure there are effective ‘whistleblowing’ arrangements in place.</p> <p>2d) Ensure analytical intelligence techniques are used to identify potential fraud and corruption.</p> <p>3d) Ensure there are effective arrangements for collating, sharing and analysing intelligence.</p> <p>4d) Ensure there are arrangements in place to ensure that suspected cases of fraud or corruption are reported promptly to the Anti-Fraud Service for further investigation.</p> <p>5d) Ensure that identified potential cases are promptly and appropriately investigated</p> <p>6d) Ensure proactive exercises undertaken in key areas of fraud risk or known systems weaknesses.</p>	<ul style="list-style-type: none"> <li>▪ Testing and follow up of counter fraud recommendations made, on previous fraud work, including liaison with Internal Audit where required. <b>1.5 days</b></li> <li>▪ Engagement and regular liaison with key law enforcement agencies, such as Police and UK Border Agency; <b>1.5 days</b></li> <li>▪ Implement Thurrock Council Fraud Forum, increasing fraud team and engagement with business leads, inclusive of devising work plan and risk register updates; <b>1 day</b></li> <li>▪ Undertake detection exercises with areas deemed as high fraud risk. Work will be conducted in collaboration with Internal Audit where necessary. <b>4 days</b></li> </ul> <p>Areas for Year 1 to be as follows:</p> <ul style="list-style-type: none"> <li>- Declaration of Interests / Gifts &amp; Hospitality <b>14 days</b></li> <li>- Audit Commission's National Fraud Initiative (NFI) <b>TBC</b></li> <li>- Housing Tenancy Data Matching Exercise <b>TBC</b></li> </ul>	
<b>NUMBER OF DAYS TO BE DELIVERED</b>		<b>50.75</b>

**PURSUE**

**COMPLIANCE WITH CIPFA RED BOOK 2 “MANAGING THE RISK OF FRAUD”**

**RECOMMENDED TASK / OBJECTIVE**

**INVESTIGATIONS/ SANCTIONS/REDRESS**

1d) Ensure ‘whistleblowing’ arrangements are in place.

2d) & 3d) Ensure analytical intelligence techniques are used and there are effective arrangements for collating, sharing and analysing intelligence.

4d) & 5d) All suspected cases are reported promptly to the appropriate person and all cases are promptly and appropriately investigated.

6d) Are proactive exercises undertaken in key areas of fraud risk or known systems weaknesses.

1f) & 2f) & 3f) Ensure there is a clear and consistent policy on the application of sanctions where fraud or corruption is proven to be present. All possible sanctions – disciplinary / regulatory, civil and criminal are considered. Consideration of appropriate sanctions takes place.

1g) & 2g) & 4g) A clear policy on the recovery of losses. Ensure Thurrock Council is effective in recovering any losses utilising where appropriate criminal and civil law. Ensure the proceedings for the recovery of losses are monitored and identify Thurrock Council’s recovery rate.

**AREAS OF WORK TO INCLUDE:**

- Ensure full compliance with legislative requirements and conduct investigations as required in line with liaison and input from key stakeholders across Thurrock Council;
- Entry and updating investigations data onto Thurrock Council’s Case Management System;
- Liaison with other local authorities, agencies and other external bodies relating to investigations work and suspect tracing;
- Respond to requests for assistance on referrals from external organisations;
- Consider all available sanctions with all investigations conducted, such as:
  - Criminal proceedings
  - Disciplinary proceedings
  - Civil Litigation
- Review and implement a robust mechanism across Thurrock Council for the identification of cases whereby financial investigation resource can be best utilised to ensure identification and recovery of monies lost to fraud;
- Follow up investigations resulting in matches derived from the Audit Commission’s National Fraud Initiative (NFI).

**NUMBER OF DAYS TO BE DELIVERED**

**As Required**

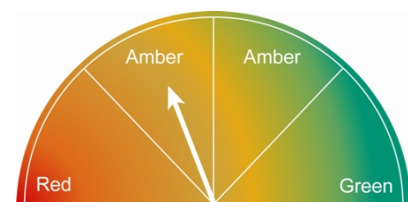
Thurrock Council

Care Proceedings

Internal Audit Report 2011-12  
3 August 2012

**FINAL**

**Overall Opinion**



## CONTENTS

Section	Page
Executive Summary	1
Action Plan	4
Findings and Recommendations	6

Debrief meeting	29 May 2012	Auditors	Chris Harris – Director
Draft report issued	27 Jun 2012		Gary Clifford - Client Manager
Responses received	3 Aug 2012		Dina Lucchesi - Senior Auditor
Final report issued	3 Aug 2012	Client sponsor	Barbara Foster - Head of Care & Targeted Outcomes Tasnim Shawkat - Head of Legal Services
		Distribution	Jo Olsson – Director of People Services Barbara Foster - Head of Care & Targeted Outcomes Tasnim Shawkat - Head of Legal Services Martin Hone - Corporate Director of Finance and Corporate Governance Sean Clark - Head of Corporate Finance Paul Coke – Service Manager (Children and Families)



This review has been performed using RSM Tenon's bespoke internal audit methodology, **i-RIS**.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report is prepared solely for the use of Board and senior management of Thurrock Council. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

© 2012 RSM Tenon Limited

RSM Tenon Limited is a member of RSM Tenon Group

RSM Tenon Limited is an independent member firm of RSM International an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office 66 Chiltern Street, London W1U 4GB. England

## 1 EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

An audit of Care Proceedings was undertaken as part of the approved internal audit periodic plan for 2011/12.

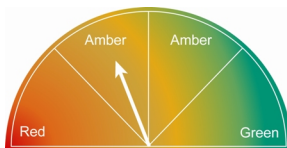
If the Council has serious concerns about the safety or welfare of a child, it can apply to the court to take the child into care. Children are only taken into care when Social Services are really worried that they are suffering, or are likely to suffer, significant harm from the way they are being looked after by their parents or carers, or where the child is beyond the control of a parent.

The Expenditure on Care Proceedings for the last 4 years was £1,947,131 as per following breakdown:-

2008-09	£423,651	(no. of cases not provided)
2009-10	£449,642	(48 cases)
2010-11	£613,014	(28 cases)
2011-12	£460,824	(42 cases)

Objective	Social Workers and Legal Services are working closely and effectively together
Risk	Social Workers and Legal Staff are not working effectively together and the best possible outcome for the child is not obtained.
Objective	Delays in care proceedings are minimised
Risk	Applications are submitted to the courts with missing or incomplete key documents.
Objective	Performance is monitored
Risk	Performance is not monitored

### 1.2 CONCLUSION



**Taking account of the issues identified, whilst the Council can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.**

The above conclusions feeding into the overall assurance level are based on the evidence obtained during the review. The key findings from this review are as follows:

- Social Workers and Legal Staff are working well together and proceedings are carried out with due diligence;
- Parents are notified of proceedings and efforts are made to keep the family together;
- Managers are not always made aware of Service Level Agreements between Legal and Social Care;
- Core Assessments are not always completed within the required timescales;

- A Local Performance Improvement Group has been formed and it is attended by Representatives from Legal and Social Care.
- Costs for each individual case are not monitored.

### 1.3 SCOPE OF THE REVIEW

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion.. 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 for review and limitations were agreed:

#### Limitations to the scope of the audit:

- The scope of the audit will be limited to reviewing processes in place. Conclusions will be based upon sample testing of transactions relevant to the current financial year to date. 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.

### 1.4 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:

Our recommendations address the design and application of the control framework as follows:

	Priority		
	High	Medium	Low
Design of control framework	1	1	0
Application of control framework	0	1	2
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>

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

Risk	Priority		
	High	Medium	Low
Applications are submitted to the courts with missing or incomplete key documents.	1	1	0
Performance is not monitored	0	1	1
Social Workers and Legal Staff are not working effectively together and the best possible outcome for the child is not obtained.	0	0	1
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>

## 1.5 ACKNOWLEDGEMENTS

We would like to thank the following people for assisting us with this review

Name	Position
Lindsey Marks	Principal Solicitor (Legal Services)
Paul Coke	Service Manager (Children & Families)
Julie Wilcox	Personal Assistant (Children, Education & Families)

## 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 not formal recommendations that impact our overall opinion, but used to highlight a suggestion or idea that management may want to consider.

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1.2	When conflicting advice is given by solicitors in the same case, the client department should notify the Head of Legal Services so she can look at the issue and ensure accurate, consistent advice is provided.	Low	Y	Efforts are being made to ensure that the solicitor with conduct of the case attends all meetings relating to the case to avoid conflicting advice being given.	Implemented.	Service Manager for Looked After Children and Service Manager for Safeguarding
2.3	Once the new People Services SLA is agreed, it should be cascaded down to Managers. This will ensure that they are aware of what is included in the services provided by Legal.	Medium	Y	A new People Services SLA will be issued shortly	Once the new People Services SLA is agreed. September 2012	Business Support Manager for Legal Services and Principal Solicitor.
2.4	More care should be taken to ensure that core assessments are completed within the timescales as their absence may delay court proceedings and will impact upon the reputation of the Council.	High	Y	People Services (Children Services) and Legal Services are working together to ensure that unless care proceedings have to be issued urgently that the core assessment has been completed.	Implemented	Service Manager for Safeguarding Service Manager for Looked After Children and Principal Solicitor



Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
3.2	The Service Manager should meet with the Principal Solicitor to review and agree actions within the Local Performance Improvement Group Action Plan.	Low	Y	The meeting has taken place and the Service Manager is in the process of drafting the Action Plan	Implemented	Service Manager and Principal Solicitor
3.4	Full case reference and/or name should be quoted for each payment made. This information would not only provide a clear audit trail but would be useful management information, especially in view of the fact that the cases are becoming more and more expensive. All associated Care Proceeding costs should be allocated to the same code to allow the total cost of proceedings to be identified.	Medium	Y	The full case name is inserted when raising a purchase order, however, when this is submitted for approval to the Service Manager, Oracle does not appear to provide the case name.	Implemented	Service Manager and Principal Solicitor

### 3 FINDINGS AND RECOMMENDATIONS

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
<b>Risk 3: Social Workers and Legal Staff are not working effectively together and the best possible outcome for the child is not obtained.</b>					
1.1	Social Workers and Legal Staff are working effectively together	Yes	Four completed care proceedings files were reviewed. From reading the correspondence, it was determined that the working relationship between Social Workers and Legal Staff is extremely good. They appear to respond to each other promptly and in a professional way and proceedings are carried out with due diligence. The Legal Section liaises promptly with other Solicitors who represent respondents. Legal files are reviewed for completeness.		
1.2	Legal advice is consistent	No	It appears that on some occasions the advice given by Legal Staff is not consistent, i.e. two solicitors gave different advice in relation to the same Special Guardianship case. This could cause difficulty for Social Care as they relying on Legal to give the correct advice. It is understood that the conflicting advice could have been given by a new staff member who may not have been specially trained in care proceedings.	When conflicting advice is given by solicitors in the same case, the client department should notify the Head of Legal Services so she can look at the issue and ensure accurate, consistent advice is provided.	Low
1.3	Parents are notified that the Local Authority intends to commence care proceedings	Yes	The review confirmed that pre-proceedings letters are sent to parents. They are also informed that free legal advice is available to them and are provided, as a matter of routine, with a list of local Law Society Children's Panel Solicitors, to improve their access to appropriate legal advice. There was also evidence that the Legal Section check the contents of this letter to ensure that it includes all information relevant to the grounds for proceedings.		

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
<b>Risk 2: Applications may be submitted to the courts with missing or incomplete key documents</b>					
2.1	The time taken to complete court proceedings is minimised	Yes	<p>In Thurrock, it takes between 9 and 24 months to complete care proceedings. The major cause of delay is attributed to key documents, such as core assessments, being either missing, incomplete or not of a high enough standard. The Courts use other means e.g. extensive use of expert witnesses, to seek to “plug the gaps”. This can be time consuming and adds to the total cost.</p> <p>It is understood from the Service Manager, that steps have been taken to improve the quality of the initial, and any subsequent core assessments, through increased supervision. Legal meetings also ensure that every case has a core assessment.</p>		
2.2	The court timetable is adhered to	Yes	<p>At the outset of proceedings, the Court will lay down a procedural timetable setting out when parties should file statements and when and what reports are needed. The purpose of the interim hearings is to ensure that work that is required is carried out before the final hearing is completed and to deal with any other issues as they arise. The review concluded that on the whole, the Court timetable is adhered to. Sometimes it is unavoidable to ask for an extension as the input of other professionals is required e.g. psychological and/or other assessments, which may not have been submitted by the prescribed date.</p>		
2.3	There is a Service Level Agreement between Legal and Social Care	No	<p>There a Service Level Agreement between Legal and Children, Education and Families (now under the People Services Directorate), which defines the scope of the service. The current SLA expired on 31</p>	<p>Once the new People Services SLA is agreed, it should be cascaded down to Managers. This</p>	Medium

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
			<p>March and the Business Support Manager confirmed that a fresh agreement will be issued shortly.</p> <p>SLAs are usually agreed at Director level and the Service Specification agreed is not always communicated to Managers who, when requesting a service, may not be aware of what is included.</p>	will ensure that they are aware of what is included in the services provided by Legal.	
2.4	Core Assessments are carried out within specified time limits	Yes	<p>The Section monitors the percentage of Core Assessments that are completed within 35 days once a decision had been reached that a core assessment was necessary.</p> <p>The core assessments of 104 children representing 36 care proceedings cases from families comprising between 1 and 10 children, were tested to ensure they had been carried out within the specified time limits. 6 of the Core Assessments were found to have been completed with a delay of between 5 and 24 days, 1 with a delay of 52 days and a further 6, all members of same family, with a delay of 10 months. The Team Manager stated that the assessments should have been brought to a close at an earlier point but these had slipped through the internal tracking process.</p>	More care should be taken to ensure that core assessments are completed within the timescales as their absence may delay court proceedings and will impact upon the reputation of the Council.	High
2.5	Bundles are complete and correct	Yes	It was identified that there were some issues around producing Court Bundles as some had missing or incorrect documentation. The Principal Solicitor stated that although measures are taken to ensure that bundles are initially complete, correct and all the same, it is unavoidable that some documents can go astray or are not indexed correctly. This is due to the fact that bundles have to be provided to the court one week before the hearing and the		

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
			following can occur:- <ol style="list-style-type: none"> <li>1. The hearing is moved from one court to another after bundles have been sent</li> <li>2. Documents/reports that are received late and sent to the court to include in bundles, may not always be placed in the right order by court staff.</li> <li>3. Some documents are handed over on day of hearing and an insufficient number of copies were prepared.</li> </ol> The Legal Department confirmed that they are investigating an automated court and document bundle production solution which will minimise errors and risk.		
<b>Risk 2: Performance is not monitored</b>					
3.1	A Local Performance Improvement Group has been formed	Yes	The Essex Local Performance Improvement Group was formed in December 2010 and Members have since met on six occasions. Representatives from Thurrock Council are a Principal Solicitor and a Service Manager (Children & Families). It was confirmed that these meetings are useful as the team work together in finding solutions on how they can do things better. It was felt that these solutions are more likely to be implemented where they have been agreed locally and everyone within the group feels a sense of ownership and responsibility.		
3.2	Quarterly progress reports are collated by the Local Performance Improvement Group (LPIG).	Yes	There was evidence that the Senior Solicitor is updating the LPIG Action Plans. From them it is evident that barriers are being identified and solutions found. The Service Manager has not yet	The Service Manager should meet with the Principal Solicitor to review and agree actions	Low

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation								
			had an input although he confirmed he will need to get together with the Principal Solicitor to review and agree actions and ensure synergy.	within the Local Performance Improvement Group Action Plan.									
3.3	Robust and able Barristers are appointed	Yes-	<p>It appears that in a recent fact finding hearing, the appointed external Barrister was not well prepared so could not put the Council's case forward. The Head of Legal confirmed this was a one-off case and this Barrister had never been employed before. She confirmed that usually they employ people they know, or, use a Chamber that has a good reputation.</p> <p>The joint working arrangements for Legal Services between Thurrock and the London Borough of Barking and Dagenham will ensure that there are more advocates available in-house and reduce the need to use external Barristers.</p>										
3.4	Costs of each case are monitored	No	<p>The Expenditure on Care Proceedings for the last 3 years and current year up to 1st March 2012 was £1,947,131 as per following breakdown:-</p> <table border="0"> <tr> <td>2008-09</td> <td>£423,651</td> </tr> <tr> <td>2009-10</td> <td>£449,642</td> </tr> <tr> <td>2010-11</td> <td>£613,014</td> </tr> <tr> <td>2011-12</td> <td>£460,824</td> </tr> </table> <p>However, the above costs may not be a true reflection of the entire costs of care proceedings as it was noted that the cost of Residential Assessments, undertaken as part of some care proceedings, were coded differently e.g. the cost of sending a family to a residential assessment this</p>	2008-09	£423,651	2009-10	£449,642	2010-11	£613,014	2011-12	£460,824	Full case reference and/or name should be quoted for each payment made. This information would not only provide a clear audit trail but would be useful management information, especially in view of the fact that the cases are becoming more and more expensive. All associated Care Proceeding costs should be allocated to the same code to allow the	Medium
2008-09	£423,651												
2009-10	£449,642												
2010-11	£613,014												
2011-12	£460,824												

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
			<p>current year was £63,104.01 which is not reflected in the above costs. A further different code is used for not looked after children. The audit attempted to add up the cost of each individual case but this was not possible as insufficient reference had been made in Oracle. Therefore, although the Service Manager is aware of individual costs involved in care proceedings i.e. the cost of a psychiatric or residential assessment, they would not be able to calculate the total cost of each case.</p>	<p>total cost of proceedings to be identified.</p>	

This page is intentionally left blank



## Strategic/Corporate Risk & Opportunity Register - 2012/13 Quarter 2 Dashboard

## Appendix 1

### Risk

Risk Reference No. & Heading	Lead Officer	Previous Ratings			Latest Rating & DOT				Target Rating	
		Qtr 3 (2011/12)	Qtr 4 (2011/12)	Qtr 1 (2012/13)	Qtr 2 (2012/13)	Impact & Likelihood	DOT	Priority	Rating	Date
9 ICT Infrastructure	N.Byatt	90	90	90	90	Critical / High	➡	High	80	30/09/14
16 Business Continuity	L.Magill	60	100	100	90	Critical / High	✓	High	60	30/03/13
25 Delivery - Transformation Programme	C.Stephenson	80	80	90	90	Critical / High	➡	High	80	31/03/13
27b Purfleet Regeneration Project	C.Lambert	90	90	90	90	Critical / High	➡	High	60	30/06/14
35 Children's Social Care	B.Foster	-	90	90	90	Critical / High	➡	High	80	31/03/14
6 Capacity for Change	J.Hinchliffe	72	72	72	80	Substantial / Very High	✗	High	48	31/03/13
7 Contract Management Consistency	N.Byatt	80	80	80	80	Substantial / Very High	➡	High	48	31/03/14
26b ERP/Oracle Upgrade	J.Hinchliffe	64	64	72	80	Substantial / Very High	✗	High	48	30/11/12
14 Adult Social Care - Quality v Cost	R.Rowlands	90	80	80	80	Critical / Significant	➡	High	80	30/04/14
17b Olympics Emergency Planning	L.Magill	80	80	80	80	Critical / Significant	➡	High	60	30/09/12
18 Morrison Housing Repairs Contract	B.Brownlee	64	64	80	80	Critical / Significant	➡	High	48	31/12/12
32 School Building/Place Planning	C.Littleton	80	80	80	80	Critical / Significant	➡	High	80	30/09/12
39 Delivery of the MTFS 2012/13	M.Hone	-	-	80	80	Critical / Significant	➡	High	20	30/04/13
12 Sickiness Absence	J.Hinchliffe	72	72	72	72	Substantial / High	➡	High	64	31/12/12
16 Statutory Equality Requirements	S.DeAlyn	72	72	72	72	Substantial / High	➡	High	16	30/04/13
24 Health Transition	C.Armstrong	72	72	72	72	Substantial / High	➡	High	48	30/04/13
31 Transportation/Road Infrastructure	A.Millard	72	72	72	72	Substantial / High	➡	High	20	31/03/13
38 Welfare Reforms	R.Harris	-	72	72	72	Substantial / High	➡	High	72	01/04/13
2 Information Security	L.Henley	64	64	64	64	Substantial / Significant	➡	High	48	31/12/12
13 SSP Savings	N.Byatt	72	64	20	64	Substantial / Significant	✗	High	20	31/12/12
21 Carbon Management	C.Lambert	64	64	64	64	Substantial / Significant	➡	High	48	30/04/13
22 Community Engagement	N.Warren	90	90	90	64	Substantial / Significant	✓	High	60	30/09/13
34 Primary School Standards	C.Littleton	80	80	80	64	Substantial / Significant	✓	High	80	31/12/12
40b Senior Management Arrangements (New)	G.Farrant	-	-	-	64	Substantial / Significant	N/A	High	16	31/03/13
17a Emergency Planning & Response	L.Magill	60	90	90	60	Critical / Low	✓	Medium	60	31/03/13
15 Low Carbon Business Programme	C.Lambert	48	48	48	48	Substantial / Low	➡	Medium	48	30/06/13
8 Data Quality	C.Stephenson	36	36	36	36	Marginal / High	➡	Medium	20	30/04/13
3 Quality of Accounts	M.Hone	40	40	36	32	Marginal / Significant	✓	Medium	20	30/09/12

Rating: Lower is Best

DOT: Latest v Previous Rating

DOT: ✓ Improved, ➡ Static, ✗ Deteriorated.

## Strategic/Corporate Risk & Opportunity Register - 2012/13 Quarter 2 Dashboard

## Appendix 1

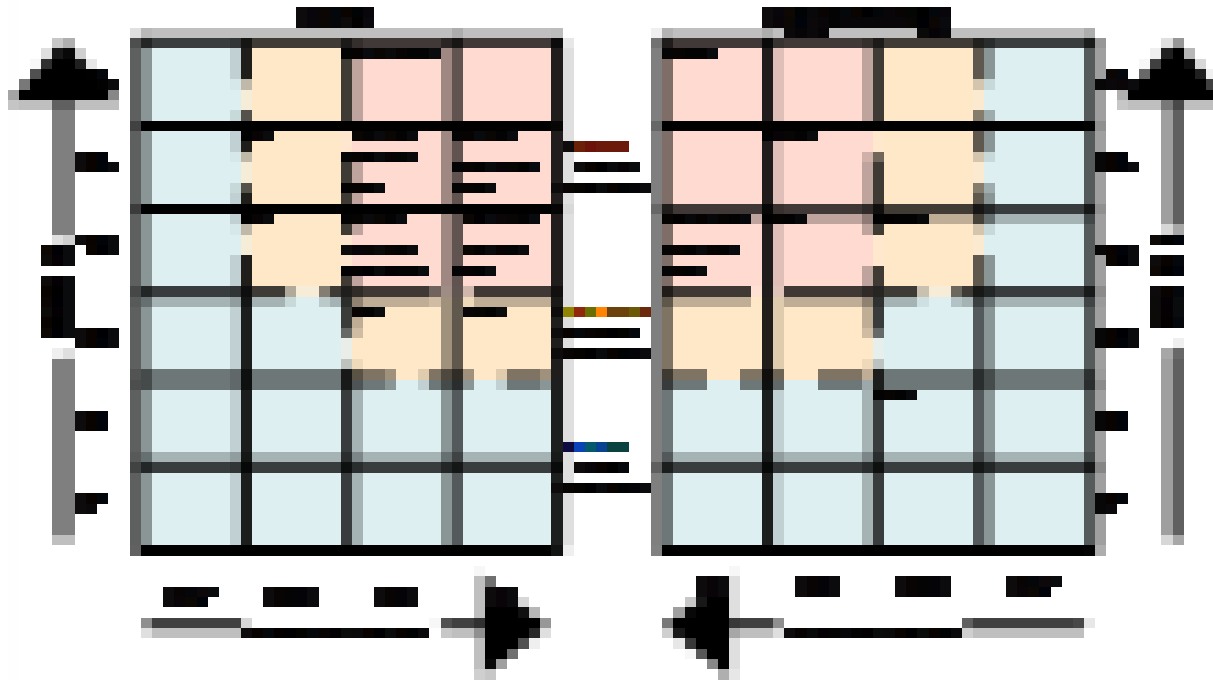
### Opportunity

Opportunity Reference No. & Heading	Lead Officer	Previous Ratings			Latest Rating & DOT				Target Rating	
		Qtr 3 (2011/12)	Qtr 4 (2011/12)	Qtr 1 (2012/13)	Qtr 2 (2012/13)	Impact & Likelihood	DOT	Priority	Rating	Date
26a ERP/Oracle Upgrade	J.Hinchliffe	100	100	100	100	Exceptional / Very High	➡	High	100	30/11/12
4 Business Rates Retention	M.Hone	80	80	80	80	Exceptional / Significant	➡	High	100	31/03/13
5 Asset Management	I.Rydings	80	80	80	80	Exceptional / Significant	➡	High	100	31/03/13
23 Academy of Transport & Logistics	L.Billingham	80	80	80	80	Exceptional / Significant	➡	High	100	31/12/12
28 Lakeside Sub Regional Centre	A.Millard	80	80	80	80	Exceptional / Significant	➡	High	100	30/09/13
30 London Gateway	A.Millard	80	80	80	80	Exceptional / Significant	➡	High	100	31/12/13
33 Learning Campus	C.Littleton	80	80	80	80	Exceptional / Significant	➡	High	100	30/11/13
27a Purfleet Regeneration Project	C.Lambert	72	72	72	72	Major / High	➡	High	80	30/06/14
29 Tilbury Port Expansion	A.Murphy	64	64	64	64	Major / Significant	➡	High	80	31/12/13
40a Senior Management Arrangements (New)	G.Farrant	-	-	-	32	Moderate / Significant	N/A	Medium	100	31/03/13
20 Grays Community Hospital	R.Harris	16	16	16	8	Moderate / Very Low	✖	Low	48	30/04/14

Rating: Higher is Best

DOT: Latest v Previous Rating

DOT: ✓ Improved, ➡ Static, ✖ Deteriorated.



**Key: ROM Matrix**

		Risk				Opportunity					
		IV	III	II	I	I	II	III	IV	A	
		Negligible	Marginal	Substantial	Critical	Exceptional	Major	Moderate	Minor	Very High	
Very High	A	20	40	80	100	100	80	40	20	A	Very High
High	B	18	36	72	90	90	72	36	18	B	High
Significant	C	16	32	64	80	80	64	32	16	C	Significant
Low	D	12	20	48	60	60	48	20	12	D	Low
Very Low	E	4	8	16	20	20	16	8	4	E	Very Low
Almost Impossible	F	2	4	8	10	10	8	4	2	F	Almost Impossible

**RED** High Priority  
**AMBER** Medium Priority  
**BLUE** Low Priority

This page is intentionally left blank



## Strategic/Corporate Risk and Opportunity Register Q2 Sept 2012



### Risks and Opportunities In Focus

The following risks/opportunities have been identified as the in focus items for the quarter by Performance Board. The items are separated between Risk & Opportunity and listed in priority (rating) order and then numeric order.



## Risks in Focus



Corporate Risk 9  
ICT Infrastructure

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

<b>Risks</b>	<b>Likelihood:</b>	<b>Opportunities</b>
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description	Lead Officer	Date Identified	Target End Date			
RiskCorp 9 - ICT INFRASTRUCTURE: The Councils current ICT systems and processes are not optimal, based upon outdated, inefficient legacy devices and processes leading to a stifling of service delivery improvements, lack of flexibility for transforming our business processes and poor business continuity timelines. The Council will not be able to deliver business and customer needs and reap the benefits in efficiencies which better, more flexible ICT enables to drive down costs.	Byatt, Nigel	30/09/2011	30/09/2014			
	<b>Inherent Rating</b>	<b>Residual Rating 31/12/2011</b>	<b>Residual Rating 31/03/2012</b>	<b>Residual Rating 30/06/2012</b>	<b>Residual Rating 30/09/2012</b>	<b>Latest RAB</b>
RM01 Rating	100	90	90	90	90	▲
RM02 Impact	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	▲
RM03 Likelihood	Very High	High	High	High	High	▲
<b>Current Risk / Opportunity (residual R/O Rating)</b>						
<b>Current Controls or Action</b>	<b>Assurance on Controls/Actions</b>					<b>Residual Rating 31/12/2011</b>
1. Corporate Information and Systems Development Board in place (strategic/pan-council ICT issues and manages e-government budget)	1. CSID minutes					90
2. ICT Operations Board in Place (monthly, provides project prioritisation/operational decisions)	2. ICT Operations Board minutes					
3. New ICT Strategy agreed by Cabinet on 12 October 2011.	3. CSID monitoring delivery of ICT Strategy					
4. Capital Investment for ICT agreed (£7million over 3 years)	4. Monthly monitoring of Capital investment by Corporate Finance					
5. Council has purchased Oracle E-Business Suite to provide Integrated applications and functionality around Financial Management and Business Intelligence reporting, HR, Payroll and Procurement.	5. Project Steering Group set up to monitor the progress against the delivery plan.					
<b>Target Risk/Opportunity</b>						
<b>Further Controls or Action</b>	<b>Assurance on Controls/Actions</b>					<b>Target R/O Rating</b>
6. Phase 1 of Implementation of Oracle upgrade to E-Business Suite (ERP - Enterprise Resource Planning) - Financial Upgrade (April 2012)	6. Project Management through Vertex Consultancy. Regular reports to Directors Board and CISD Board.					80
7. Phase 2 of ERP implementation - HR/Payroll (September 2012)	7. Project Management through Vertex Consultancy. Regular reports to Directors Board and CISD Board.					
8. CISD Board to consider and prioritise plans for the delivery of the wider ICT Strategy - Deliver Plan Mar 2012 onwards	8. Regular review by CISD Board					
<b>Progress /Developments - Further Controls/actions 31/03/2012</b>						<b>Residual Rating 31/03/2012</b>
6, 7 & 8. ERP continuing on target - other ICT initiatives being driven/championed by Transformation initiatives and business need - slow progress and lack of Corporate prioritization. Need to identify project resourcing and governance.						90
<b>Progress /Developments - Further Controls/actions 30/06/2012</b>						<b>Residual Rating 30/06/2012</b>
Q1 June 2012: 6. Phase 1 (Finance & Procurement) of ERP not fully delivered. Some defects with the system identified. Action plan to fix the position developed. All fixes targeted for completion by mid July. 7. A lessons learned exercise of the Phase 1 project undertaken. Delivery of Phase 2 effected by Phase 1 overrun & governance issue. Implementation plan (including resource) to be reviewed for the remainder of the project. 8. ICT Delivery Plan developed by Vertex and presented to the Council. The plan will go to CISD in May 2012 and is being integrated into the Transformation programme plan.						90
<b>Progress /Developments - Further Controls/actions 30/09/2012</b>						<b>Residual Rating 30/09/2012</b>
6&7. Outstanding ERP Financial issues still exist. Project has been supplemented by additional resource aimed at rectifying outstanding issues and delivering phase 1 to BAU by end of August. Implementation and resource plan for HR/Payroll to be reviewed to learn from Phase 1 issues and ensure realistic timescales for delivery. Costs to be clarified as part of review. 8. ICT infrastructure and development is pivotal to the achievement of the Transformation agenda. There is now greater understanding of the ICT relationship to transformation, and the visionary needs of the council in relation to ICT. Serco ICT are responding to the ICT Transformation infrastructure needs, however there is still not clarity around how these will be satisfied. There are still concerns around the ability of ICT to resource and deliver options and business solutions in the required timescales and to the required standard within the available timeframe and budgets.						90

Page 13



Corporate Risk 16  
Business Continuity

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

<b>Risks</b>	<b>Likelihood:</b>	<b>Opportunities</b>
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description						Lead Officer	Date Identified	Target End Date
RiskCorp 16 - BUSINESS CONTINUITY: The recent departure (November 2011) of the Business Continuity Officer from the Civil Protection Team in Public Protection has effectively meant that further work on the co-ordination of Business Continuity Planning across the Council has ceased and leads to the business continuity management arrangements across the Council becoming outdated & ineffective.						Magill, Lucy	30/09/2011	31/03/2013
Risk: The council's services are disproportionately impacted by foreseeable disruption effecting Thurrock.								
	Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB		
RM01 Rating	100	60	100	100	90	▲		
RM02 Impact	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	▲		
RM03 Likelihood	Very High	Low	Very High	Very High	High	▲		
Current Risk / Opportunity (residual R/O Rating)								
Current Controls or Action						Assurance on Controls/Actions		Residual Rating 31/12/2011
1. A corporate Business Continuity Plan was developed for the Council in 2010. Further service specific plans were developed to sit under the corporate plan in the period between the development of this plan and October 2011. 2. A group was established to refine business continuity arrangements for services further to allow for a better response from Council services in disruptive circumstances. 3. The recent departure (November 2011) of the Business Continuity Officer from the Civil Protection Team in Public Protection has effectively meant that further work on the co-ordination of Business Continuity Planning across the Council has ceased. 4. The departure of the Business Continuity Officer has provided the opportunity to review the arrangements in place for coordinating business continuity across the council.								60
Target Risk/Opportunity								
Further Controls or Action						Assurance on Controls/Actions		Target R/O Rating
5. A review of the arrangements in place to deliver this function is to be undertaken by the CEO and Head of Public Protection - December 2011 onwards. 6. Revised structure to be developed following the review in stage 2 above. 7. The structure and staffing should be chosen to address any shortcomings in previous arrangements identified. 8. Recruitment / redeployment decisions arising from the review will be implemented. 9. Should the review determine that the best course of action is to pursue business continuity for Thurrock by outsourcing the function to a third party then suitable contractors will be sought to fulfill this function and appropriate commercial arrangements developed to provide for third party delivery of this function.						5. Business continuity delivery subject to review by CEO and Head of Service. Subject to CEO / HOS review on Business Continuity Delivery the actions required to implement changes will be taken.		60
Progress /Developments - Further Controls/actions 31/03/2012								Residual Rating 31/03/2012
5. Roles within the team are currently being redesigned to give interim support to business continuity. All heads of service reminded at beginning of calendar year to review BC plans. ICT server failure in January 2012 is being investigated and learning from this episode is to be built into BC plans through work at DMT's, Leadership and BC management group. This work is being carried out jointly through EP/BC and Disaster Recovery								100
Progress /Developments - Further Controls/actions 30/06/2012								Residual Rating 30/06/2012
5. Following the role redesign above an officer has been identified to take forward business continuity work.								100
Progress /Developments - Further Controls/actions 30/09/2012								Residual Rating 30/09/2012
1. Completed 2. Ongoing group Review of business continuity plans in progress. Access to secure webpage provided to relevant staff to facilitate this process. 3. The post is still vacant and a longer term position is being considered post the Paralympic period 4-9. Arrangements will be further reviewed post the Paralympic period								90





# Corporate Risk 25 Delivery of the Transformation Programme

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

Risks	Likelihood:	Opportunities
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description						Lead Officer	Date Identified	Target End Date
RiskCorp 25 - DELIVERY OF THE TRANSFORMATION PROGRAMME: Failing to Deliver the Transformation Programme - The Transformation Programme does not make its savings target as defined by the 2012/13 Budget (£2.7million) and the MTFs. This leads to savings having to be made by other means, including service cuts, which would potentially be fairly late in the planning cycle. This could lead to service disruption and further pressures on the organisation's capacity to deliver the necessary changes in time.						Stephenson, Chris	30/09/2011	31/03/2013
Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB			
RM01 Rating	90	80	80	90	90			
RM02 Impact	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional			
RM03 Likelihood	High	Significant	Significant	High	High			
Current Risk / Opportunity (residual R/O Rating)								
Current Controls or Action						Assurance on Controls/Actions		Residual Rating 31/12/2011
1. Transformation Team worked closely with PWC on an analytics project looking to identify opportunities for savings. 2. Initial delivery already in train including Stationary (August), MFDs (April), Cashiers Closure (July), MSTAIR (December). 3. Finance will remove money from 2012/13 budgets once delivery has occurred. 4. Acceptance at Directors Board that this is a pan-Council Priority not just responsibility of the Transformation Directorate						1. Regular Staff Workshops 2. Review by Steering Group and Directors Board as Transformation Board. 4. Directors Board form part of the Transformation Board		80
Target Risk/Opportunity								
Further Controls or Action						Assurance on Controls/Actions		Target R/O Rating
5. Additional capacity being sought to accelerate and inspire confidence in the production of Financial Business Cases - February 2012. 6. Further Scrutiny including likely Task and Finish Group - Jan 2012. 7. Development of Clear Transformation Programme Structure, governance and communications plan - Jan 2012. 8. Stronger Vertex engagement to assist in Transformation.						5. Monitoring by Directors Board and Transformation Delivery Group.		80
Progress /Developments - Further Controls/actions 31/03/2012								Residual Rating 31/03/2012
1. Opportunities for savings identified and presented to Directors Board October 2011. Projects to take forward to deliver savings agreed. 2. Initial delivery included Stationary, MFDs, Cashiers Closure and MSTAIR. Additional projects include the centralization of Communications and Complaints Jan 2012. 4. Directors Board are closely involved as senior accountable officers. 5. Additional capacity (interim business analysts and programme manager) introduced to support production of business cases. 6. Project and way forward to achieve savings presented to Overview and Scrutiny Committee Jan 2012. 7. Structure of a 2 year transformation programme to address the £2.7M 2012/13 (and £4.4M 2013/14) savings targets presented and agreed by Directors Board December 2011. Transformation Programme has 4 themes to address customer access, excellent support services, better buying and new ways of working. A series of business cases for the delivery of the savings were presented and agreed by Directors Board February 2012. The business cases now move on the planned delivery of the projects. 8. Vertex have been engaged in the PWC analytics work and the development of the business cases for the transformation projects.								80
Progress /Developments - Further Controls/actions 30/06/2012								Residual Rating 30/06/2012
7. Delivery of Phase 1 of the transformation programme in progress. Projects include: - Customer Contact Phase 1 (moving services from face to face to web and transferring all incoming telephone calls to the contact centre) delivery underway and project closure scheduled for Nov 2012.								

Page 175

Progress /Developments - Further Controls/actions 30/06/2012	Residual Rating 30/06/2012
<p>- Business Support (admin centralisation) delivery underway and project closure scheduled for Nov 2012.</p> <p>- MSTAIR project delivered and closed 30/4/12.</p> <p>- ERP Phase 1 (finance system) delivered 16/4/12. Phase 2 (HR/payroll) underway and on track.</p> <p>Preparations for Phase 2 of the transformation programme in progress with the development of new business cases, which are to be considered and reported by the Summer 2012.</p> <p>Generation of Gate 4 business cases for EDRMS, Supply Chain, Community Hubs and Customer Contact Phase 2.</p> <p>- A profile and apportionment of year one of the Programme's savings (£2.7m) has been produced and reported to June DB.</p> <p>8. Continued engagement and support from Vertex in the delivery of projects and the development of new business cases.</p> <p>Additional Action/Progress:</p> <p>10. Consider options and implement revised arrangements for the delivery of the transformation programme following the departure of the Director of Transformation on 15/06/12. May - June 2012.</p> <p>- The Chief Executive is currently consulting staff and considering the options for the future delivery of the programme.</p> <p>11. Source additional capacity to support the delivery of some of the Phase 2 projects (e.g. EDRMS) from suppliers, where appropriate.</p> <p>12. Improve integration of service transformation with the Transformation Programme.</p> <p>- Item to be considered and discussed during Strategy Week 11 - 15/06/12.</p> <p>13. Formally re-appraise the value of efficiencies likely to be realised from the sale of assets identified in the Community Hub Gate 2 business case agreed by DB in February 2012</p>	90
Progress /Developments - Further Controls/actions 30/09/2012	Residual Rating 30/09/2012
<p>7. Remaining 2012-13 Phase 1 projects that have not completed implementation stage include community hubs, customer contact and business support.</p> <p>8 &amp; 11. Significant engagement with Serco has enabled a repositioning of key ICT infrastructure projects and allocation of resources from Serco to support ICT infrastructure investment - eg EDRMS, Cloud working - which is expected to lead to further efficiency savings</p> <p>10. Approach agreed and implemented to close gap caused by departure of Director of Transformation. Programme Team strengthened with interim appointment of specialist external expertise. Each programme stream now being led by a single programme manager. Delivery being supported by revised governance structure</p> <p>12. Approach proposed at Strategy Week to integrate service and council transformation activity agreed and now being implemented. Service based transformation model in train and being rolled out in Planning, Housing and 4th Floor</p> <p>13. Directors Board have requested the development of a programme of asset disposals as a priority to close potential savings gap.</p>	90



Corporate Risk 27b  
Purfleet Regeneration Project

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

Risks	Likelihood:	Opportunities
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description					Lead Officer	Date Identified	Target End Date
RiskCorp 27b PURFLEET REGENERATION PROJECT: Complex land acquisition by CPO, appointment of development partner, securing and implementing planning permission could impact on the success of the project.					Lambert, Clare	30/09/2011	30/06/2014
	Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB	
RM01 Rating	90	90	90	90	90	▲	
RM02 Impact	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	▲	
RM03 Likelihood	High	High	High	High	High	▲	
Current Risk / Opportunity (residual R/O Rating)							
Current Controls or Action					Assurance on Controls/Actions	Residual Rating 31/12/2011	
1. Land assembly: The TTGDC have acquired about 50% of the required land, these assets to be transferred to the Council. Cabinet has agreed a first resolution to commence CPO processes - April 2011. 2. Procurement of development partner: TTGDC have been in competitive dialogue with prospective development partners. 3. Securing relevant consents: An application for outline planning permission has been submitted for the development with determination by TTGDC planning Committee in March 2012. 4. Primary School: Cabinet in December 2011 agreed to build provision into MTFs to fund new School in Purfleet to support the project.					1-4. TTGDC project officer acts on behalf of the Council and reports regularly to the Assistant Chief Executive.	90	
Target Risk/Opportunity							
Further Controls or Action					Assurance on Controls/Actions	Target R/O Rating	
5. Complete land assembly - Cabinet to consider and agree a second resolution if the Council is to CPO the land, Cabinet decision in early 2012. Process will require funding for land acquisition, compensation and fees. 6. Development Partner procured 7. Secure relevant and remaining consents: TTGDC to determine the application for outline planning permission March 2012. Reserved matters planning consents required for each phase of development 8. Primary school funding 9. Project implementation					5-9. TTGDC project officer acts on behalf of the Council and reports regularly to the Assistant Chief Executive	60	
Progress /Developments - Further Controls/actions 31/03/2012						Residual Rating 31/03/2012	
5&6. Land assembly has not progressed while competitive dialogue continues with prospective development partners. Regulations governing OJEU require confidentiality, further development may be reported next quarter. 7. Outline planning application to be considered at TTG planning committee on the 5th March. If resolution to grant planning permission, application will be referred to the Secretary of State for consideration. If decision notice not issued by TTG before 31st March, application will have to be reported to TBC planning committee						90	
Progress /Developments - Further Controls/actions 30/06/2012						Residual Rating 30/06/2012	
1&5. Land Assembly - Approx 50% of the required land acquired to date. Negotiation and work to acquire the land ongoing. 2&6. Cabinet approval to re-procurement and Governance being sought on 13th June 2012 which, if granted, will enable new OJEU Competitive Dialogue process to commence immediately thereafter. Documents are being prepared by CEDU and will be reviewed by Programme Board before process is commenced. No contractual commitment will be made without further Cabinet approval at the appropriate stage. Assistant Chief Executive will report progress to Cabinet regularly. 7. Further invertebrate survey to be carried out and to be reported Sept 2012. Planning application to be considered by Planning Committee Nov - Dec 2012.						90	
Progress /Developments - Further Controls/actions 30/09/2012						Residual Rating 30/09/2012	
1&5. Land Assembly - Approx 50% of the required land acquired to date. Negotiation and work to acquire the land ongoing. 2&6. Cabinet approval to re-procurement and Governance approved on 13th June 2012 and enabled new OJEU Competitive Dialogue process in progress. Documents were prepared by CEDU and reviewed by Programme Board before issue. No contractual commitment will be made without further Cabinet approval at the appropriate stage. Assistant Chief Executive will report progress to Cabinet regularly. 7. Further invertebrate survey to be carried out and to be reported Sept 2012. Planning application to be considered by Planning Committee Nov - Dec 2012.						90	

Page 177



Corporate Risk 35  
Children's Social Care

Key to Rating Scores:  
**RED** = 64-100 = High Priority  
**AMBER** = 32-63 = Medium Priority  
**BLUE** = 1-31 = Low Priority

<b>Risks</b>	<b>Likelihood:</b>	<b>Opportunities</b>
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description					Lead Officer	Date Identified	Target End Date
RiskCorp 35 - CHILDREN'S SOCIAL CARE: Failure to manage the increases in demand and budget/resource pressures for Children Social Care services could lead to a breakdown in the quality or performance of the social care service provided to vulnerable children and results in less favourable outcomes from inspection and damage to reputation if the service does not meet the required standards.					Foster, Barbara	30/09/2011	31/03/2014
	<b>Inherent Rating</b>	<b>Residual Rating 31/03/2012</b>	<b>Residual Rating 30/06/2012</b>	<b>Residual Rating 30/09/2012</b>	<b>Latest RAB</b>		
RM01 Rating	90	90	90	90	▲		
RM02 Impact	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	▲		
RM03 Likelihood	High	High	High	High	▲		
<b>Current Risk / Opportunity (residual R/O Rating)</b>							
<b>Current Controls or Action</b>				<b>Assurance on Controls/Actions</b>			<b>Residual Rating 31/12/2011</b>
1. Planned reductions to the establishment implemented from August 2010 onwards to achieve reductions in expenditure. 2. Reduction in Service Managers undertaken in July 2011 to achieve in year savings. 3. Reduction in social work staffing levels for looked after children undertaken in Dec 2011 to achieve in year savings. 4. Work with Education from July 2011 onwards to develop 'Early Offer of Help Strategy' 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.				1. Impact on Social Care Services of reductions in expenditure reported to Children's O&S Committee 19th August 2010. 4. Early Offer of Help Strategy to be reported to Cabinet, via Director board March 2012			90
<b>Target Risk/Opportunity</b>							
<b>Further Controls or Action</b>				<b>Assurance on Controls/Actions</b>			<b>Target R/O Rating</b>
5. Ongoing management review and reporting of services (e.g. resource and demand pressures) - February 2012 6. Implementation of 'Early Offer of Help Strategy' - from April 2012				5. Report to Children's Overview & Scrutiny February 2012.			80
<b>Progress /Developments - Further Controls/actions 31/03/2012</b>							<b>Residual Rating 31/03/2012</b>
5. Report on service including resource and demand pressures presented to Children's Overview & Scrutiny Panel February 2012.. 6. This is a phased implementation that involves the engagement of partners in the design of the Strategy. Procurement and staffing changes are planned to ensure full implementation from April 2013. There is a full Work Plan and all tasks due by April 2012 are on track.							90
<b>Progress /Developments - Further Controls/actions 30/06/2012</b>							<b>Residual Rating 30/06/2012</b>
6. Proposals for the Early Offer of Help developed and to be considered by Cabinet in June 2012. Additional Action: 7. Development of business case/growth bid for resource for consideration by Star Chamber - August 2012.							90
<b>Progress /Developments - Further Controls/actions 30/09/2012</b>							<b>Residual Rating 30/09/2012</b>
6. Early Offer of Help Services commissioning proposals taken through Cabinet. Planned commissioning of an external independent review of service application of thresholds at contact, referral, assessment Internal quality assurance audits planned for quarter two to test and evaluate appropriateness of threshold application in respect of core assessments in response to quarter one rise in cores Analysis of existing caseload allocation across social care teams to inform potential feasibility and capacity within service for caseload reallocation or development of a caseload weighting system to respond to growing demand 7. Service pressures report including resource, demand, staffing and legislative to be considered by People Services DMT in August highlighting critical pressures and risks associated with this. To follow from Star Chamber process.							90



Corporate Risk 6  
Capacity for Change

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

<b>Risks</b>	<b>Likelihood:</b>	<b>Opportunities</b>
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description	Lead Officer	Date Identified	Target End Date
Risk Corp 6 - CAPACITY FOR CHANGE: The Council is in danger of changing too much too fast for an organisation not ready for significant change. This leads to low levels of engagement with staff and results in staff dissatisfaction, low morale, low productivity, high sickness levels (particularly stress related), employment Relations issues eg grievances and low retention rates and potential difficulties in recruiting staff if the Council's reputation as an employer is damaged.	Hinchliffe, Jackie	30/09/2011	31/03/2013

	Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB
RM01 Rating	80	72	72	72	80	▲
RM02 Impact	Substantial/Major	Substantial/Major	Substantial/Major	Substantial/Major	Substantial/Major	▲
RM03 Likelihood	Very High	High	High	High	Very High	▲

Current Risk / Opportunity (residual R/O Rating)

Current Controls or Action	Assurance on Controls/Actions	Residual Rating 31/12/2011
1. A number of Learning & Development Programmes/Courses have been offered through Developing Together from Aug 2010 onwards - Supporting People Through Change, Stress Management, Managers Development Programme, Encouraging a Low Stress Culture 2. Full consultation and engagement of Trade Unions from August 2010 onwards 3. Monthly MI Packs monitor sickness, leaving reasons and employee relations issues. MI packs introduced Sept 2009 onwards. 4. Effective planning, management and engagement through transformation delivery group from Nov 2011	1. Course attendance being monitored by Developing Together and HROD SMT and reported as appropriate to CHRECC/Directors Board and individual feedback should be monitored by line managers as part of the 1:1 PDR process 2. Monthly meetings with between HR/OD, Vertex and Trade Unions 3. Monthly HRMI packs are given to all HOS and discussed at DMTs with HR Advisor. In addition, Performance Board consider the sickness data on a monthly basis and recommend whether the issue needs to be highlighted to Directors Board, and then further to Cabinet and Corporate O&S. Standing item on CHRECC and agreed actions incorporated into minutes of the Board 4. Cross cutting impact, resource requirements and deliverability of the Transformation Programme in the context of other change activity to be assessed by the group and reported to DB on a regular basis, highlighting risks.	72

Target Risk/Opportunity

Further Controls or Action	Assurance on Controls/Actions	Target R/O Rating
5. The Organisational Development Strategy (Delivery Plan) includes the following actions: 6. Staff Survey being delivered including questions relating to communication/change/leadership/ job security/staff well being/training and development (November 2011) 7. External Analysis of Staff Survey responses in particular in relation to Change Management feedback will be used to ascertain other necessary actions (January 2012) 8. Drive Proactive Internal Communications campaign to all staff to make aware of change 9. Development and delivery of Development Programme (November 2011- July 2012) 10. Review of support programme for staff at risk and managers dealing with change (November 2011)	7. Report to CHRECC and Directors Board (January 2012) 8. Monitored through HROD SMT with verbal/written updates to CHRECC as appropriate 9. Monitored through HROD SMT with verbal/written updates to CHRECC as appropriate.	48

Progress /Developments - Further Controls/actions 31/03/2012	Residual Rating 31/03/2012
6. Staff survey completed - analysis and action plans being progressed.	
7. Report on corporate actions being presented to CHRECC in March following staff engagement programme. Managing change identified as a key issue from the survey - actions to be incorporate in Council/service responses.	72

Progress /Developments - Further Controls/actions 30/06/2012	Residual Rating 30/06/2012
1. & 3. Following an increase of Stress Absence a report and action plan was approved by DB, one of these actions was to complete a three month programme of risk assessments to identify management action plans of areas of concern. This is now monitored by CHRECC.	
4. "Lessons Learned" workshop held to review Transformation programme. Management, governance and resourcing being reviewed, particularly in light of the resignation of the Director of Transformation. "My dashboard developing a proactive approach to the engagement of staff in the implementation of Oracle."	72

Progress /Developments - Further Controls/actions 30/06/2012	Residual Rating 30/06/2012
6. & 7. Follow-up themed staff survey workshops held in May 2012 including 'Managing Change' session. Internal analysis of staff survey results/responses completed and key areas for action identified. Discussions and notes from workshops circulated to all participants and to be published on Inform. Outcomes and actions to be collated and presented to CHRECC.	
Progress /Developments - Further Controls/actions 30/09/2012	Residual Rating 30/09/2012
4. Revised arrangements implemented to manage the Transformation Programme including a Transformation Board - capacity for change and change readiness analysis embedded into project plans.	
6 & 7. Outcomes of staff survey workshops to be presented to CHRECC & Leadership Group	80
8. Dedicated Communications resource identified for Change and Transformation. Staff engagement forums and change champions established and being aligned to Transformation.	



Corporate Risk 26b  
Enterprise Resource Planning (ERP) - Project

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

Risks	Likelihood:	Opportunities
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description						Lead Officer	Date Identified	Target End Date
RiskCorp 26b - ERP/ORACLE UPGRADE: Inadequate project/contingency planning lead to the project overspending and/or being delivered late preventing full benefits being realized, issues with year end accounts, disruption to service delivery and reputational damage.						Hinchliffe, Jackie	30/09/2011	30/11/2012
	Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB		
RM01 Rating	80	64	64	72	80	▲		
RM02 Impact	Substantial/Major	Substantial/Major	Substantial/Major	Substantial/Major	Substantial/Major	▲		
RM03 Likelihood	Very High	Significant	Significant	High	Very High	▲		
Current Risk / Opportunity (residual R/O Rating)								
Current Controls or Action						Assurance on Controls/Actions		Residual Rating 31/12/2011
1. Capital funding agreed including contingency fund - Sept 2011. 2. Project is being lead by an experienced Project team from Vertex and the market with support from Oracle Consulting and Oracle on demand leads on from business case development - October 2011 3. Detailed planning to a resource level against every work package across the project has been undertaken - October 2011 to October 2012. 4. Strong governance process including a Steering Group, Design Authority and Project Management set up as part of the Project Plan to oversee delivery of plan to timescales and budget - October 2011 to October 2012. 5. Contingency spending cannot be committed without specific agreement of the Council (Director of Transformation) and Steering Group. 6. An independent Quality Assurance Manager has been recruited working directly to the Director of Transformation to oversee the data integrity related issues - December 2011.						2. Robust Programme Management from Vertex function. 4. Strong Steering Group of Council, Vertex and Oracle, incorporating highlight reporting. 6. Independent QA resource employed by Council.		64
Target Risk/Opportunity								
Further Controls or Action						Assurance on Controls/Actions		Target R/O Rating
7. Phase 1 of Implementation of Oracle upgrade to E-Business Suite (ERP - Enterprise Resource Planning) - Financial Upgrade, (April 2012) 8. Phase 2 of ERP implementation - HR/Payroll (September 2012) 9. CISO Board to consider and prioritise plans for the delivery of the wider ICT Strategy.						7. Review by Project Management team and Steering Group. 8. Review by Project Management team and Steering Group.		48
Progress /Developments - Further Controls/actions 31/03/2012								Residual Rating 31/03/2012
2, 3, 4 & 5. Regular reviews by the project team and steering group to oversee the delivery of the project plan to timescales and budget. 7. Phase 1 implementation of Oracle upgrade to E-Business Suite (Finance upgrade, Procurement and Business Intelligence) on target. 8. Phase 2 of ERP implementation of HR & Payroll is planned and incorporated in the project plan. 9. Other elements of ICT Strategy progressing and being driven/championed by Transformation initiatives and business need								64
Progress /Developments - Further Controls/actions 30/06/2012								Residual Rating 30/06/2012
2,3,4&5. ERP Steering Group, Project Team and project plans established. ERP Steering Group meeting on a regular basis to discuss status of projects, any key issues and progress against plans. Governance needs to be strengthened following the departure of the Director of Transformation. 7. Phase 1 Finance & Procurement - Project not fully delivered. Some defects with the system identified. Action plan to fix the position developed. All fixes targeted for completion by mid July. 8. Phase 2 HR/Payroll - Delivery of Phase 2 effected by Phase 1 overrun & governance issue. Implementation plan (including resource) and governance framework to be reviewed for the remainder of the project. 9. ICT Delivery Plan developed by Vertex and presented to the Council. The plan will go to CISO in May 2012 and is being integrated into the Transformation programme plan.								72
Progress /Developments - Further Controls/actions 30/09/2012								Residual Rating 30/09/2012
2,3,4 & 5. ERP governance and programme management structure being reviewed by new Programme Manager. Director of Finance and Corporate Governance is lead for the Council. 7. Phase 1 - project has been supplemented by additional resource aimed at rectifying outstanding issues and delivering phase 1 to BAU by end of August. 8. Phase 2 - Implementation and resource plan to be reviewed to learn from Phase 1 issues and ensure realistic timescales for delivery. Costs to be clarified as part of review.								80



Corporate Risk 18  
Morrison Housing Repairs Contract

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

<b>Risks</b>	<b>Likelihood:</b>	<b>Opportunities</b>
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description	Lead Officer	Date Identified	Target End Date		
RiskCorp 18 MORRISON HOUSING REPAIRS CONTRACT: Development of the outsourced repairs service to deliver a timely and quality customer focused service	Sinclair, Linda	30/09/2011	31/12/2012		
In August 2010 the Council entered a contract with Morrison to deliver the majority of the responsive repair service. The contract is experiencing difficulties in both the quality and timeliness of the repairs service and leads to customer dissatisfaction with the service, damage to the Council's reputation and potential contract dispute over partners entitlement from inception of contract to March 2012.					
Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB
RM01 Rating	80	64	64	80	80
RM02 Impact	Substantial/Major	Substantial/Major	Substantial/Major	Critical/Exceptional	Critical/Exceptional
RM03 Likelihood	Very High	Significant	Significant	Significant	Significant
Current Risk / Opportunity (residual R/O Rating)					
Current Controls or Action	Assurance on Controls/Actions				Residual Rating 31/12/2011
1. Regular Operational meetings from August 2010 onwards. 2. Bi annual Core meetings to look at escalated concerns - Meeting commenced from January 2011 onwards. Meetings will provide a strong monitoring tool going forward. 3. Co location of repairs line with Morrison's technical staff. Repairs line relocated beginning of October 2011. Early signs are positive but volume of emergency orders need to be reduced. 4. New Schedule Of Rates for pricing orders has been developed and introduced November 2011 5. New depot at Blackshots for service delivery opened November 2011	2. Bi annual core meetings will provide a strong monitoring tool going forward.				64
Target Risk/Opportunity					
Further Controls or Action	Assurance on Controls/Actions				Target R/O Rating
6. ICT Interface being developed to allow automatic job completion and invoicing. Target date January 2012 7. Core and executive meetings being transformed to reflect a more robust contractual format. Target date December 2011 8. Introduction of formally signed off change controls. Target date December 2011 9. Analysis of customer feedback and repair costs. Target date January 2012	8. Management review of contract and improvements.				48
Progress /Developments - Further Controls/actions 31/03/2012					Residual Rating 31/03/2012
2&7. Regular Core Meetings are now taking place. 8. The variation limit before Morrison request approval from the Council has been lowered to bring in better financial control. 3. Additional staff have been put into Alexander House to manage the increased call volumes. 6. Interface has been ongoing but is still in testing. 3,4&9. A review of the repair costs and SoR pricing is underway. The policy for emergency repairs has been reviewed and revised repair instructions have been issued. Full training to be arranged.					64
Progress /Developments - Further Controls/actions 30/06/2012					Residual Rating 30/06/2012
Progress and changes to current & further controls/action: 2&7. Core group meetings escalated to one per month. This will be designed to record performance and improve service delivery 4&6. Audit being undertaken of invoices submitted to test value for money of new schedule of rates. Payments to Morrison have been held pending the results of this audit. Interface now developed to enable electronic billing. Interface has gone live and first batch of invoices received. 8. Re-processing of repairs to eliminate excessive variation processes and voids to facilitate quicker hand-overs. Processes are being re-mapped with key staff. The new processes are on target and to be discussed in training sessions with staff in June. 9. The main section of the proposed performance regime to be re-structured to be centred on customer service compiled by an independent survey starting in July. This will show the					80



<p>Progress /Developments - Further Controls/actions 30/06/2012</p>	<p>Residual Rating 30/06/2012</p>
<p>clear direction of service delivery over its 6 month duration.</p> <p>Further control/action identified:</p> <p>10. Additional management depth within Council team to strengthen partnership management with an emphasis on service delivery in people's homes.</p> <p>11. Offer to be made to Morrison to settle on a cost for the period to March 2012. There is likely to be a dispute over final amounts due, which the additional management depth (see 10 above) will be briefed to resource.</p>	
<p>Progress /Developments - Further Controls/actions 30/09/2012</p>	<p>Residual Rating 30/09/2012</p>
<p>1,2&amp;7. Operational meetings held every two weeks to supplement and report performance into the monthly Core Groups. Both operational and Core Groups are chaired and minuted by TBC managers to strengthen client management of performance.</p> <p>3. Additional staff approved to handle call volumes. This has been undertaken via a formal change order via Serco.</p> <p>8. Plan to move to an average cost per job to spread some level of budget risk to MFS. Process reviewed and detailed costs and risk distribution to be agreed. Offer made to MFS to takeover the call receipt and diagnostic function. MFS have stated that because of the introduction of new internal management they are unable to take up this offer until October 2012. Revised payment mechanism tabled and to be considered by MFS. Revised payment mechanism will incentivize performance and provide better cash flow to MFS. Restructure of the voids delivery service between the neighbourhood and technical services into a central team. Recruitment is being undertaken internally to harness experience and minimize additional cost. Expressions of interest received from staff. Team to be set up in August 2012 with a target operational date of September 2012.</p> <p>9. Independent customer satisfaction survey to be commissioned to provide accurate review of MFS performance and one capable of being used in a contractual context. Consideration to be given to strengthening customer services handling resources should MFS performance be highlighted as poor. Tenders received and appointment made in favour of Kwest and to start in July 2012.</p> <p>11. A proposal has been put to MFS to accept a six month period of performance measurement against mainly customer satisfaction criteria and if minimum agreed levels are not met, to withdraw from the partnership. Contractual revision undertaken and drafted with support from legal services. MFS offered this during a meeting with the Chief Executive and this proposal sets out the position in contractual terms .It is to be seen if MFS will honour their proposal which they have stated to be dependent on control over the call centre and changes to the payment mechanism.. Initial discussions to start this six month period have centred around starting on 1st October to tally up with the call receipt transfer to MFS (see section 8 above) as this is the earliest MFS will consider the arrangement.</p>	<p>80</p>



Corporate Risk 32  
**School Build & School Place Planning**

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

<b>Risks</b>	<b>Likelihood:</b>	<b>Opportunities</b>
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

<b>Description</b>	<b>Lead Officer</b>	<b>Date Identified</b>	<b>Target End Date</b>
RiskCorp 32 - SCHOOL BUILD & SCHOOL PLACE PLANNING: With a rapidly changing population, failure to develop and implement an effective coordinated strategy leads to a shortfall in school places between supply and demand across the borough as a whole or within particular parts of the borough.	Singleton, Mike	30/09/2011	30/09/2012

	Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB
RM01 Rating	90	80	80	80	80	▲
RM02 Impact	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	▲
RM03 Likelihood	High	Significant	Significant	Significant	Significant	▲

**Current Risk / Opportunity (residual R/O Rating)**

Current Controls or Action	Assurance on Controls/Actions	Residual Rating 31/12/2011
1. Develop a comprehensive needs assessment for the provision of services through the (14-19 Education plan). This is currently ongoing. 2. Review of the 14-19 Education plan - June 2010. 3. Appointment of a project management team (MACE) - October 2009. 4. Special School development program - second part of phase one commenced July 2011. 5. Support for key corporate services (procurement, legal and finance) set up in June 2010. 6. Capital Funding committed for Primary Capital Program in August 2011. 7. Strategy for Change for schools document developed in January 2009. 8. Completion of school organisation at Quarry Hill Primary School - 1 January 2011 and The manor Primary School - 1 September 2011. 9. Proposals for Thameside infant and junior schools and Stifford Clays infant and junior schools to become primaries in September 2012. 10. Expansion of Chafford Hundred Primary School and Tudor Court Primary School commenced September 2011. 11. Expansion of Stifford Primary School commenced March 2011. 12. Expansion of West Thurrock Primary School completed in April 2011. 13. Informal expansions include - Bonnygate Primary School admitting an additional 15 pupils. 14. Liaising with other best practice local authorities has enabled the development of more comprehensive arrangements for school place planning - such as a higher frequency of projection figures and longer term planning in order to meet future demand for school places. 15. School place planning projections are being updated with the May census.	1. Regularly reviewed by the 14-19 team. 2. Regularly reviewed by the 14-19 team. 3. Regular meetings with Service Managers and Head of Service. 4. Monthly Capital Budget meeting, MACE/Thurrock monthly catch up meeting and DMT. 5. Regular service team meetings. 6. Reviewed at monthly Capital Budget meeting, MACE/Thurrock monthly catch up meeting and DMT. 8. Asset Development Advisers and DMT. 9. Asset Development Advisers and DMT. 10. Asset Development Advisers, Service Managers, Project management Team, monthly capital budget meetings and MACE/Thurrock monthly catch up meeting. 11. Asset Development Advisers, Service Managers, Project management Team, monthly capital budget meetings and MACE/Thurrock monthly catch up meeting. 12. Asset Development Advisers, Service Managers, Project management Team, monthly capital budget meetings and MACE/Thurrock monthly catch up meeting. 13. Asset Development Advisers and monthly capital budget meeting. 14. Asset Development Advisers and Asset Management and School Organisation officer. 15. Asset Development Advisers and Asset Management and School Organisation officer.	80

**Target Risk/Opportunity**

Further Controls or Action	Assurance on Controls/Actions	Target R/O Rating
16. Completion of the skills centre at Gable Hall Secondary School is due in September 2012.	16.To be reviewed regularly by the appointed project management team, overview of projects by Thurrock Asset Development Advisors, monthly reviews by Service Managers, monthly reviews by Mace/Thurrock and overview by DMT.	80
17. St Cleres Secondary School Drama Studio is due for completion in January 2012.	17. To be reviewed regularly by the appointed project management team, overview of projects by Thurrock Asset Development Advisors, monthly reviews by Service Managers, monthly reviews by Mace/Thurrock and overview by DMT.	
18. Further plans are underway to make additional school places available at nine schools between January and September 2012.	18.To be managed by the Asset Development Advisers and monitored at the monthly capital budget meetings.	

Progress /Developments - Further Controls/actions 31/03/2012	Residual Rating 31/03/2012
1. 14 to 19 needs assessment - The 14 -19 Education Plan has been superseded by Thurrock Council's School Improvement Learning and Skills (SILS) service plan. This document sets	

Progress /Developments - Further Controls/actions 31/03/2012	Residual Rating 31/03/2012
<p>out the key actions required in to improve the Education and Skills of Local People. The SILS service plan adopts a broader lifelong learning approach to the learning and skills agenda rather than the historical focus of the 14-19 Education Plan. The Learning and a Skills Board works with learning providers and businesses to develop a greater understanding of the borough's current and projected skills needs.</p> <ol style="list-style-type: none"> <li>2. Review of the 14-19 Education plan - In February 2012, the 11-19 Strategy Group &amp; the Community Skills Group met to identify their priorities &amp; develop their respective work plans.</li> <li>3. Appointment of PM Team - MACE appointed</li> <li>4. Special School development programme - Completion of main build project due April 2012. Access and car park due to start July and complete October 2012</li> <li>5. Support for key corporate services - ongoing</li> <li>6. Capital funding committed for PCP - Not all committed by 31 Aug 2011 although funding secured providing committed by Aug 2012</li> <li>7. Strategy for Change document - No longer relevant as specifically related to PCP bid</li> <li>8. Completion of school organisation at Quarry Hill and Manor Schools - Both completed on 1 Jan 2011 and 1 September 2011 respectively</li> <li>9. Proposals for Thameside and Stifford Clays Infant and Junior schools to become primary schools - Ongoing completion by September 2012</li> <li>10. Expansion at Chafford Hundred Primary and Tudor Court Primary schools -Phase 1 at Chafford Hundred Primary completed Phase 2 ongoing due for completion September 2012. Tudor court started October 2011 and due for completion July 2012.</li> <li>11. Expansion of Stifford Primary School - Due for completion March 2012</li> <li>12. Expansion of West Thurrock - Completed</li> <li>13. Informal expansions for 2011 - Completed</li> <li>14. Liaising with other LAs on school place planning best practice - Ongoing</li> <li>15. School Place Planning projections being updated every term - Ongoing</li> <li>16. Completion of Skills Centre at Gable Hall - Started on February 2012 due for completion November 2012</li> <li>17. Completion of St Clere's Drama Studio - completed November 2011</li> <li>18. Plans for additional school places for September 2012 - Ongoing feasibilities underway</li> </ol>	80
Progress /Developments - Further Controls/actions 30/06/2012	Residual Rating 30/06/2012
<ol style="list-style-type: none"> <li>1. 14 to 19 needs assessment - The 14 -19 Education Plan has been superseded by Thurrock Council's School Improvement Learning and Skills (SILS) service plan. - This is on going.</li> <li>2. Review of the 14-19 Education plan - In February 2012, the 11-19 Strategy Group and the Community Skills Group met to identify their priorities and develop their respective work plans - This has been completed.</li> <li>4. Second part of phase one which includes the respite centre was completed in May 2012. Access and car park works will start in the summer and completed by October 2012 subject to planning and cabinet approval.</li> <li>5. Support for key corporate services - ongoing</li> <li>6. Capital Funding committed for Primary Capital Program in August 2011. This is now all contractually committed.</li> <li>9. Proposals for Thameside and Stifford Clays Infant and Junior schools to become primary schools - Both has now been completed. The schools will become primary schools from 09/12.</li> <li>10. This is on track for completion.</li> <li>11. Expansion of Stifford Primary School commenced March 2011. This was completed in March 2012</li> <li>14. Liaising with other LAs on school place planning best practice - Ongoing</li> <li>15. School Place Planning projections being updated every term - Ongoing</li> <li>16. This is on track for completion.</li> <li>18. Further plans are underway to make additional school places available at nine schools between January and September 2012. The feasibility studies have now been undertaken. Appropriate planning applications are in the process of being submitted. Further Control/Action Identified (In May 2012)</li> <li>19. A Pupil Place Planning Strategic Group has been set up to develop a coordinated approach to pupil place planning. (Assurance - To be reviewed regularly by Asset Development Advisers and the pupil place strategic group). A pupil place plan document will also be published annually. This action is ongoing.</li> <li>20. Further plans are been considered to put necessary accommodation in place to meet demand for school places in September 2013. (Assurance - To be managed by the Asset Development Advisers and monitored at the monthly capital budget meetings). This action is ongoing.</li> </ol>	80
Progress /Developments - Further Controls/actions 30/09/2012	Residual Rating 30/09/2012
<ol style="list-style-type: none"> <li>1. 14 to 19 needs assessment - The 14 -19 Education Plan has been superseded by Thurrock Council's School Improvement Learning and Skills (SILS) service plan. - This is on going.</li> <li>4. Second part of phase one which includes the respite centre was completed in May 2012. Access and car park works will start in the summer and completed by October 2012 subject to planning and cabinet approval.</li> <li>5. Support for key corporate services - ongoing</li> <li>10. This is on track for completion.</li> <li>14. Liaising with other LAs on school place planning best practice - Ongoing</li> <li>15. School Place Planning projections being updated every term - Ongoing</li> <li>16. This is on track for completion.</li> <li>18. Further plans are underway to make additional school places available at nine schools between January and September 2012. The feasibility studies has been completed; and Planning applications have been submitted. Work has begun and should be completed by the end of August 2012.</li> <li>19. A Pupil Place Planning Strategic Group has been set up to develop a coordinated approach to pupil place planning. (Assurance - To be reviewed regularly by Asset Development Advisers and the pupil place strategic group). A pupil place plan document will also be published annually. This action is ongoing.</li> <li>20. Further plans are been considered to put necessary accommodation in place to meet demand for school places in September 2013. (Assurance - To be managed by the Asset Development Advisers and monitored at the monthly capital budget meetings). This action is ongoing. Further Control/Action Identified</li> <li>21. Commencing the construction of a vocational Centre at The Grays Media School in January 2013 with completion by August 2013. (Assurance - Asset Development Advisers, Service Managers, Project management Team, monthly capital budget meetings and MACE/Thurrock monthly catch up meeting)</li> </ol>	80





## Opportunities in Focus



# Corporate Opportunity 26a Enterprise Resource Planning (ERP)

Key to Rating Scores:  
 ▲ **RED** = 64-100 = High Priority  
 ● **AMBER** = 32-63 = Medium Priority  
 ● **BLUE** = 1-31 = Low Priority

Risks	Likelihood:	Opportunities
<b>Negative Impact:</b>	A Very High	<b>Positive Impact:</b>
I Critical	B High	I Exceptional
II Substantial	C Significant	II Major
III Marginal	D Low	III Moderate
IV Negligible	E Very Low	IV Minor
	F Almost Impossible	

Description						Lead Officer	Date Identified	Target End Date
OppCorp 26a ERP/ORACLE UPGRADE: Our current ICT systems and business processes for HR/Payroll, Finance and Procurement are stand alone, legacy devices which are very resource and support intensive and don't give the Council the functionality it now requires. ERP will give the Council an up-to-date and integrated ICT platform across these key corporate systems and drive new functionality such as accrual accounting and staff self service driving important cultural change.						Hinchliffe, Jackie	30/09/2011	30/11/2012
Inherent Rating	Residual Rating 31/12/2011	Residual Rating 31/03/2012	Residual Rating 30/06/2012	Residual Rating 30/09/2012	Latest RAB			
RM01 Rating	80	100	100	100	100			
RM02 Impact	Substantial/Major	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional	Critical/Exceptional			
RM03 Likelihood	Very High	Very High	Very High	Very High	Very High			
Current Risk / Opportunity (residual R/O Rating)								
Current Controls or Action						Assurance on Controls/Actions		Residual Rating 31/12/2011
1. Capital funding agreed including contingency fund - Sept 2011. 2. Project is being lead by an experienced Project team from Vertex and the market with support from Oracle Consulting and Oracle on demand leads on from business case development - October 2011 3. Detailed planning to a resource level against every work package across the project has been undertaken - October 2011 to October 2012. 4. Strong governance process including a Steering Group, Design Authority and Project Management set up as part of the Project Plan to oversee delivery of plan to timescales and budget - October 2011 to October 2012. 5. Contingency spending cannot be committed without specific agreement of the Council (Director of Transformation) and Steering Group. 6. An independent Quality Assurance Manager has been recruited working directly to the Director of Transformation to oversee the data integrity related issues - December 2011.						2. Robust Programme Management from Vertex function. 4. Strong Steering Group of Council, Vertex and Oracle, incorporating highlight reporting. 6. Independent QA resource employed by Council.		100
Target Risk/Opportunity								
Further Controls or Action						Assurance on Controls/Actions		Target R/O Rating
7. Phase 1 of Implementation of Oracle upgrade to E-Business Suite (ERP - Enterprise Resource Planning) - Financial Upgrade, (April 2012) 8. Phase 2 of ERP implementation - HR/Payroll (September 2012) 9. CISD Board to consider and prioritise plans for the delivery of the wider ICT Strategy.						7. Review by Project Management team and Steering Group. 8. Review by Project Management team and Steering Group.		100
Progress /Developments - Further Controls/actions 31/03/2012								Residual Rating 31/03/2012
2, 3, 4 & 5. Regular reviews by the project team and steering group to oversee the delivery of the project plan to timescales and budget. 7. Phase 1 implementation of Oracle upgrade to E-Business Suite (Finance upgrade, Procurement and Business Intelligence) on target. 8. Phase 2 of ERP implementation of HR & Payroll is planned and incorporated in the project plan. 9. Other elements of ICT Strategy progressing and being driven/championed by Transformation initiatives and business need								100
Progress /Developments - Further Controls/actions 30/06/2012								Residual Rating 30/06/2012
2,3,4&5. ERP Steering Group, Project Team and project plans established. ERP Steering Group meeting on a regular basis to discuss status of projects, any key issues and progress against plans. Governance needs to be strengthened following the departure of the Director of Transformation. 7. Phase 1 Finance & Procurement - Project not fully delivered. Some defects with the system identified. Action plan to fix the position developed. All fixes targeted for completion by mid July. 8. Phase 2 HR/Payroll - Delivery of Phase 2 effected by Phase 1 overrun & governance issue. Implementation plan (including resource) and governance framework to be reviewed for the remainder of the project. 9. ICT Delivery Plan developed by Vertex and presented to the Council. The plan will go to CISD in May 2012 and is being integrated into the Transformation programme plan.								100
Progress /Developments - Further Controls/actions 30/09/2012								Residual Rating 30/09/2012
2,3,4 & 5. ERP governance and programme management structure being reviewed by new Programme Manager. Director of Finance and Corporate Governance is lead for the Council. 7. Phase 1 - project has been supplemented by additional resource aimed at rectifying outstanding issues and delivering phase 1 to BAU by end of August. 8. Phase 2 - Implementation and resource plan to be reviewed to learn from Phase 1 issues and ensure realistic timescales for delivery. Costs to be clarified as part of review.								100



the Culver Centre over a longer period (not linked to the new provision in the same way)

The Joint Venture soft market testing activity has commenced - presentations will be heard from interested parties on 16th/17th August

July's Cabinet did agree the establishment of a cross party working group to look at proposed disposals. This group should first meet during August 2012 and will be able to consider disposal proposals which would enable the Council to meet the £3m disposal target for 2012/13.

DB proposed the temporary suspension of Strategic Property Board meetings(along with other selected Boards) for a limited period due to pressure of other work - and in view of this departments will be consulted through alternative means prior to the Members Working Party looking at potential disposals.

2. Future changes to the Asset Management Team (save for the return to the Council of the Lands Team - see below) will be held in abeyance pending consideration of the opportunities that maybe presented through joint working with London Borough of Barking and Dagenham.

Commercial negotiations were set in train with Vertex/Europa over the return to in house provision of the Lands Office team. This has been delayed by Serco's acquisition of Vertex, but is still being pursued by the Council.

80



<b>20 September 2012</b>		<b>ITEM 14</b>
<b>Audit Committee</b>		
<b>REVIEW OF THE STRATEGIC/CORPORATE RISK AND OPPORTUNITY REGISTER - QUARTER 2, SEPTEMBER 2012.</b>		
<b>Report of:</b> Andy Owen, Performance and Risk Officer.		
<b>Wards and communities affected:</b> All.	<b>Key Decision:</b> Non-key.	
<b>Accountable Head of Service:</b> Chris Stephenson, Corporate Performance Manager		
<b>Accountable Director:</b> Graham Farrant, Chief Executive.		
<b>This report is</b> a public report.		
<b>Purpose of Report:</b> To provide Audit Committee with the Quarter 2, September 2012 progress report on changes to the Strategic/Corporate Risk & Opportunity Register.		

**EXECUTIVE SUMMARY**

Performance Leads, with some consultancy from the Corporate Performance Team has work with services during July and August to review and update the Strategic/Corporate Risk and Opportunity Register.

This report provides Audit Committee with the Quarter 2, September 2012 progress report on changes to the Strategic/Corporate Risk and Opportunity Register.

**1. RECOMMENDATIONS:**

- 1.1 That Audit Committee consider the changes to items contained in the Quarter 2 (September 2012) Dashboard (Appendix 1).**
- 1.2 That Audit Committee consider the ‘In Focus’ items and the management response arrangements for the issues (Appendix 2) identified by Directors Board and Performance Leads.**

**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 is an important part of the Council’s overall Performance Management Framework and makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations.
- 2.3 Performance Leads, with some consultancy from the Corporate Performance Team has worked with services during July and August to review and update

the Strategic/Corporate Risk and Opportunity Register. The outcome of the exercise was reported to Directors Board 28<sup>th</sup> August 2012.

**3. ISSUES AND/OR OPTIONS:**

3.1 The outcome of the review is shown in Appendix 1 and 2.

3.2 Appendix 1 - Quarter 2 (September 2012) Dashboard:  
The dashboard provides a visual summary of the items contained in the register and the progress to manage the issues.

3.3 Appendix 2 - Risks and Opportunities In Focus report:  
This document includes the issues identified by Directors Board and Performance Leads that 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 100 or 90 automatically become in focus, and any which are currently rated 80 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:

**Risks** - In priority (rating) and then reference number order.

<p><b>ICT Infrastructure - Risk 9</b> <span style="float: right;">(Rating:90 Critical/High, DOT: Static)</span></p> <p>ICT Strategy in place and plans for the delivery being integrated into the Transformation programme. There is now greater understanding of the ICT relationship to transformation and Serco ICT are responding to the ICT transformation infrastructure needs. However there are concerns about the ability of ICT to resource and deliver options and business solutions in the required timescales and to the required standard within the available time frame and budgets.</p> <p>Phase 1 (Finance &amp; Procurement) of ERP not fully delivered. Some ERP financial issues remain outstanding. Project supplemented by additional resource aimed at rectifying issues and delivering Phase 1 to business as usual by the end of August 2012. Phase 2 (HR &amp; Payroll) to be reviewed to learn from Phase 1 issues. Timescales for delivery and cost to be clarified as part of the review.</p>
<p><b>Business Continuity - Risk 16</b> <span style="float: right;">(Rating:90 Critical/High, DOT: Improved)</span></p> <p>Corporate business continuity plan and service specific plans developed. All heads of service reminded at the beginning of the year to review and update BC Plans. Following departure of the Business Continuity Officer a redesign of the service has been undertaken and an officer identified to take forward business continuity work. Review of business continuity plans in progress and access to secure webpage provided to relevant staff to facilitate this process. Further review of the arrangements to be undertaken post the Paralympics period.</p>
<p><b>Delivery of the Transformation Programme - Risk 25</b> <span style="float: right;">(Rating: 90 Critical/High, DOT: Static)</span></p> <p>2012/13 Phase 1 projects ongoing (e.g. community hubs, customer contact and business support). Revised arrangements for Transformation agreed and implemented following the departure of the Director of Transformation. Programme team strengthened with interim appointment of external expert. Approach proposed at Strategy Week to integrate service and Council transformation activity agreed and now being rolled out in Planning, Housing and 4<sup>th</sup> Floor. Directors Board have requested the development of a programme of asset disposals as a priority to close potential savings gap. Engagement with Serco has enabled a repositioning of key ICT infrastructure projects and allocation of resources from Serco to support ICT infrastructure investment (e.g. EDRMS, cloud working), which is expected to lead to further efficiency savings.</p>
<p><b>Purfleet Regeneration Project - Risk 27b</b> <span style="float: right;">(Rating: 90 Critical/High, DOT: Static)</span></p> <p>Approx 50% of the required land obtained to date and work ongoing to acquire the rest of the land. Re-procurement for development partner and governance arrangements approved by Cabinet 13<sup>th</sup> June 2012. New OJEU Competitive Dialogue process commenced. Regular reports to Cabinet by the Assistant Chief Executive. Report on further invertebrate survey due September 2012. Planning application scheduled to be considered by Planning Committee Dec 2012.</p>

**Risks - continued**

**Children's Social Care - Risk 35** (Rating: 90 Critical/High, DOT: Static)  
 Reductions to establishment implemented to achieve savings. Management review and/or reporting of services (e.g. resource & demand pressures) ongoing. Proposal for Early Offer of Help Strategy developed and presented to Cabinet June 2012. External independent review of service application of thresholds at contact, referral and assessment to be commissioned. Internal quality assurance audits to test and evaluate appropriateness of threshold application in respect of core assessment in response to quarter one rise in cores to be undertaken in September 2012. Analysis of existing caseload allocation across social care teams scheduled to inform potential feasibility and capacity within service for caseload reallocation or development of a caseload weighting system to respond to growing demand. Following Star Chamber process service pressures report (covering resource, demand, staffing and legislative items) to be considered by People Services DMT in August 2012.

**Capacity for Change - Risk 6** (Rating: 80 Substantial/Very High, DOT: Deteriorated)  
 Staff survey and follow up workshops completed. Outcomes of staff survey workshops to be presented to Human Resources, Equality & Cultural Change Board (CHRECC) and Leadership Group. Stress Absence report completed and action plan approved by Directors Board. Progress against stress absence action plan monitored by CHRECC. Revised arrangements implemented to manage the Transformation Programme (including a Transformation Board) following the departure of the Director of Transformation. Capacity for change and change readiness analysis embedded into transformation project plans. Dedicated Communications resource identified for Change and Transformation. Staff engagement forums and change champions established and being aligned to Transformation.

**Enterprise Resource Planning - Risk 26b** (Rating: 80 Substantial/Very High, DOT: Deteriorated)  
 Director of Finance and Corporate governance appointed the lead for the project following the departure of the Director of Transformation. ERP governance and programme management structure being reviewed by new programme manager. Phase 1 (Finance & Procurement) project has been supplemented by additional resource aimed at rectifying outstanding issues and delivering the project to business as usual by end of August 2012. Phase 2 (HR & Payroll) to be reviewed to learn from Phase 1 issues. Timescales for delivery and cost to be clarified as part of the review.

**Morrison Housing Repairs Contract - Risk 18** (Rating: 80 Critical/Significant, DOT: Static)  
 Operational meetings held every two weeks and performance reported to the Core Group monthly meetings. Formal change order via Serco approved for additional staff to handle repairs call volumes. Revised payment mechanism developed and to be considered by Morrison. Offer made to Morrison to takeover the call receipt and diagnostic function. Restructure of the voids delivery service into a central team in progress and to be operational September 2012. Kwest appointed to undertake an independent customer satisfaction survey of Morrison performance. Proposal submitted to Morrison to accept a six month period of performance against mainly customer satisfaction criteria. Revised contract drafted and discussions commenced on the proposals. 01/10/12 earmarked for the start of the six month period, if the proposals are agreed.

**School Building & School Place Planning - Risk 32** (Rating: 80 Critical/Significant, DOT: Static)  
 14-19 Education Plan reviewed Feb 2012 by the 11-19 Strategy Group and the Community Skills Group to identify priorities and develop respective work plans. 14-19 Education Plan superseded by the School Improvement Learning & Skills (SILS) service plan. SILS service plan developed to provide a broader lifelong learning approach to the learning and skills agenda.  
 More comprehensive arrangements for School Place Planning developed based on best practice and school place planning projections updated every term. A Pupil Place Planning Strategic Group established to develop a coordinated approach to pupil place planning and pupil place document to be published annually. Plans are underway to make additional school places available at nine schools by September 2012 and further plans are to be considered to meet demand for school places in September 2013.  
 School Capital Programme developed and funding committed. School Capital schemes include: Expansion of Chafford Hundred Primary School, Tudor Court Primary School, Stifford Primary School and West Thurrock Primary School.

Other projects or works include: Development of central facilities and respite centre at Treetops School, school organisation at Quarry Hill Primary School, amalgamation of Infant and Junior Schools to become primary Schools from September 2012 at Stifford Clays and Thameside sites, informal expansion of Bonnygate Primary School, development of a skills centre at Gable Hall Secondary School, development of drama studio at St Cleres Secondary School and construction of a vocational centre at the Grays Media School.

**Delivery of Medium Term Financial Strategy - Risk 39** (Rating: 80 Critical/Significant, DOT: Static)

New interactive MTFs utilized at the June Strategy Week (meeting of senior management and portfolio holders) to test the assumptions in the MTFs regarding inflation, interest rates, levels of Council Tax, household formations, demographics, etc and to begin scenario planning based on the latest information available from the Treasury and other Government Departments. Annual governance review recommendations relating to MTFs have been incorporated in the strategy. Problems in reporting actual spend against agreed budgets experienced because of teething issues following the upgrade to the Council's Financial Systems. Issue escalated with Serco, who are project managing the update, and additional resources have been employed to address the problems. Star Chamber meetings in progress.

The risk remains at the higher level because of emerging issues detailed elsewhere on the register: significant cost pressures arising from increased demand for child social care; concerns about the delivery of the Council's transformation programme (and hence the planned savings); the need to resolve problems with the housing repairs contract. A series of meetings are in train between senior officers and portfolio holders to achieve a balanced MTFs over the planning period. Later in the year reports will go to the relevant scrutiny committee setting out how this balanced position might be achieved.

**Opportunities** - In priority (rating) and then reference number order.

**Enterprise Resource Planning - Opportunity 26a** (Rating: 100 Exceptional/Very High, DOT: Static)

Director of Finance and Corporate governance appointed the lead for the project following the departure of the Director of Transformation. ERP governance and programme management structure being reviewed by new programme manager. Phase 1 (Finance & Procurement) project has been supplemented by additional resource aimed at rectifying outstanding issues and delivering the project to business as usual by end of August 2012. Phase 2 (HR & Payroll) to be reviewed to learn from Phase 1 issues. Timescales for delivery and cost to be clarified as part of the review.

**Asset Management - Opportunity 5** (Rating: 80 Exceptional / Significant, DOT: Static)

Asset Management Delivery Plan (AMDP) developed February 2012 and agreed by Cabinet. Skeleton Corporate Asset Management Team established with the introduction of Property staff from the Development Corporation in April 2012. Options to build capacity of the team via the return to in house provision of the Lands Office Team from Serco (Europa) and/or joint working with London Borough of Barking & Dagenham under consideration.

Strategic Property Group have identified a short list of assets for disposal from low performing and surplus operational assets and soft market testing exercise underway to shape future joint venture partnership possibilities. Cabinet agreed July 2012 to the establishment of a cross party working group to look at proposed disposals, Cross party working group meeting from August 2012. Plans for the development of the Phase 1 pathfinder Community Hub through the re-purposing of Belhus Library progressing. Developments and way forward to be reported to Cabinet September 2012.

- 3.4 The whole register has been filed on the J:\THURROCK\EXCHANGE file under ROM\AC 200912\CORP ROM Q2 Sept Report ROs MAPs.

A copy of the register has been made available via the Members Library and further copies can be made available on request from the report author.

**4. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 4.1 Performance Leads, with some consultancy from the Corporate Performance Team has engaged with services to review and update the Strategic/Corporate Risk and Opportunity Register.
- 4.2 The outcome of the exercise was reported to Directors Board 28<sup>th</sup> August 2012.

**5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 5.1 Risk and Opportunity Management 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.

**6. IMPLICATIONS**

**6.1 Financial**

Implications verified by: Michael Jones, Management Accountant  
 Telephone and email: 01375 652772  
 mxjones@thurrock.gov.uk

Effective risk and opportunity management provides robust means to identify and manage the financial risks and opportunities facing the Council.

Some of the detailed risks/opportunities pose significant financial challenges to the Council. In order to manage some of these issues consideration will need to be given to the appropriate funding, which will need to be considered as part of the appropriate budget process. The financial implications of the identified risks/opportunities are referred to in the risk, opportunity and management action plan documentation

**6.2 Legal**

Implications verified by: David Lawson, Principal Solicitor  
 Telephone and email: 01375 652087  
 dlawson@thurrock.gov.uk

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

**6.3 Diversity and Equality**

Implications verified by: Samson DeAlyn  
 Telephone and email: 01375 652472  
 sdealyn@thurrock.gov.uk

Risk and opportunity management describes the planned and systematic approach used to identify, evaluate and manage the risks and the opportunities for the achievement of objectives. Effective risk and opportunity management reduces the likelihood of breaching our statutory equality duties

6.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

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

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

Strategic/Corporate Risk and Opportunity Register, Q2 Sept 2012. The document can be accessed via the J:\THURROCK\EXCHANGE file under ROM\AC 200912\CORP ROM Q2 Sept Report ROs MAPs or from the Members Library.

Further copies can be made available on request from the report author.

**APPENDICES TO THIS REPORT:**

- Appendix 1 - Quarter 2 (Sept 2012) Dashboard
- Appendix 2 - Risks and Opportunities In Focus report

**Report Author Contact Details:**

**Name:** Andy Owen, Performance & Risk Officer

**Telephone:** 01375 652174

**E-mail:** aowen@thurrock.gov.uk

## Audit Work Programme 2012/2013

Topic Name	Lead Officer	Date of Meeting
Statement of Accounts	Martin Hone, Sean Clark / Frank Gardiner	20 September 2012
Head of internal Audit – Annual report 2011/12	Gary Clifford	20 September 2012
Annual Governance Report	Martin Hone/Debbie Hanson	20 September 2012
Counter Fraud Programme	Gary Clifford	20 September 2012
'Review of the Strategic/Corporate Risk and Opportunity Register - Quarter 2, September 2012'	Andy Owen	20 September 2012
Report back on the implementation of recommendations regarding the payroll report	Gary Clifford	20 September 2012
Annual Complaints Report	Lee Henley	20 September 2012
Annual Access to Records Report	Lee Henley	20 September 2012
Care Proceedings	Gary Clifford	20 September 2012
Work Programme		20 September 2012
Internal Audit – Progress Report		29 November 2012
External Audit Progress		29 November 2012
Internal Audit Progress Report on Significant and Fundamental Recommendations		29 November 2012
External Audit Progress		16 January 2013
Internal Audit – Progress Report		16 January 2013
Work Programme		16 January 2013
External Audit Progress		06 February 2013
Internal Audit – Progress Report		06 February 2013
Internal Audit Progress Report on Significant and Fundamental Recommendations		06 February 2013
Internal Audit – Progress Report		06 March 2013
External Audit Progress		06 March 2013
Internal Audit Progress Report on Significant and Fundamental Recommendations		06 March 2013
Work Programme for 2013-2014		06 March 2013

- Monitoring the Accounts
- Blue Badge Fraud
- School Admission Fraud
- Morrison Contract
- Transformation Agenda
- Business Continuity and Business Recovery update
- Fraud Activity Update