

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

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **6 July 2017**

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

Membership:

Councillors Graham Hamilton (Chair), Tony Fish (Vice-Chair), Gary Collins, Jack Duffin, Oliver Gerrish and Ben Maney

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

Substitutes:

Councillors Clifford Holloway, Tunde Ojetola, Terry Piccolo and Luke Spillman

Agenda

Open to Public and Press

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To approve as a correct record the minutes of the Standards and Audit Committee meeting held on 28 February 2017.	
3 Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
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Queries regarding this Agenda or notification of apologies:

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

Agenda published on: **28 June 2017**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

Helpful Reminders for Members

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

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

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



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

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

Disclosable Pecuniary Interests shall include your interests or those of:

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

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

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

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

Pecuniary

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

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

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

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

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

Non- pecuniary

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



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

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

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

1. Create a great place for learning and opportunity

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

2. Encourage and promote job creation and economic prosperity

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

3. Build pride, responsibility and respect

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

4. Improve health and well-being

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

5. Promote and protect our clean and green environment

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

Minutes of the Meeting of the Standards and Audit Committee held on 28 February 2017 at 7.00 pm

Present: Councillors John Kent (Chair), Graham Hamilton (Vice-Chair), Jack Duffin, Barbara Rice, Ben Maney and Gary Collins

Apologies: Councillors Jason Oliver and Stephen Rosser

In attendance: Sean Clark, Director of Finance & IT
Gary Clifford, Chief Internal Auditor
Lee Henley, Information Manager
Martina Lee, Ernst and Young
Andy Owen, Interim Insurance & Risk Manager
Suresh Pate, Ernst and Young
Kenna-Victoria Martin, Senior Democratic Services Officer

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

34. Minutes

The minutes of the meeting held on the 15 November 2016 were approved as a correct record, subject to an amendment to be circulated to the Committee following Councillor Duffin's queries.

35. Items of Urgent Business

There were no items of urgent business.

36. Declaration of Interests

There were no declarations of interest.

37. Complaints & Enquiries Report – April 2016 to September 2016

The Information Manager presented the report to Members highlighting the following key changes to the complaints process:

- The removal of the 'concern' stage from the procedure;
- Feedback from Members, MEP and MPs' were now being recorded as formal complaints, as opposed to enquiries due to the nature of the presenting issue. The Committee were notified that 96% of MP and 98% of Councillor complaints were responded to within timeframe and;
- There were now shorter timeframes for responding to complaints across all stages. Members were advised the timescale for stage 1 complaints was now 7 working days (previously 14 calendar days) and

for stages 2 and 3 the responding time was now 15 working days (previously 28 calendar days).

The Committee were notified that 34% of complaints had been upheld in Quarter 3 and should a Service receive 35% or higher in relation to upheld complaints root cause analysis is undertaken with the service .

Members enquired as to how 823 complaints attributed to one complaint. Officers explained that complaints were only counted once throughout the lifespan of the complaint.

Councillor Rice queried as to why the figures for complaints via the website were so low. The Information Manager clarified that a number of complaints were received through emails and the figure could include complaints via the web. Going forward this is to be categorised differently so it's clear.

It was sought as to the duration of a complaint and why a complaint could be left unresolved. Officers advised the respond times for stage 1 complaints were 7 days and 15 days for either a stage 2 or 3 complaint. It was further stated that follow up plans/actions may still be required.

During discussions Councillor Maney commented that lack of communication and attitude appeared to be present in most if not all of the action points following a complaint. He further commented it appeared to be long running issue, in that weak responses were given and noted. The information manager agreed that more robust learning is needed on this.

It was raised by Councillor Duffin that he had been chasing a response from an enquiry since November 2016. It was explained responses from enquires, were to be sent to Councillors directly from the service. Officers advised they could discuss individual cases after the meeting.

RESOLVED:

- 1. To note the statistics and performance for the reporting period.**
- 2. To note the changes to the complaints procedure with effect from 1st August 2016;**
- 3. To note that further work is on-going with a number of service areas to establish the root cause for concerns/complaints received, reasons for complaint escalation and reasons why complaints are upheld.**

The Chair raised concern following Councillor Maney's point on lack of communication and attitude. It was suggested that a further recommendation (1.4) be agreed in that the report and appendix 1 be presented to Cabinet for their information and comments. Members unanimously agreed the following:

4. That the report and appendix 1 be presented to Cabinet to look into for their comments and an action plan to move forward.

38. Follow Up Report on the Mid-Year Review of the Strategic/ Corporate Risk & Opportunity Register

The Interim Insurance & Risk Manager addressed the Committee reminding Members, the mid-year review of the Strategic/Corporate Risk and Opportunity Register was presented at the last meeting of the Standards and Audit Committee. At the November meeting Members enquired why high (red) target ratings had been applied to some of the risks. It was agreed to complete a review of the risks with high (red) target ratings would be undertaken and a follow up report submitted to the Committee on the findings.

It was explained work had been undertaken with the Interim Insurance and Risk Manager and appropriate Lead Officers to review the risks and obtain the rationale for applying the high (red) target ratings. Appendix 1 to the report highlighted the risk and management action plan for items which were identified as high risk.

Councillor Collins enquired as to the work Officers were undertaking in relation to radicalization. The Chair of the Committee commented he felt that would be the work of the relevant Overview and Scrutiny Committee.

The Director of Finance and IT explained, the role of the Committee was to look at the overall governance function of the Council and to ensure that it was being completed correctly.

Members sought assurances that services with continual red ratings were doing everything they could to rectify the situation. The Director of Finance and IT explained that services such as Adult Social Care were possibly always going to be high risk, due to risks out of the services control. He further stated it was better to be aware of such risks and manage them efficiently.

Councillor Rice remarked it was as if Officers were hiding behind the red rating and the high risks. She further queried if other Local Authorities were in the same situation. Officers mentioned that the situation was not unique to Thurrock and services such as Adult and Children Social Care had national risks to take into account.

The Director continued by stating the report was to be looked at similarly to the corporate performance update reports, in that certain high risks would be presented to the Committee for comments.

Councillor Duffin queried if risks were from National Government spending reductions. Officers explained there were different factors to take into account, one of which was funding.

Members discussed the update on Business Continuity, during which they were advised that a second server had been located offsite at Southend Borough Council. The Committee were further advised the Council were investing into infrastructure as well as software and hardware within the IT Service.

Councillor Collins enquired as to whether Data Protection was on course. The Information Manager confirmed Officers were working on the action plan which was due to complete in May 2018. He stated that good process had been made however, there was still work to complete.

RESOLVED:

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

39. Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework

The report was presented to the Committee by the Interim Insurance & Risk Manager, who informed Members the Risk and Opportunity Management (ROM) was recognised as good management practice and was an integral part of the Council's Corporate Governance and Performance Management arrangements.

It was explained the results were used to calculate the overall scores for the Enabler and Results sections, of which the Council had attained Level 4, within the Enabler criteria and Level 3 for working for the Results criteria.

Members were notified the review had revealed:

- For 6 of the 7 strands the Council had attained Level 4 – embedded and integrated (70%+).
- For 1 of the 7 strands the Council's scores was near to attaining the score for Level 4 - embedded and integrated (70%+).
- For 7 of the 7 strands the Council's score was the same as the previous year's results. The current ROM activity to maintain the practice resembles those identified for last year. No significant changes were identified by the review and this has led to the same scores as the previous year.

Councillor Collins remarked that appendix 2 mentioned Officers would be allowed to analyse and prioritise risks and opportunities; helping to inform decisions on the management, escalation and communication of risks and opportunities. He queried that the appendix didn't touch on topic of communication and asked if the document would be circulated to other Services within the Council.

The Interim Insurance & Risk Manager commented that communication arrangement reports were presented to the Committee. He continued by

agreeing that more was required in relation communication and making the ROM more available.

RESOLVED:

- 1. That Standards and Audit Committee note the results of the review, the current ROM activity and proposals to maintain and improve the practice across the organisation.**
- 2. That Standards and Audit Committee note and approve the updated ROM Policy, Strategy and Framework.**

40. Internal Audit Progress Report 2016/17

The Chief Internal Auditor addressed the Committee explaining the Internal Audit Service transferred back into the Council on the 1 April 2015. Following this an Audit Needs Assessment (ANA) was carried out to develop a three year strategy. Members were notified the strategy was refreshed on an annual basis through meetings with senior management and updates the detailed plan for the year.

The Chief Internal Auditor continued by advising that thanks to the addition of 2 Assistant Internal Auditors in January 2017, the Chief Internal Auditor, in consultation with senior management, had developed an ambitious plan which would provide the Committee with a significant increase in outputs, and as a consequence, provide greater assurance than was possible over the last two years, around the Council's control, risk management and governance frameworks.

During discussions the Committee were taken through the Strategy and Audit Plan, where key areas, reviews to be undertaken and issues affecting Thurrock were highlighted.

The Chair enquired if the Internal Audit team had adequate resources to complete the jobs they were scheduled to complete and were they supported by Senior Management.

It was confirmed by the Chief Internal Auditor, that since the arrival of the 2 Assistant Internal Auditors the team had the resources required to complete the workload. He further commented that in the past the process had not been as structured, however now Senior Officers were very co-operative.

Members questioned if Officers were concerned over the proposed risk linked to Gloriana. The Director of Finance and IT commented that because there was a potential risk, it did not mean it was going to happen. He continued by advising the Committee the first Gloriana site was near completion.

Councillor Hamilton enquired to the work being carried out in relation to cyber security. Officers informed Members that attacks had been made and were unsuccessful. It was noted that more work was needed in raising and testing staff awareness around cyber security.

RESOLVED:

That the Standards & Audit Committee received and agreed the Draft Strategy for Internal Audit 2017/18 to 2019/20 and the Annual Internal Audit Plan 2017/18.

- 41. Draft Strategy for Internal Audit 2017/18 to 2019/20 and Annual Internal Audit Plan 2017/18**
- 42. Report from Ernst and Young Certification of Claims and Returns Annual Report 2015/16**

The report was presented to Members by the Council's External Auditors, Ernst and Young, who explained they were required to certify one claim relating to the year 2015/16 which was the Housing Benefit.

Members were informed the claim was audited against a method from the Department of Work and Pensions (DWP), the findings included:

- The total value of the Housing Benefits subsidy claim, which was £58.2million;
- The work undertaken identified amendments and issues which had been reported to the DWP and;
- The Housing Benefit arrangements continued to improve from the previous year with a reduction in the number and type of errors identified.

Ernst and Young advised they had also audited the Teachers Pension claim and the Pooling of Capital Receipts return. The undertaken work did not identify any significant issues and the total fee for the work was £18,575, which was highlighted to be a slight increase on the prior year.

Councillor Collins questioned the impact of the errors found within the Pooling return, where valuations had been inputted incorrectly. The External Auditor explained that there was no impact on the calculations as the errors netted off were not affected.

RESOLVED:

That the report attached at Appendix 1 and the agreed actions are noted.

- 43. External Audit Plan 2016/2017**

The Committee were addressed by Ernst and Young; the Council's External Auditors and were notified of the risks identified following the assessment of the financial statement and value for money risks.

During discussions the External Auditors highlighted the key risks to the Committee, which included the Council preparing group accounts by

consolidating Gloriana Thurrock Ltd. It was outlined that auditing group accounts required additional procedures and as a result they proposed an increase to the Council's audit fee by £4,000.

Members were assured that the work undertaken by Ernst and Young would be completed in line with the National Audit Office code. Officers continued to advise the Committee it was not uncommon to have test arrangements in place in relation to Value for Money.

Officers outlined the figure that they had determined as their materiality and the figure below which they would not report uncorrected errors to the Committee, £330,000. It was enquired if errors below the figure of £333,000 were to also be reviewed by officers. Officers explained that they would be sighted on all errors identified by Ernst and Young but only errors above £330,000 would be reported to the Committee. The Director also clarified that typically errors related to classification of items within the accounts rather than the Council under or overstating income or expenditure and it was also typical for the Director to take the view that an error will not be corrected if it was not material and impacted several statements and notes within the accounts.

The Committee were advised should Ernst and Young's reporting figure be lowered, this could possibly require further audit work and an increase the audit fee.

Councillor Duffin queried as to whether the £4,000 increase in audit fee due to work related to Gloriana, would be paid from their account or the Council's. The Director of Finance and IT informed Members the fee would be paid by the Council.

Councillor Hamilton commented he felt the figure of £333,000 appeared high.

The Chair of the Committee stated that he had no concerns over the level that which Ernst and Young would report to the Committee, as smaller figures such as £200 had been reported to the Committee. He continued by asking the Director to give Members the assurance that any risk or error highlighted to him by Ernst and Young below £333,000 be reported to the Committee.

The Director of Finance and IT assured the Committee that anything relevant to the Committee would be reported for their information.

RESOLVED:

That the report be noted.

The meeting finished at 8.35 pm

Approved as a true and correct record

CHAIR

DATE

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

6 July 2017		ITEM: 5
Standards and Audit Committee		
Regulation of Investigatory Powers Act (RIPA) 2000 – 2016/17 Activity Report		
Wards and communities affected: N/A	Key Decision: N/A	
Report of: Lee Henley, Information Manager		
Accountable Head of Service: David Lawson, Deputy Head of Legal and Monitoring Officer		
Accountable Director: Fiona Taylor, Director of Legal		
This report is public		

Executive Summary

This report:

- Provides an update on the usage and activity of RIPA requests during 2016/17.
- Summarises training activity during the reporting period.
- Provides the outcome of a recent RIPA inspection.
- Highlights changes made to the RIPA Policy.

1. Recommendation(s)

- 1.1 To note the statistical information relating to the use of RIPA for 2016/17
- 1.2 To note training activity undertaken during 2016/17
- 1.3 To note the findings of the positive RIPA inspection
- 1.4 To note the changes made to the RIPA policy

2. Introduction and Background

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

- 2.2 The council's use of these powers is subject to regular inspection and audit by the Office of the Surveillance Commissioner (OSC) in respect of covert surveillance authorisations under RIPA, and the Interception of Communications Commissioner (IOCCO) in respect of communications data. During these inspections, authorisations and procedures are closely examined and Authorising Officers are interviewed by the inspectors.
- 2.3 The RIPA Single Point of Contact (SPOC) maintains a RIPA register of all directed surveillance RIPA requests and approvals across the council.

3. Issues, Options and Analysis of Options

3.1 RIPA Activity

- 3.1.1 The number of Thurrock RIPA surveillance authorisations processed during 2015/16 is 9. Below is a breakdown showing the areas the authorisations relate to for this period (along with previous year's figures):

	2015/16	2016/17
Trading Standards	1	5
Fraud	2	3
Covert Human Intelligence Source (CHIS) authorisations	0	1 (Fraud)
Total	3	9

- 3.1.2 The outcomes of the above RIPA directed surveillance authorisations cannot be summarised in detail. This is due to Data Protection requirements and to ensure that any on-going investigations are not compromised due to the disclosure of information.

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

Application Type:	2016/17
Service Data	0
Subscriber Data	4 (Trading Standards)
Combined	1 (Fraud)
Totals	5

Notes in relation to NAFN applications:

- Service Data – Is information held by a telecom or postal service provider including itemised telephone bills and/or outgoing call data.

- Subscriber Data – Includes any other information or account details that a telecom provider holds e.g billing information.
- Combined – Includes applications that contain both service and subscriber data.

3.2 Training and Process

3.2.1 During 2016/17, RIPA training was delivered to relevant Officers across the council. This training covered the RIPA process that must be followed at all times.

3.3 RIPA Inspection

3.3.1 During November 2016 the council received an inspection from the OSC. The report is shown as Appendix B and is a positive report for the council. The report has been redacted to ensure details of cases cannot be identifiable. The report identified some amendments to the RIPA Policy and these changes are highlighted in 3.4 below.

3.4 Policy Changes

- 3.4.1 Following on from the OSC inspection, the changes below have been applied to the council's RIPA Policy:
- Section 1 of the Policy has been updated in relation to the Home Office Codes of Practice and OSC Procedures.
 - The RIPA Aide Memoire is now referenced as Appendix 11.
 - Section 6 of the Policy now makes reference to Authorising Officers attending court.
 - A flowchart of the RIPA authorisation process is now shown as Appendix 12.
 - Section 15 now includes a section on social media.
 - Section 16 has been refreshed in relation to links to resources.

4. Reasons for Recommendation

4.1 This report provides an update on the usage and activity of RIPA requests for 2016/17, along with reporting the findings of an in year RIPA Inspection.

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

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

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

6.1 Monitoring compliance with the Regulation of Investigatory Powers Act 2000, and the Protection of Freedoms Act 2012, supports the council's approach to

corporate governance. Ensuring the appropriate use of RIPA in taking action to tackle crime and disorder supports the corporate priority of ensuring a safe, clean and green environment.

7. Implications

7.1 Financial

Implications verified by: **Laura Last**
Management Accountant

There are no financial implications directly related to this report.

7.2 Legal

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

Legal implications comments are contained within this report above.

7.3 Diversity and Equality

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

There are no such implications directly related to this report.

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

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

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

- None.

9. Appendices to the report

- Appendix 1 - RIPA Policy
- Appendix 2 – RIPA Inspection Report

Report Author:

Lee Henley
Information Manager

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Regulation of Investigatory Powers Act 2000 (RIPA) Corporate Policy

USE OF DIRECTED SURVEILLANCE COVERT HUMAN
INTELLIGENCE SOURCES AND COMMUNICATIONS DATA
ACQUISITION FOR THE PREVENTION AND DETECTION
OF CRIME OR THE PREVENTION OF DISORDER

Version Control Sheet

Title:	RIPA Policy.
Purpose:	To advise staff of the procedures and principles to follow to comply with the RIPA Act.
Author:	David Lawson – Deputy Head of Legal & Monitoring Officer.
Owner:	Fiona Taylor – Director of Legal.
Approved by:	Standards and Audit Committee.
Date:	1 April 2017
Version Number:	1.1
Status:	Final.
Review Frequency:	Annually.
Next review date:	1 April 2018.

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1. A brief overview of RIPA

(For text in **bold**, see glossary of terms – Appendix 1)

The Regulation of Investigatory Powers Act (the Act) was introduced by Parliament in 2000. The Act sets out the reasons for which the use of **directed surveillance** (DS) and **covert human intelligence source** (CHIS) may be authorised.

Local Authorities' abilities to use these investigation methods are restricted in nature and may only be used for the prevention and detection of crime or the prevention of disorder. Local Authorities are not able to use **intrusive surveillance**.

Widespread, and often misinformed, reporting led to public criticism of the use of surveillance by some Local Authority enforcement officers and investigators. Concerns were also raised about the trivial nature of some of the 'crimes' being investigated. This led to a review of the legislation and ultimately the introduction of the Protection of Freedoms Act 2012 and the RIPA (Directed Surveillance and CHIS) (Amendment) Order 2012 (Appendix 2). In addition to defining the circumstances when these investigation methods may be used, the Act also directs how applications will be made and how, and by whom, they may be approved, reviewed, renewed, cancelled and retained.

The Act must be considered in tandem with associated legislation including the Human Rights Act (HRA) (Appendix 3), and the Data Protection Act (DPA) (Appendix 4).

The purpose of Part II of the Act is to protect the privacy rights of anyone in a Council's area, but only to the extent that those rights are protected by the HRA. A public authority, such as the Council, has the ability to infringe those rights provided that it does so in accordance with the rules, which are contained within Part II of the Act. Should the public authority not follow the rules, the authority loses the impunity otherwise available to it. This impunity may be a defense to a claim for damages or a complaint to supervisory bodies, or as an answer to a challenge to the admissibility of evidence in a trial.

Further, a Local Authority may only engage the Act when performing its 'core functions'. For example, a Local Authority may rely on the Act when conducting a criminal investigation as this would be considered a 'core function', whereas the disciplining of an employee would be considered a 'non-core' or 'ordinary' function.

Examples of when local authorities may use RIPA and CHIS are as follows:

- Trading standards – action against loan sharks, rogue traders, consumer scams, deceptive advertising, counterfeit goods, unsafe toys and electrical goods;
- Enforcement of anti-social behaviour orders and legislation relating to unlawful child labour;

- Housing/planning – interventions to stop and make remedial action against unregulated and unsafe buildings, breaches of preservation orders, cases of landlord harassment;
- Counter Fraud – investigating allegations of fraud, bribery, corruption and theft committed against the Council; and
- Environment protection – action to stop large-scale waste dumping, the sale of unfit food and illegal ‘raves’.

The examples do not replace the key principles of necessity and proportionality or the advice and guidance available from the relevant oversight Commissioners.

The RIPA (Communications Data) order came into force in 2004. It allows Local Authorities to acquire communications data, namely service data and subscriber details for limited purposes. This order was updated by the Regulation of Investigatory Powers Communications Data) Order 2010.

There are various codes of practice and guidance available in relation to the RIPA Act and these are shown in the links below:

OSC Procedures and Guidance July 2016:

<https://osc.independent.gov.uk/osc-procedures-and-guidance/>

Current RIPA Codes:

<https://www.gov.uk/government/collections/ripa-codes>

In particular:

[Interception of communications: code of practice 2016](#)

[Equipment interference: code of practice](#)

[Codes of practice for the acquisition, disclosure and retention of communications data](#)

[Covert surveillance and covert human intelligence sources codes of practice](#)

[Code of practice for investigation of protected electronic information](#)

2. Directed Surveillance

This policy relates to all staff directly employed by Thurrock Council when conducting relevant investigations for the purposes of preventing and detecting crime or preventing disorder, and to all contractors and external agencies that may be used for this purpose as well as to those members of staff tasked with the authorisation and monitoring of the use of directed surveillance, CHIS and the acquisition of communications data.

The policy will be reviewed annually and whenever changes are made to relevant legislation and codes of practice.

'It is essential that the Chief Executive, or Head of Paid Service, together with the Directors and the Heads of Units should have an awareness of the basic requirements of RIPA and also an understanding of how it might apply to the work of individual council departments. Without this knowledge at senior level, it is unlikely that any authority will be able to develop satisfactory systems to deal with the legislation. Those who need to use or conduct directed surveillance or CHIS on a regular basis will require more detailed specialised training (Office of Surveillance Commissioners).

The use of directed surveillance or a CHIS must be necessary and proportionate to the alleged crime or disorder. Usually, it will be considered to be a tool of last resort, to be used only when all other less intrusive means have been used or considered.

Necessary

A person granting an authorisation for directed surveillance must consider *why* it is necessary to use covert surveillance in the investigation *and* believe that the activities to be authorised are necessary on one or more statutory grounds.

If the activities are deemed necessary, the authoriser must also believe that they are proportionate to what is being sought to be achieved by carrying them out. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms.

Proportionate

The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

The following elements of proportionality should therefore be considered:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;

- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

The Council will conduct its directed surveillance operations in strict compliance with the DPA principles and limit them to the exceptions permitted by the HRA and RIPA, and solely for the purposes of preventing and detecting crime or preventing disorder.

The **Senior Responsible Officer** (SRO) (as named in Appendix 5) will be able to give advice and guidance on this legislation. The SRO will appoint a **RIPA Coordinating Officer** (RCO) (as named in Appendix 5). The RCO will be responsible for the maintenance of a **central register** that will be available for inspection by the Office of the Surveillance Commissioners (OSC). The format of the central register is set out in Appendix 6.

The use of hand-held cameras and binoculars can greatly assist a directed surveillance operation in public places. However, if they afford the investigator a view into private premises that would not be possible with the naked eye, the surveillance becomes intrusive and is not permitted. Best practice for compliance with evidential rules relating to photographs and video/CCTV footage is contained in Appendix 8. Directed surveillance may be conducted from private premises. If they are used, the applicant must obtain the owner's permission, in writing, before authorisation is given. If a prosecution then ensues, the applicant's line manager must visit the owner to discuss the implications and obtain written authority for the evidence to be used. (See *R v Johnson (Kenneth)* 1988 1 WLR 1377 CA (Appendix 10).

The general usage of the council's CCTV system is not affected by this policy. However, if cameras are specifically targeted for the purpose of directed surveillance, a RIPA authorisation must be obtained.

Wherever knowledge of **confidential information** is likely to be acquired or if a vulnerable person or juvenile is to be used as a CHIS, the authorisation must be made by the Chief Executive, who is the Head of Paid Service (or in their absence whoever deputises for this role).

Directed surveillance that is carried out in relation to a **legal consultation** on certain premises will be treated as intrusive surveillance, regardless of whether legal privilege applies or not. These premises include prisons, police stations, courts, tribunals and the premises of a professional legal advisor. Local Authorities are not able to use intrusive surveillance. Operations will only be authorised when there is sufficient, documented, evidence that the alleged crime or disorder exists and when directed surveillance is considered to be a necessary and proportionate step to take in order to secure further evidence.

Low level surveillance, such as 'drive-bys' or everyday activity observed by officers in the course of their normal duties in public places, does not need RIPA authority. If surveillance activity is conducted in immediate response to an unforeseen activity, RIPA authorisation is not required. However, if repeated visits are made for a specific purpose, authorisation may be required. In cases of doubt, legal advice should be taken.

When vehicles are being used for directed surveillance purposes, drivers must at all times comply with relevant traffic legislation.

Crime Threshold

An additional barrier to authorising directed surveillance is set out in the Regulation of Investigatory Powers (Directed Surveillance and CHIS) (Amendment) Order 2012. This provides a 'Crime Threshold' whereby only crimes which are either punishable by a maximum term of at least 6 months' imprisonment (whether on summary conviction or indictment) or are related to the underage sale of alcohol or tobacco can be investigated through Directed Surveillance.

The crime threshold applies only to the authorisation of directed surveillance by local authorities under RIPA, not to the authorisation of local authority use of CHIS or their acquisition of Communications Data (CD). The threshold came into effect on 1 November 2012.

Thurrock **cannot** authorise directed surveillance for the purpose of preventing disorder unless this involves a criminal offence(s) punishable (whether on summary conviction or indictment) by a maximum term of at least 6 months' imprisonment.

Thurrock may therefore continue to authorise use of directed surveillance in more serious cases as long as the other tests are met – i.e. that it is necessary and proportionate and where prior approval from a Magistrate has been granted. Examples of cases where the offence being investigated attracts a maximum custodial sentence of six months or more could include more serious criminal damage, dangerous waste dumping and serious or serial fraud.

Thurrock may also continue to authorise the use of directed surveillance for the purpose of preventing or detecting specified criminal offences relating to the underage sale of alcohol and tobacco where the necessity and proportionality test is met and prior approval from a JP has been granted.

A local authority such as Thurrock **may not authorise** the use of directed surveillance under RIPA to investigate disorder that does not involve criminal offences.

3. Covert Human Intelligence Sources (CHIS)

A person who reports suspicion of an offence is not a CHIS, nor do they become a CHIS if they are asked if they can provide additional information, e.g. details of the suspect's vehicle or the time that they leave for work. It is only if they establish or maintain a personal relationship with another person for the purpose of covertly obtaining or disclosing information that they become a CHIS.

If it is deemed unnecessary to obtain RIPA authorisation in relation to the proposed use of a CHIS for test purchasing, the applicant should complete the council's CHIS form and submit to an Authorising Officer for authorisation. Once authorised, any such forms must be kept on the relevant investigation file, in compliance with the Criminal Procedure for Investigations Act 1996 ("CPIA").

The times when a local authority will use a CHIS are limited. The most common usage is for test-purchasing under the supervision of suitably trained officers.

Officers considering the use of a CHIS under the age of 18, and those authorising such activity must be aware of the additional safeguards identified in The Regulation of Investigatory Powers (Juveniles) Order 2000 and its Code of Practice.

A vulnerable individual should only be authorised to act as a CHIS in the most exceptional circumstances. A vulnerable individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness, and who is or may not be able to take care of himself. The Authorising Officer in such cases must be the Chief Executive, who is the Head of Paid Service, or in their absence whoever deputises for this role.

Any deployment of a CHIS should take into account the safety and welfare of that CHIS. Before authorising the use or conduct of a CHIS, the authorising officer should ensure that an appropriate bespoke risk assessment is carried out to determine the risk to the CHIS of any assignment and the likely consequences should the role of the CHIS become known. This risk assessment must be specific to the case in question. The ongoing security and welfare of the CHIS, after the cancellation of the authorisation, should also be considered at the outset.

A CHIS handler is responsible for bringing to the attention of a CHIS controller any concerns about the personal circumstances of the CHIS, insofar as they might affect the validity of the risk assessment, the conduct of the CHIS, and the safety and welfare of the CHIS.

The process for applications and authorisations have similarities to those for directed surveillance but there are also significant differences, namely that the following arrangements must be in place at all times in relation to the use of a CHIS:

- There will be an appropriate officer of the Council who has day-to-day responsibility for dealing with the CHIS, and for the security and welfare of the CHIS; and
- There will be a second appropriate officer of the use made of the CHIS, and who will have responsibility for maintaining a record of this use. These records must also include information prescribed by the Regulation of Investigatory Powers (Source Records) Regulations 2000. Any records that disclose the identity of the CHIS must not be available to anyone who does not have a need to access these records.

An Authorising Officer's Aide-Memoire has been produced (Appendix 11) to assist Authorising Officers when considering applications for directed surveillance.

4. The Authorisation Process

The processes for applications and authorisations for CHIS are similar as for directed surveillance, but note the differences set out in the CHIS section above. Directed Surveillance applications and CHIS applications are made using forms that have been set up in a shared network drive by the council. These forms must not be amended and applications will not be accepted if the approved forms are not completed.

The authorisation process involves the following steps and is also summarised (in flowchart form) within Appendix 12:

Investigation Officer

1. A risk assessment will be conducted by the Investigation Officer before an application is drafted. This assessment will include the number of officers required for the operation; whether the area involved is suitable for directed surveillance; what equipment might be necessary, health and safety concerns of all those involved and affected by the operation and insurance issues. Particular care must be taken when considering surveillance activity close to schools or in other sensitive areas. If it is necessary to conduct surveillance around school premises, the applicant should inform the head teacher of the nature and duration of the proposed activity, in advance. A PNC check on those targets should be conducted as part of this assessment by the Counter Fraud & Investigation team.
2. The Investigation Officer prepares an application. When completing the forms, Investigation Officers must fully set out details of the covert activity for which authorisation is sought to enable the Authorising Officer to make an informed judgment. Consideration should be given to consultation with a lawyer concerning the activity to be undertaken (including scripting and tasking).
3. The Investigation Officer will obtain a unique reference number (URN) from the central register before submitting an application.

4. The Investigation Officer will submit the application form to an authorising officer for approval (see Appendix 5).
5. All applications to conduct directed surveillance (other than under urgency provisions – see below) must be made in writing in the approved format.

Authorising Officer (AO)

6. The AO considers the application and if it is considered complete the application is signed off and forwarded to the SRO for review and counter approval.
7. An Authorising Officer's Aide-Memoire has been produced to assist AO's when considering applications for directed surveillance.
8. If there are any deficiencies in the application further information may be sought from the Investigation Officer, prior to sign off.
9. Once final approval has been received from the SRO (see below), the AO and the Investigation Officer will retain copies and will create an appropriate diary method to ensure that any additional documents are submitted in good time.

Senior Responsible Officer (SRO)

10. The SRO then reviews the AO's approval and countersigns it.
11. If the application requires amendment the SRO will return this to the AO for the necessary revisions to be made prior to sign off. Once the SRO is satisfied that concludes the internal authorisation procedure and he or she will countersign the application.

Application to JPs Court

12. The countersigned application form will form the basis of the application to the JPs Court (see further below).

Authorised Activity

13. Authorisation takes effect from the date and time of the approval from the JPs Court.
14. Where possible, private vehicles used for directed surveillance purposes should have keeper details blocked by the Counter Fraud & Investigation team.
15. Notification of the operation will be made to the relevant police force intelligence units where the target of the operation is located in their force area. Contact details for each force intelligence unit are held by the Group Manager Counter Fraud & Investigation - Counter Fraud & Investigation team.

16. Before directed surveillance activity commences, the Investigation Officer will brief all those taking part in the operation. The briefing will include details of the roles to be played by each officer, a summary of the alleged offence(s), the name and/or description of the subject of the directed surveillance (if known), a communications check, a plan for discontinuing the operation and an emergency rendezvous point. A copy of the briefing report (Appendix 7) will be retained by the Investigation Officer.

17. Where 3 or more officers are involved in an operation, officers conducting directed surveillance will complete a daily log of activity an example shown at Appendix 9. Evidential notes will also be made in the pocket notebook of all officers engaged in the operation regardless of the number of officers on an operation. These documents will be kept in accordance with the appropriate retention guidelines and CPIA.

18. Where a contractor or external agency is employed to undertake any investigation on behalf of the Council, the Investigation Officer will ensure that any third party is adequately informed of the extent of the authorisation and how they should exercise their duties under that authorisation.

Conclusion of Activities

19. As soon as the authorised activity has concluded the Investigation Officer will complete a Cancellation Form.

20. The original copy of the complete application will be retained with the central register.

5. SRO Review and Sign Off

The SRO will review the AO approval prior to it being submitted for Magistrates/JP authorisation.

If in the SRO's opinion there are inconsistencies, errors or deficiencies, in the application such that the AO's approval requires amendments or augmentation, the SRO will return the application form to the AO with recommendation for alternative wording or further information and the AO will incorporate the same.

The form will then be returned to the SRO for countersigning.

Once the SRO has countersigned the form this will form the basis of the application to the Magistrates Court for authorisation.

6. Judicial Authorisation

From 1 November 2012, sections 37 and 38 of the Protection of Freedoms Act 2012 are in force. This will mean that a local authority who wishes to authorise the use of directed surveillance, acquisition of Communication Data (CD) and use of a CHIS under RIPA will need to obtain an order approving the grant or renewal of an authorisation or notice from a JP (a District Judge or lay magistrate) before it can take effect. If the JP is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

The new judicial approval mechanism is in addition to the existing authorisation process under the relevant parts of RIPA as outlined above and in this section. The current process of assessing necessity and proportionality, completing the RIPA authorisation/application form and seeking approval from an authorising officer/designated person will therefore remain the same.

The Authorising Officer from Thurrock will provide the JP with a copy of the original RIPA authorisation or notice and the supporting documents setting out the case. This forms the basis of the application to the JP and should contain all information that is relied upon. For communications data requests the RIPA authorisation or notice may seek to acquire consequential acquisition of specific subscriber information. The necessity and proportionality of acquiring consequential acquisition will be assessed by the JP as part of their consideration.

The original RIPA authorisation or notice should be shown to the JP but also be retained by Thurrock Council so that it is available for inspection by the Commissioners' officers and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT). The Court may also wish to keep a copy so an extra copy should be made available to the Court.

Importantly, the Authorising Officer will also need to provide the JP with a partially completed judicial application/order form.

Although the officer is required to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

The order section of the form will be completed by the JP and will be the official record of the JP's decision. The officer from Thurrock will need to obtain judicial approval for all initial RIPA authorisations/applications and renewals and will need to retain a copy of the judicial application/order form after it has been signed by the JP. There is no requirement for the JP to consider either cancellations or internal reviews.

The authorisation will take effect from the date and time of the JP granting approval and Thurrock may proceed to use the techniques approved in that case.

It will be important for each officer seeking authorisation to establish contact with Her Majesty's Court and Tribunals Service (HMCTS) administration at the magistrates' court. HMCTS administration will be the first point of contact for the officer when seeking a JP approval. Thurrock will need to inform HMCTS administration as soon as possible to request a hearing for this stage of the authorisation.

On the rare occasions where out of hours access to a JP is required then it will be for the officer to make local arrangements with the relevant HMCTS legal staff. In these cases we will need to provide two partially completed judicial application/order forms so that one can be retained by the JP. They should provide the court with a copy of the signed judicial application/order form the next working day.

In most emergency situations where the police have power to act, then they are able to authorise activity under RIPA without prior JP approval. No RIPA authority is required in immediate response to events or situations where it is not reasonably practicable to obtain it (for instance when criminal activity is observed during routine duties and officers conceal themselves to observe what is happening).

Where renewals are timetabled to fall outside of court hours, for example during a holiday period, it is the local authority's responsibility to ensure that the renewal is completed ahead of the deadline. Out of hours procedures are for emergencies and should not be used because a renewal has not been processed in time.

The hearing is a 'legal proceeding' and therefore our officers need to be formally designated to appear, be sworn in and present evidence or provide information as required by the JP.

The hearing will be in private and heard by a single JP who will read and consider the RIPA authorisation or notice and the judicial application/order form. He/she may have questions to clarify points or require additional reassurance on particular matters.

The Authorising Officer will need to be able to answer the JP's questions on the policy and practice of conducting covert operations and the detail of the case itself. Thurrock's officers may consider it appropriate for the SPoC (single point of contact) to attend for applications for CD/RIPA authorisations. This does not, however, remove or reduce in any way the duty of the authorising officer to determine whether the tests of necessity and proportionality have been met. Similarly, it does not remove or reduce the need for the forms and supporting papers that the authorising officer has considered and which are provided to the JP to make the case (see paragraphs 47-48).

It is not Thurrock's policy that legally trained personnel are required to make the case to the JP.

The forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided. The JP may note on the form any additional information he or she has received during the course of the hearing but information fundamental to the case should not be submitted in this manner.

If more information is required to determine whether the authorisation or notice has met the tests then the JP will refuse the authorisation. If an application is refused the local authority should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

The JP will record his/her decision on the order section of the judicial application/order form. HMCTS administration will retain a copy of the local authority RIPA authorisation or notice and the judicial application/order form. This information will be retained securely. Magistrates' Courts are not public authorities for the purposes of the Freedom of Information Act 2000.

7. Authorisation periods

The authorisation will take effect from the date and time of the JP granting approval and Thurrock may proceed to use the techniques approved in that case.

A written authorisation (unless renewed or cancelled) will cease to have effect after 3 months.

Renewals should not normally be granted more than seven days before the original expiry date. If the circumstances described in the application alter, the applicant must submit a review document before activity continues.

As soon as the operation has obtained the information needed to prove, or disprove, the allegation, the applicant must submit a cancellation document and the authorised activity must cease.

CHIS authorisations will (unless renewed or cancelled) cease to have effect 12 months from the day on which authorisation took effect, except in the case of juvenile CHIS which will cease to have effect after 1 month. Urgent oral authorisations or authorisations will unless renewed, cease to have effect after 72 hours.

8. Urgency

The law has been changed so that urgent cases can no longer be authorised orally. Approval for directed surveillance in an emergency must now be obtained in written form. Oral approvals are no longer permitted. In cases where emergency approval is required an AO must be visited by the applicant with two completed RIPA application forms. The AO will then

assess the proportionality, necessity and legality of the application. If the application is approved then the applicant must then contact the out-of-hours HMCTS representative to seek approval from a Magistrate. The applicant must then take two signed RIPA application forms and the judicial approval form to the Magistrate for the hearing to take place.

As with a standard application the test of necessity, proportionality and the crime threshold must be satisfied. A case is not normally to be regarded as urgent unless the delay would, in the judgment of the person giving the authorisation, be likely to endanger life or jeopardise the investigation or operation. Examples of situations where emergency authorisation may be sought would be where there is intelligence to suggest that there is a substantial risk that evidence may be lost, a person suspected of a crime is likely to abscond, further offences are likely to take place and/or assets are being dissipated in a criminal investigation and money laundering offences may be occurring. An authorisation is not considered urgent if the need for authorisation has been neglected or the urgency is due to the authorising officer or applicant's own doing.

9. Telecommunications Data - NAFN

The RIPA (Communications Data) Order 2003 came into law in January 2004. It allows Local Authorities to acquire limited information in respect of subscriber details and service data. It does NOT allow Local Authorities to intercept, record or otherwise monitor communications data.

Applications to use this legislation must be submitted to a Home Office accredited Single Point of Contact (SPOC). The Council uses the services of NAFN (the National Anti-fraud Network) for this purpose.

Officers may make the application by accessing the NAFN website. The application will first be vetted by NAFN for consistency, before being forwarded by NAFN to the Council's Designated Persons for the purposes of approving the online application. The Council will ensure that Designated Persons receive appropriate training when becoming a Designated Person.

The relevant Designated Persons responsible for the area to which the application relates, will then access the restricted area of the NAFN website using a special code, in order to review and approve the application. When approving the application, the Designated Person must be satisfied that the acquiring of the information is necessary and proportionate. Approvals are documented by the Designated Person completing the online document and resubmitting it by following the steps outlined on the site by NAFN. This online documentation is retained by NAFN who are inspected and audited by the Office Surveillance Commissioner (OSC).

When submitting an online application, the officer must also inform the relevant Designated Person, in order that they are aware that the NAFN application is pending.

10. Handling of material and use of material as evidence

Material obtained from properly authorised directed surveillance or a source may be used in other investigations. Arrangements shall be in place for the handling, storage and destruction of material obtained through the use of directed surveillance, a source or the obtaining or disclosure of communications data, following relevant legislation such as the Criminal Procedure and Investigations Act (CPIA). Authorising Officers must ensure compliance with the appropriate data protection and CPIA requirements, having due regard to the Public Interest Immunity test and any relevant Corporate Procedures relating to the handling and storage of material.

Where the product of surveillance could be relevant to pending or future proceedings, it should be retained in accordance with established disclosure requirements for a suitable period and subject to review.

11. Training

Officers conducting directed surveillance operations, using a CHIS or acquiring communications data must have an appropriate accreditation or be otherwise suitably qualified or trained.

Authorising Officers (Appendix 5) will be appointed by the Chief Executive and will have received training that has been approved by the Senior Responsible Officer. The Senior Responsible Officer will have appointed the RIPA Coordinating Officer who will be responsible for arranging suitable training for those conducting surveillance activity or using a CHIS.

All training will take place at reasonable intervals to be determined by the SRO or RSO, but it is envisaged that an update will usually be necessary following legislative or good practice developments or otherwise every 12 months.

12. Surveillance Equipment

All mobile surveillance equipment is kept in secure premises of each investigation and enforcement team in the Civic Offices. Access to the area is controlled by the relevant team, who maintain a spreadsheet log of all equipment taken from and returned to the area.

13. The Inspection Process

The OSC will make periodic inspections during which the inspector will wish to interview a sample of key personnel; examine RIPA and CHIS applications and authorisations; the central register and policy documents. The inspector will also make an evaluation of processes and procedures.

14. Shared Arrangements

Thurrock conducts Counter Fraud & Investigation activities to protect other public authorities who have no counter fraud function but have an ongoing statutory duty to protect the public funds they administer. In rare instances, where activity governed by RIPA is required to support that Counter Fraud work, only officers employed by Thurrock Council are used to conduct that activity, as the tasking agency. Thurrock therefore follows its own RIPA policy which will result in its Authorising Officers' signing off other agencies RIPA surveillance requests.

15. Social Media and online covert activity

The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Alternatively an investigator may need to communicate covertly online, for example, contacting individuals using social media websites.

Whenever the council intends to use the internet as part of an investigation, it must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights (Right to respect for private and family life), including the effect of any collateral intrusion. Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case.

The use of social media for the gathering of evidence to assist in enforcement activities, must comply with the requirements set out below:

- It is not unlawful for a council officer to set up a false identity but it is inadvisable to do so for a covert purpose without authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws.
- Where it is necessary and proportionate for officers pursuing an investigation to create a false identity in order to 'friend' individuals on social networks, a CHIS authorisation must be obtained. If such activity is likely to result in the obtaining of private information, a directed surveillance authorisation (combined with a CHIS authorisation or separate) must be obtained.
- Authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a council officer (i.e. the activity is more than merely reading of the site's content). Where activity is only carrying out a test purchase a CHIS authorisation may not be necessary, however this should be confirmed with the Authorising Officer on a case by case basis.
- Where privacy settings are available but not applied, the data may be considered open source and an authorisation is not usually required.
- Officers viewing an individual's open profile on a social network should do so as infrequently as possible in order to substantiate or refute an allegation.
- Where repeated viewing of open profiles on social networks is necessary and proportionate to gather further evidence or to monitor an individual's status, then RIPA authorisation must be considered as repeat viewing of "open source" sites may constitute directed surveillance on a case by case basis. Any decision not to seek

authorisation must be made in consultation with an Authorising Officer and that the decision making process should be documented.

- Officers should be aware that it may not be possible to verify the accuracy of information on social networks and if such information is to be used as evidence, then reasonable steps must be undertaken to ensure its validity

16. Resources

OSC home page:

<https://osc.independent.gov.uk>

OSC Procedures and Guidance issued in July 2016:

<https://osc.independent.gov.uk/osc-procedures-and-guidance/>

OSC list of current RIPA Codes:

<https://www.gov.uk/government/collections/ripa-codes>

In particular:

[Interception of communications: code of practice 2016](#)

[Equipment interference: code of practice](#)

[Codes of practice for the acquisition, disclosure and retention of communications data](#)

Covert surveillance and covert human intelligence sources codes of practice

[Code of practice for investigation of protected electronic information](#)

GLOSSARY OF TERMS

Collateral intrusion

The likelihood of obtaining private information about someone who is not the subject of the directed surveillance operation.

Confidential information

This covers confidential journalistic material, matters subject to legal privilege, and information relating to a person (living or dead) relating to their physical or mental health; spiritual counselling or which has been acquired or created in the course of a trade/profession/occupation or for the purposes of any paid/unpaid office.

Covert relationship

A relationship in which one side is unaware of the purpose for which the relationship is being conducted by the other.

Directed Surveillance

Surveillance carried out in relation to a specific operation which is likely to result in obtaining private information about a person in a way that they are unaware that it is happening. It excludes surveillance of anything taking part in residential premises or in any private vehicle.

Intrusive Surveillance

Surveillance which takes place on any residential premises or in any private vehicle. A Local Authority cannot use intrusive surveillance.

Legal Consultation

A consultation between a professional legal adviser and his client or any person representing his client, or a consultation between a professional legal adviser or his client or representative and a medical practitioner made in relation to current or future legal proceedings.

Residential premises

Any premises occupied by any person as residential or living accommodation, excluding common areas to such premises, e.g. stairwells and communal entrance halls.

Senior Responsible Officer (SRO)

The SRO is responsible for the integrity of the processes in order for the Council to ensure compliance when using Directed Surveillance or CHIS.

Service data

Data held by a communications service provider relating to a customer's use of their service, including dates of provision of service; records of activity such as calls made, recorded delivery records and top-ups for pre-paid mobile phones.

Surveillance device

Anything designed or adapted for surveillance purposes.

Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010

The Order consolidates four previous Orders relating to directed surveillance and the use or conduct of covert human intelligence sources by public authorities under Part II of the Regulation of Investigatory Powers Act 2000 (RIPA) and to reflect the outcome of a public consultation which took place between April and July 2009.

It identifies the 'relevant public authorities' authorised to conduct RIPA and CHIS activities. This list includes local authorities in England and Wales. It also gives examples of such activity, as shown on page 3 of this document.

The Human Rights Act 1998

Articles 6 and 8 of the Human Rights Act are relevant to RIPA.

If it is proposed that directed surveillance evidence is to be used in a prosecution, or other form of sanction, the subject of the surveillance should be informed during an interview under caution.

The Data Protection Act 1998 (DPA)

The eight principles of the Act relating to the acquisition of personal data need to be observed when using RIPA. To ensure compliance, the information must:

- Be fairly and lawfully obtained and processed
- Be processed for specified purposes only
- Be adequate, relevant and not excessive
- Be accurate
- Not be kept for longer than is necessary
- Be processed in accordance with an individual's rights
- Be secure
- Not be transferred to non EEA countries without adequate protection.

List of Authorising Officers

The following post holders may authorise RIPA applications where there is a likelihood of obtaining Confidential Information: Chief Executive or deputy.

The following post holders may authorise the use of a vulnerable person or a juvenile to be used as a Covert Human Intelligence Source: Chief Executive, as Head of Paid Service or his or her deputy.

The following post holders may authorise applications, reviews, renewals and cancellations of Directed Covert Surveillance of Covert Human Intelligence Sources: Chief Executives and Directors, or in their absence, the Head of Legal and Democratic Services.

Principal RIPA Officers

David Lawson Deputy Head of Legal & Monitoring Officer	Senior Responsible Officer (SRO)	01375 652087
Matthew Boulter Deputy Monitoring Officer	Deputy SRO	01375 652082
Lee Henley Information Manager	RIPA Co-ordinating Officer (Single Point of Contact)	01375 652500

Authorising Officers

Chief Executive	Authorising Officer	01375 652390
Rory Patterson Corporate Director of Children's Services	Authorising Officer	01375 659840
Sean Clark Director of Finance & IT	Authorising Officer	01375 652010
Andrew Millard Head of Planning and Growth	Authorising Officer	01375 652710
Jackie Hinchliffe Director of HR,OD & Transformation	Authorising Officer	01375 652016

Appendix 6

Central Register

A central register will be maintained by the RIPA single point of contact. The register will contain details of all RIPA and CHIS applications (whether approved or not) and all reviews, renewals and cancellations.

Each operation will be given a unique reference number (URN) from which the department involved and the year of the operation may be readily identified.

The register will also contain the following information:

- The operation reference name or number
- The name of the applicant
- The name of the subject of the surveillance or CHIS activity (for internal enquiries a pseudonym may be used)
- The date and time that the activity was authorised
- The date and time of any reviews that are to be conducted
- The date and time of any renewals of authorisations
- The date and time of the cancellations of any authorisations

Kept in conjunction with the register will be the details of the training and updates delivered to authorising officers, a list of authorising officers, a copy of the RIPA policy and copies of all relevant legislation.

The original of all documents will also be held with the register, which must be available for inspection by the Office of the Surveillance Commissioners.

Briefing Report

Before any RIPA or CHIS operation commences, all staff will be briefed by the officer in charge of the case using the format of this briefing report. The original will be retained with the investigation file.

RIPA URN

Name and number to identify operation

Date, time and location of briefing

.....

Persons present at briefing

.....

Information (Sufficient background information of the investigation to date to enable all those taking part in the operation to fully understand their role).

Intention (What is the operation seeking to achieve?).

Method (How will individuals achieve this? If camcorders are to be used, remind officers that any conversations close to the camera will be recorded).

Administration (To include details of who will be responsible for maintenance of the log sheet and collection of evidence; any identified health and safety issues; the operation; an agreed stand down procedure – NOTE It will be the responsibility of the officer in charge of the investigation to determine if and when an operation should be discontinued due to reasons of safety or cost-effectiveness – and an emergency rendezvous point. On mobile surveillance operations, all those involved will be reminded that at ALL times speed limits and mandatory road signs MUST be complied with and that drivers must NOT use radios or telephones when driving unless the equipment is ‘hands free’).

Communications (Effective communications between all members of the team will be established before the operation commences).

Best practice regarding photographic and video evidence

Photographic or video evidence can be used to support the verbal evidence of what the officer conducting surveillance actually saw. There will also be occasions when video footage may be obtained without an officer being present at the scene. However it is obtained, it must properly documented and retained in order to ensure evidential continuity. All such material will be disclosable in the event that a prosecution ensues.

Considerations should be given as to how the evidence will eventually be produced. This may require photographs to be developed by an outside laboratory. Arrangements should be made in advance to ensure continuity of evidence at all stages of its production. A new film, tape or memory card should be used for each operation.

If video footage is to be used start it with a verbal introduction to include day, date, time and place and names of officers present. Try to include footage of the location, e.g. street name or other landmark so as to place the subject of the surveillance.

A record should be maintained to include the following points:

- Details of the equipment used
- Confirmation that the date & time on the equipment is correct
- Name of the officer who inserted the film, tape or memory card into the camera
- Details of anyone else to whom the camera may have been passed
- Name of officer removing film, tape or memory card
- Statement to cover the collection, storage and movement of the film, tape or memory card
- Statement from the person who developed or created the material to be used as evidence

As soon as possible the original recording should be copied and the master retained securely as an exhibit. If the master is a tape, the record protect tab should be removed once the tape has been copied. Do not edit anything from the master. If using tapes, only copy on a machine that is known to be working properly. Failure to do so may result in damage to the master.

Stills may be taken from video. They are a useful addition to the video evidence.

Surveillance Log

Daily log of activity, to be kept by each operator or pair of operators.

- A – Amount of time under observation
- D – Distance from subject
- V - Visibility
- O - Obstruction
- K – Known, or seen before
- A – Any reason to remember, subject or incident
- T – Time elapsed between sighting and note taking
- E – Error or material discrepancy – e.g. description, vehicle reg etc.

Operation name or number

Date

Time of activity (from) (to)

Briefing location and time

Name of operator(s) relating to THIS log

.....

Details of what was seen, to include ADVOKATE (as above).

.....

.....

.....

.....

.....

.....

.....

R v Johnson

R. v. Johnson [1988] 1 WLR 1377 laid down the correct procedure when using observation posts:

- The police officer in charge of the observation, who should be of no lesser rank than sergeant, should testify that he had visited the observation posts & ascertained the attitude of the occupiers to the use of the premises & to disclosure which might lead to their identification. (It is suggested that 'Sergeant' could be replaced by section manager).
- An inspector should then testify that immediately before the trial he visited those places & ascertained whether the occupiers were the same persons as those at the time of the observations. (It is suggested that 'inspector' could be replaced by head of department).
- If they were not he, should testify as to their attitude to the use made of the premises and to possible disclosure which might lead to their identification.
- The judge should explain to the jury when summing up or at some other point the effect of his ruling to exclude the evidence of the location.

Public Interest Immunity (PII) protects the identity of a person who has permitted surveillance to be conducted from private premise, so this extends to the address and any other information that could reveal their identity. If, however, the location can be revealed without identifying the occupier, then it should be.

Appendix 11

RIPA Authorising Officer's Aide-Memoire

<p>Has the applicant satisfactorily demonstrated proportionality? Court will ask itself should (not could) we have decided this was proportionate. Is there a less intrusive means of obtaining the same information? What is the risk – to the authority (loss), to the community of allowing the offence to go un-investigated? What is the potential risk to the subject? What is the least intrusive way of conducting the surveillance? Has the applicant asked for too much? Can it safely be limited? Remember – Don't use a sledge-hammer to crack a nut! YOUR COMMENTS</p>	Yes	No
--	------------	-----------

<p>Has the applicant satisfactorily demonstrated necessity (see below)?</p> <ul style="list-style-type: none"> • What crime is alleged to be committed? • Is the surveillance necessary for what we are seeking to achieve? • Does the activity need to be covert or could the objectives be achieved overtly? • Does this crime come under the Fraud Act 2006 and if so please state which section of the Act this applies to? • Will the offence attract a custodial sentence of 6 months or more? If no, directed surveillance should not be used <p>YOUR COMMENTS</p>	Yes	No
---	------------	-----------

<p>What evidence does applicant expect to gather? Has applicant described (a) what evidence he/she hopes to gain, and (b) the value of that evidence in relation to THIS enquiry? YOUR COMMENTS</p>	Yes	No
--	------------	-----------

Is there any likelihood of obtaining confidential information during this operation? If “Yes” operation must be authorized by the Chiel Executive.	Yes	No
Have any necessary risk assessments been conducted before requesting authorization? Details what assessment (if any) was needed in this particular cases. In the case of a CHIS authorization an appropriate bespoke risj assessment must be completed.	Yes	No
When applying for CHIS authorization, have officers been identified to: a) have day to day responsibility for the CHIS (a handler) b) have general oversight of the use of the CHIS (a controller) c) be responsible for retaining relevant CHIS records, including true identity, and the use made of the CHIS.	Yes	No

Have all conditions necessary for authorization been met to your satisfaction? GIVE DETAILS	Yes	No
---	------------	-----------

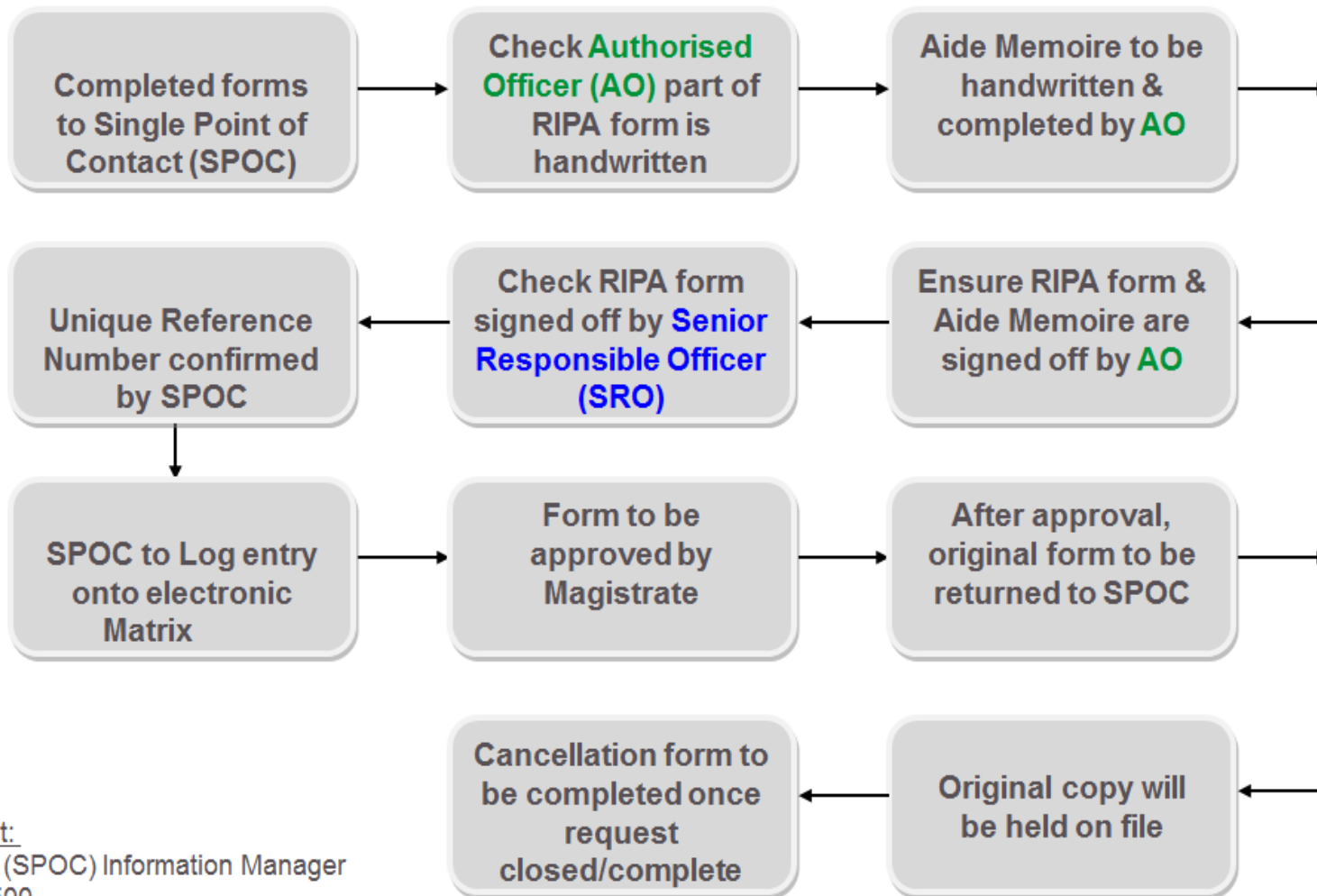
Do you consider that it is necessary to place limits on the operation? IF YES, GIVE DETAILS (eg no. of officers, time, date etc) and REAASONS	Yes	No
---	------------	-----------

Name (Print)		Grade / Rank	
Signature		Date and time	
Expiry date and time [e.g.: authorisation granted on 1 April 2011 - expires on 30 June 2011, 23.59]			

Remember to diarise any review dates and any subsequent action necessary by you and/or applicant. Return copy of completed application to applicant and submit original to Legal Services. Retain copy.

RIPA Process

Appendix 12



Key Contact:
Lee Henley (SPOC) Information Manager
01375 652500

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The Rt Hon. Lord Judge

Office of Surveillance
Commissioners

FILE COPY

Chief
Surveillance
Commissioner

Official -Sensitive

17 January 2017

Dear *Chief Executive,*

I enclose a copy of the report dated 15 December 2016 prepared by His Honour Brian Barker CBE., QC., following his inspection of the arrangements made by the Council to secure compliance with the statutory provisions which govern the use of covert surveillance.

I have studied the report and endorse it.

Dealing with it generally this is a positive report. The recommendations made following the last inspection in October 2013 have been addressed. Mr Henley, operating in his new role, has introduced a sensible level of cohesion to RIPA issues, and with the oversight of Mr Lawson, my strong impression is that the team vested with these responsibilities is working well. One practical consequence is that there is no undue reticence to exercise the legislative powers as and when appropriate.

There are two specific recommendations this year. The first relates to the Policy document which requires some updating, particularly in the context of the use of the social media sites and the Internet. This is an area of potential vulnerability. Officials, particularly those with responsibilities for vulnerable adults and children, acting in good faith, may inadvertently stray into activity amounting to covert surveillance for the purposes of the legislation without appreciating that they are doing so. If so, notwithstanding their good faith in this important aspect of their responsibilities, they, as well as the Council itself, would be acting unlawfully. Both the Policy document and the training arrangements must address this risk. The vulnerability will be ongoing, perhaps heightened as time goes by, as the technology continues to develop while the statutory provisions do not.

The other recommendation relates to update training for newly appointed Authorising Officers, but this will surely be dealt with as a matter of course in the training arrangements. All in all, I repeat that this is a positive report reflecting credit on the officials vested with the statutory responsibilities.

Yours sincerely,



Lynn Carpenter
Chief Executive
Thurrock Borough Council
Civic Offices
New Road
Grays
Essex RM17 6SL



Office of Surveillance
Commissioners

OFFICE OF SURVEILLANCE COMMISSIONERS

INSPECTION REPORT

Thurrock Borough Council

16th November 2016

**Assistant Surveillance Commissioner:
His Honour Brian Barker CBE, QC**

OFFICIAL- SENSITIVE

DISCLAIMER

This report contains the observations and recommendations identified by an individual surveillance inspector, or team of surveillance inspectors, during an inspection of the specified public authority conducted on behalf of the Chief Surveillance Commissioner.

The inspection was limited by time and could only sample a small proportion of covert activity in order to make a subjective assessment of compliance. Failure to raise issues in this report should not automatically be construed as endorsement of the unreported practices.

The advice and guidance provided by the inspector(s) during the inspection could only reflect the inspectors' subjective opinion and does not constitute an endorsed judicial interpretation of the legislation. Fundamental changes to practices or procedures should not be implemented unless and until the recommendations in this report are endorsed by the Chief Surveillance Commissioner.

The report is sent only to the recipient of the Chief Surveillance Commissioner's letter (normally the Chief Officer of the authority inspected). Copies of the report, or extracts of it, may be distributed at the recipient's discretion but the version received under the covering letter should remain intact as the master version.

The Office of Surveillance Commissioners is not a public body listed under the Freedom of Information Act 2000, however, requests for the disclosure of the report, or any part of it, or any distribution of the report beyond the recipients own authority is permissible at the discretion of the Chief Officer of the relevant public authority without the permission of the Chief Surveillance Commissioner. Any references to the report, or extracts from it, must be placed in the correct context.

OFFICIAL – SENSITIVE



Office of Surveillance
Commissioners

The Rt. Hon the Lord Judge
Chief Surveillance Commissioner,
Office of Surveillance Commissioners,
PO Box 29105
London SW1V 1ZU

December 15th, 2016.

**INSPECTION REPORT
THURROCK BOROUGH COUNCIL**

Inspection November 16th, 2016.

Inspector His Honour Brian Barker CBE, Q.C.
Assistant Commissioner.

Introduction:

1. Thurrock Borough Council is a unitary authority serving a population of about 163,000 and has now the equivalent of nearly 1,400 fulltime posts. It is responsible for an area of about sixty-three square miles, half of which is defined as green belt. It is part of London's commuter belt. It is also an area of regeneration, and is strategically placed on the M25 and A13 corridors. On its 18 miles of riverfront are three international ports: London Gateway, the Port of Tilbury and the Port of Purfleet.
2. The council is organized on a cabinet basis with a leader and 49 councillors. It elects a Mayor annually as first citizen.
3. The Chief Executive, Lyn Carpenter, has been in post since 2015 and is supported by a Director's Board. This consists of seven Directors: for Adults, Housing and Health; Children's Services; Environment and Place; Finance and IT; Human Recourses; Legal Services; and Strategy, Communications and Customer Services.
4. The last inspection was carried out by His Honour Norman Jones Q.C., Assistant Surveillance Commissioner, on October 8th 2013; and he noted seven authorisations since the previous inspection and remarked on the high standard of the RIPA management structure and training programme.
5. Like all authorities there has been considerable pressure to reduce costs, and there has to be a saving of £10m over the next financial year. Legal services are shared with the London Borough of Barking and Dagenham and Brentwood Borough Council; and there are active efforts to become involved with other shared services.

6. The address is: Civic Offices, New Road, Grays, Essex, RM17 6SL.

Past Recommendations:

7. *i:* to address issues as to quality of authorisations and management of *CHIS* by training from an external professional
- ii:* to adopt a system of robust quality control to timeously identify and rectify below standard authorisations
- iii:* reduce the number of nominated Authorising Officers
- iv:* amend the *RIPA* Corporate Policy

Inspection:

7. I was warmly welcomed by Lee Henley, the Information Manager with HR, OD and Transformation responsibilities, who was additionally appointed *RIPA Co-ordination Officer* in 2014. He has clearly gone to considerable trouble to master his new brief, and has introduced a number of innovations.
8. We embarked on a wide ranging discussion, and in the course of the Inspection I also had useful conversations with:
 - Lyn Carpenter: Chief Executive
 - David Lawson: Deputy Head of Legal, Monitoring officer and SRO
 - Sean Clarke: Director Finance and IT and Authorising Officer
 - David Kleinberg: Head of Counter Fraud and Investigation Directorate.
9. It was apparent that Mr. Henley had brought fresh eyes and enthusiasm to his role. Since taking over he had made it clear throughout the authority and on the intranet that he was to be the single point of contact which would give him proper oversight and scrutiny. While council policy was to use covert surveillance only as a last resort, there had been a limited but steady stream of applications since the last inspection in necessary cases.
10. Topics covered included the understanding of both the usefulness of the tool as an 'insurance policy,' and of the practical aspects of *RIPA* implementation. Also discussed were the factors leading to a somewhat declining use, which included the increasing availability of effective overt methods of information gathering as well as the raising of the sentencing threshold, and pressure on resources.

11. Other subjects included the changing methods used by Trading Standards to maintain safeguards including 'trusted trader schemes,' 'no cold calling' zones and the 'challenge 25' system for those serving younger looking customers.
12. We moved on to discuss the potential problems that could arise from the use of personal and social media sites to further investigations and follow up complaints, and the need for officers to be alert to the necessity of following *RIPA* procedures if crossing the line. This topic had been part of recent training sessions received by the Trading Standards officers.
13. A successful and impressive innovation brought to my attention in both law enforcing and financial terms was the Counter Fraud and Investigation Team run by David Kleinberg. His team also operate on behalf of Southend Borough Council (where I had previously met him when conducting that inspection), and further afield when required. [Clients included the Legal Aid Agency and the DWP]. He set out possible expansion plans for the future, and explained that control and authorisation had been given careful attention.

Examination of Central Record:

14. The records have been reorganized centrally in standard computerized form on a secure file; and a record management system for individual overview has been instituted.
15. Since the last at inspection there has been seventeen approved authorisations, of which one was a related *CHIS*. Six were from Trading Standards and eleven from the Fraud Team. It had been noted at the last inspection that the quality of inspections was improving and this trend, with two lapses, has been maintained. I was able to examine the retained hard copies of the subsequent operations, and I noted the following:
 - three Trading Standards investigations into housing benefit allegations [122 to 124] subsequent to the last inspection, maintained sound standards
 - The following two inquiries into counterfeit goods for sale on the internet were, for some unaccountable reason, not captured on the central register, although the paperwork itself was appropriate. This error was discovered, on inspection by Mr Henley, and reported by him to the Standards and Audit Committee in December 2104. Active steps were then taken to improve the systems and commission further training
 - '125' was a successful investigation into change of housing circumstances, although '126' was unable to further an inquiry into internet goods.
 - Further authorisations included an underage test purchase operation which despite good information did not reveal any miss selling; and a successful investigation into [REDACTED]

- ██████████ selling involving large amounts and resulting in arrests.
- '132' records a major operation led by David Kleinberg into a fraudulent, million pound, operation selling ██████████
 - in the last year there have been a number of applications and one operation of note, '136' and the associated '137', concerned the selling ██████████
██████████ but by the time it was set up the goods were no longer available. All stages were properly recorded and monitored.
 - others included '139' the investigating of the laundering of large amounts of illegally obtained cash ██████████ and the most recent '140' the supplying of ██████████
 - It was pleasing to see an apparent confidence to use the powers when other avenues had been exhausted, and the maintaining of standards in both applications and authorisations was noticeable.

Policy, Procedures and Structure:

16. The current *Corporate Policy* document is updated and approved annually by the Standards and Audit Committee, the last occasion being in June of this year. It runs to 28 pages with a variety of appendices. It is comprehensive and clearly written. It has a useful section on the handling of material and the use of material as evidence and a good appendix on best practice regarding photographic and video evidence. It includes useful practical examples where appropriate, a good early example being in relation to 'proportionality'.
17. There were several areas which came under discussion where additions or further explanations might improve the overall quality:
 - The introductory "Brief Overview" could include reference to the 2014 Home Office Codes of Practice and the OSC Procedures and Guidance.
 - The *CHIS* section is given proper attention and in addition refers to an Officer's Aide-Memoire [a useful document], but should also indicate it is to be found in the Appendix
 - Section 6: 'Judicial Authorisation' refers to assistance being given by the 'appropriate officer' and later the 'attending officer'. It was agreed that the preferred policy of presentation by the Authorisation Officer in addition to the single point of contact would be set out
 - It was also noted that it would be helpful to add the well-known flow charts relating to authorising procedures and the application to the Magistrates.
18. The one area, however, missing and needing inclusion, is guidance in relation to the wide spread use [and consequent problems] of social

media and the internet. I was assured that this topic was very much 'on the radar' and a suitable section taking into account Para 288 of the Procedures and Guidance would be inserted.

19. The reduced number of RIPA post holders (following recommendation [iii])are listed at Appendix 5 with their contact numbers. In addition to the Chief Executive with responsibility for the sensitive and specialized areas, the SRO David Lawson was listed as an Authorisation Officer to act only in exceptional circumstances to as to avoid potential conflict with oversight responsibilities. The Director of Finance and IT continues as an Authorising Officer and consideration is being given to the appointment of two further officers of appropriate seniority who will be given continuation training at the January session.

Recommendations

Training:

20. There has been a consistent policy of training. The records show that in 2014 and 2015 Olwen Dutton of Bevan Brittan (adopting recommendation [I]) provided two separate professional sessions to over twenty-five involved officers in each year, and training material was retained by further reference. Detailed sessions have been booked for all officers in January 2017.

Councillors

21. Mr. Henley has also ensured that availability of information to elected members has broadened both through uses of the intranet and in formal reporting. There is enthusiasm by the elected members for the work of the growing fraud investigation section, and as Coordinating Officer and SPOC he reports to the Standards and Audit Committee every six months. Those reports had been retained and were inspected.

CCTV

22. The council's CCTV centre is some three miles away at Tilbury. I did not visit the control room, although I have read the comprehensive Code of Practice, and was assured appropriate standards were kept. The system, covering both town centres and housing estates, operates over 300cameras and the staff have all attended a four day course and are SIA qualified. Record keeping systems are in place although there had been no police RIPA authorised request for 'some considerable time.'

Conclusions

23. It is pleasing to report not only an enthusiasm to do the job properly, but also an efficient systems in place so that the tool can be used effectively in necessary circumstances. While Mr Lawson provides the oversight, Mr Henley has brought thoughtful enthusiasm and instituted a number of useful management procedures, and my impression is that the Trading Standards team and the Fraud Investigation teams having fairly regular use, provide pointers and learning to each other.
24. There is clear backing from the Chief Executive, and the indicators are that with a training session booked for early next year , all officers will be prepared for efficient and effective future use.
25. I wish finally to record my thanks to Mr Henley for his organization and hospitality, and all the other officers for their cooperation and help during my inspection.

Recommendations

30. *i: changes and additions to the Policy and Procedures Document as agreed*
ii: ensure that the newly deputed Authorising Officers have appropriate update training at the next session.

Brian Barker,
Assistant Surveillance Commissioner.

6 July 2017	ITEM: 6
Standards and Audit Committee	
Refresh of the Strategic/Corporate Risk and Opportunity Register	
Wards and communities affected: All	Key Decision: Non key
Report of: Andy Owen, Interim Insurance & Risk Manager	
Accountable Head of Service: N/A	
Accountable Director: Sean Clark, Director of Finance and IT	
This report is public	

Executive Summary

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

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

The Interim Insurance & Risk Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during March to May to refresh the Strategic/Corporate Risk and Opportunity Register.

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

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

2. Introduction and Background

- 2.1 Risk and Opportunity Management (ROM) describes the planned and systematic approach used to identify, evaluate and manage the risks to and the opportunities for the achievement of the Council's objectives.
- 2.2 ROM makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations and is an important part of the Council's overall Performance Management Framework.
- 2.3 In accordance with the ROM Policy Strategy and Framework regular reviews of the Strategic/Corporate Risk and Opportunity register were undertaken during 2016/17 and reported to Directors Board and Standards & Audit Committee.
- 2.4 The annual review of the Council's ROM arrangements was undertaken in the last quarter of 2016/17. As part of the review the ROM Policy, Strategy and Framework were updated and reported to Standards and Audit Committee 28th February 2016, via Directors Board 24th January 2017 and Performance Board 4th January 2017.
- 2.5 The refresh of the Strategic/Corporate Risk and Opportunity Register is the first exercise under the updated ROM Framework. The Interim Insurance and Risk Manager has engaged with Services, Department Management Teams and Performance Board during March to May to refresh the Strategic/Corporate Risk and Opportunity Register.
- 2.6 The review has resulted in some changes to the register. 20 items have been refreshed, 2 new items added and 1 item removed.

3. Issues, Options and Analysis of Options

- 3.1 The outcome of the review is shown in the Dashboard (Appendix 1), In Focus report (Appendix 2) and the following tables.
- 3.2 Appendix 1 – Dashboard
The refreshed and new items are included in the dashboard table. The dashboard provides a summary of the items in the register mapped against the Council's priorities, shows the developments to date and the management time frames.
- 3.3 Appendix 2 – Risks and Opportunities In Focus report
This document includes the items identified by Corporate Risk Management, Performance Board and Directors Board that Standards and Audit Committee should focus on this quarter.

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

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

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

Adult Social Care, Cost & Quality Standards - Risk 1	(Rating: 12 Critical/Likely)
Thurrock Council has received additional funding for Adult Social Care. Associated conditions for how the funding is used include helping to deliver sustainability for care providers. Whilst this will undoubtedly help to control the risk, it will not mitigate it and therefore the residual and forecast ratings have been evaluated as 12 (Critical/Likely).	
Health and Social Care Transformation - Risk 2	(Rating: 12 Critical/Likely)
Significant programme management capacity and expertise is required to deliver both the Adult Social Care Transformation Programme and the Health and Social Care Integration Programme. There are also challenges to overcome to progress integration with health. This includes current pressures on the Essex-wide health economy, a 'local' health agenda which is geographically broader than Thurrock, and how decisions made by non-Thurrock parts of the Essex-wide system will impact upon what Thurrock wants and needs to achieve. Thurrock is a very low spending authority per capita on adult social care and also faces significant on-going reductions to funding – although the department has received additional funding for Adult Social Care from 2017/18 which it needs to use to help provide stability and capacity, including within the ASC transformation programme. The pressures identified remain and will not be alleviated in the short term and therefore the residual and forecast ratings have been evaluated as 12 (Critical/Likely).	
Business Continuity Planning - Risk 4	(Rating: 12 Critical/Likely)
The risk evaluates the position if business continuity plans are not coordinated and maintained, which would lead to business continuity planning arrangements across the Council becoming inconsistent, outdated and ineffective in times of a disruption affecting the authority. Oversight of Business Continuity Management is now being provided by Performance Board and an auditing/quality assurance programme of the Business Continuity Plans for the critical functions is a standing item on the Board agenda each quarter. List of current BCPs & critical functions is being updated and will form the basis of ongoing review process by Performance Board and service areas.	
ICT Disaster Recovery Planning - Risk 10	(Rating: 12 Critical/Likely)
A proposal to install a basic DR capability to support up to 100 concurrent users at Southend has been approved by Directors Board and is currently being implemented. In parallel the council will be reviewing its strategic infrastructure requirement, but deploying the tactical solution will ensure this exercise is driven by service requirements rather than a DR imperative.	
Delivery of MTFs 2018/19 - 2020/21 - Risk 12	(Rating: 12 Critical/Likely)
MTFS established. Balanced budget for 2017/18 set and forecast for the financial years 2018/19 through to 2020/21 reported to Cabinet and Council February 2017. Transformation and Service Review Programmes established to help address the budget position and support the council in achieving financial self-sustainability. Budget monitoring and reporting established and to continue throughout 2017/18.	
CSC, Service Standards & Inspection Outcome - Risk19	(Rating: 12 Critical/Likely)
This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful although as anticipated it has led to an increase in the volume of work to children's social care, this is ongoing. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH. Ongoing savings to be made across Children's Services including from the Children's Social care budget will be risk assessed to mitigate the impact on front line services.	
The service has to be demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see	

a rise in families needing services, including large sibling groups. An incident of civil disorder could result in more young people being placed in custody and a resulting increase in remand costs to the local authority. Caseloads are too high in some teams and this represents a pressing safeguarding concern. Areas for improvement have been identified within the recent Ofsted (SIF).

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

Risk and action plan documentation refreshed. The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. A forecast date of 31/03/18 has been applied to the risk, which is the time when the risk will be fully refreshed and updated.

CSC, Safeguarding & Protecting C&YP - Risk 20

(Rating: 12 Critical/Likely)

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

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

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

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

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

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

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. The current trend has seen increasing numbers of children requiring child protection plans, children in need plans and children who the council is required to look after (children in care). Effective demand and resource management remain a priority for the service within an overriding context of keeping children safe.

Risk and action plan documentation refreshed and evaluated that the risk will remain constant throughout the period covered.

Sickness Absence - Risk 14

(Rating: 12 Substantial/Very Likely)

Sickness remains a concern with outturn for 2016/17 higher than previous year. Service level management of issues has improved significantly however and individual cases are dealt with on a case by case basis. HR Advisors continue to support managers with their sickness absence reviews and there is a big push regarding compliance with Return to Work interviews, for which People Board is providing governance. The reduction of sickness is now linked the Council Spending Review with a target to reduce the cost of agency and overtime paid to cover for absent colleagues.

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

S. E. Local Enterprise Partnership - Opportunity 7

(Rating: 12 Exceptional/Likely)

The Council has secured £108.3m of Local Growth Funding to support delivery of key infrastructure and regeneration projects. Projects receiving support include:

- A13 widening.
- Stanford-le-Hope/London Gateway access improvements.
- Cycling initiatives and sustainable travel.
- Purfleet regeneration project.
- Grays South regeneration project.

The Government has now indicated that there will be no further rounds of LGF funding and through its consultation on the Industrial Strategy Green Paper has tested various ideas for future funding, for example an Industrial Strategy Challenge Fund.

In addition to the LGF funding the Council has also secured significant resource through ERDF and ESF to support delivery of corporate priorities. The Council is a delivery partner in over £35m of business support and employability programmes and is also leading and supporting further bids. The opportunity provided by EU funding is time limited with Brexit negotiations looming. It is also limited by the requirement to provide 50% match funding.

The Council has enjoyed considerable success in pursuing this opportunity; however, in light of comments above the time may be right to recast this opportunity in the context of a changing national and EU policy landscape?

Without doubt we should continue to work with, and have an active role in, SELEP as future funding opportunities are very likely to be routed through it. Equally we should continue to develop a pipeline of projects supported by robust business cases so that when an opportunity does present itself we are in a position to be able to respond.

Clarity on future funding opportunities is likely when the Industrial Strategy Green Paper evolves into a white paper. Although this process is now likely to be delayed by the General election we should continue to be actively engaged in the dialogue around the Strategy and seek to lobby and influence where possible.

Provisional forecast rating of 12 (Exceptional/Likely) and forecast date 31/03/2018 applied and opportunity/action plan documentation (including forecast date and rating) to be refreshed when clarity on future funding opportunities and changing national/EU policy landscape available.

3.4 For members information the Criteria Guide for Impact and Likelihood levels are included under Appendix 3 to show the guidelines used to rate and prioritise the items.

3.5 One item has been removed from the register as a result of the refresh. The item along with the rationale for its removal are summarised in the following table:

Risk - In alphabetical order

Waste Disposal Contract Re-procurement

At Cabinet March 2017 the decision was taken not to alter waste collection frequencies or streams collected which removed much of the risk associated with a major service change. Cabinet approved re-procurement of the contract with an as-is specification meaning that the contract timeline is on track. Legal services agreed to external gap analysis of the contract documentation and Thurrock Terms & Conditions April 2017. This will identify any risks inherent in the contract structure and documentation. As a result the Waste Disposal Contract Re-procurement risk has reduced and removed from the Strategic/Corporate Risk and Opportunity Register.

3.6 The whole register has been filed on Objective under the following shared file:

4. Reasons for Recommendation

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

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

- 5.1 The Interim Insurance & Risk Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board to refresh the Strategic Corporate Risk and Opportunity Register.
- 5.2 The refreshed Strategic/Corporate Risk and Opportunity Register was presented to Directors Board 22nd May 2016, via Performance Board 2nd May 2017.

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

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

7. Implications

7.1 Financial

Implications verified by: **Laura Last**
Management Accountant

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

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Law & Governance

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

7.3 Diversity and Equality

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

The management of risk and opportunities provides an effective mechanism for monitoring key equality and human right risks associated with a range of service and business activities undertaken by the Council. It also provides a method for reducing the likelihood of breaching our statutory equality duties.

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

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

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

- Strategic/Corporate Risk and Opportunity Register, April 2017. The document can be accessed via the following shared file on Objective:

Thurrock Corporate File Plan\Risk management & insurance\Risk management\Risk & Opportunity Management Systems\Risk & Opportunity Management Share Across Services File\Strategic/Corporate Risk & Opportunity Register.

9. Appendices to the report

- Appendix 1 - Dashboard
- Appendix 2 - In Focus report
- Appendix 3 - Criteria Guide for Impact and Likelihood

Report Author:

Andy Owen
Interim Insurance & Risk Manager

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Dashboard - Strategic/Corporate Risk & Opportunity Register April 2017

Appendix 1

Strategic Risks									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 1 (2016/17)	Mid Year (2016/17)	In Qtr 4 (2016/17)	In Qtr 1 (2017/18)		Rating	Date
Priority - Create a great place for learning and opportunity									
19	CSC Service Standards & Inspection Outcome (refreshed)	Rory Patterson	12	12	12	12	➔	12	31/03/18*
Priority - Encourage and promote job creation and economic prosperity									
-	-	-	-	-	-	-	-	-	-
Priority - Build pride, responsibility and respect									
5	Emergency Planning & Response (refreshed)	Gavin Dennett	9	9	9	9	➔	6	31/03/18
20	CSC Safeguarding & Protection C&YP (refreshed)	Rory Patterson	12	12	12	12	➔	12	31/03/18*
21	Welfare Reforms (refreshed)	Rory Patterson	12	12	9	9	➔	9	31/03/18
Priority - Improve health and well-being									
1	Adult Social Care, Cost & Quality Standards (refreshed)	Les Billingham	12	16	12	12	➔	12	31/03/18*
2	Health & Social Care Transformation (refreshed)	Rory Patterson	12	12	12	12	➔	12	31/03/18*
22	Housing Needs and Homelessness (refreshed)	John Knight	9	9	9	9	➔	9	31/03/18*
Priority - Promote and protect our clean and green environment									
-	-	-	-	-	-	-	-	-	-

Organisational Risks									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 1 (2016/17)	Mid Year (2016/17)	In Qtr 4 (2016/17)	In Qtr 1 (2017/18)		Rating	Date
Theme - A well-run organisation									
4	Business Continuity Planning (refreshed)	Performance Board	12	12	12	12	➔	8	31/03/18
8	Property Ownership Liability (refreshed)	Steve Cox	8	8	8	8	➔	8	31/03/18*
10	ICT Disaster Recovery Planning (refreshed)	Murray James	12	12	12	12	➔	4	31/03/18
11	Delivery of MTFs 2017/18 (new)	Sean Clark	-	-	-	8	N/A	6	28/02/18
12	Delivery of MTFs 2018/19 - 2020/21 (new)	Sean Clark	-	-	-	12	N/A	8	28/02/18
13	Cyber Security (refreshed)	Murray James	-	12	9	9	➔	6	31/03/18
14	Sickness Absence (refreshed)	Jackie Hinchliffe	9	9	12	12	➔	9	31/03/18
16	Employee Engagement & Capacity for Change (refreshed)	Jackie Hinchliffe	9	9	6	9	⬆	6	31/03/18
17	General Data Protection Regulations (refreshed)	Lee Henley	-	9	9	9	➔	4	31/03/18

Footnote: Forecast Date: Retained = The risk is managed to the required level (risk appetite) but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The risk is removed from the S/C R&O Register (e.g. risk realised or managed to the required level - risk appetite). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 * = The date applies to when the risk/management action plan documentation will be refreshed (e.g. used for medium/long term risks, where the risk circumstances are expected to change over a period of time).

Priority: **Red** = High, **Amber** = Medium, **Green** = Low. Ratings: Lower is best DOT: Latest v Previous Rating (➔ Static, ⬆ Increased, ⬇ Decreased)

Strategic Opportunities									
Opp Ref / Priority	Opportunity Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 1 (2016/17)	Mid Year (2016/17)	In Qtr 4 (2016/17)	In Qtr 1 (2017/18)		Rating	Date
Priority - Create a great place for learning and opportunity									
-	-	-	-	-	-	-	-	-	-
Priority - Encourage and promote job creation and economic prosperity									
6	Gloriana Thurrock Ltd (refreshed)	Steve Cox	9	9	9	9	→	12	31/03/18
7	South East Local Enterprise Partnership (refreshed)	Tim Rignall	12	12	12	12	→	12	31/03/18
9	Business/NNDR Growth (refreshed)	Tim Rignall	9	9	9	6	↓	9	31/03/18
Priority - Build pride, responsibility and respect									
3	Community Hubs (refreshed)	Natalie Warren	6	9	9	6	↓	9	31/03/18
Priority - Improve health and well-being									
-	-	-	-	-	-	-	-	-	-
Priority - Promote and protect our clean and green environment									
-	-	-	-	-	-	-	-	-	-
Organisational Opportunities									
Opp Ref / Priority	Opportunity Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 1 (2016/17)	Mid Year (2016/17)	In Qtr 4 (2016/17)	In Qtr 1 (2017/18)		Rating	Date
Theme - A well-run organisation									
15	Digital Council Programme (refreshed)	Jackie Hinchliffe	8	8	8	8	→	12	31/03/18*
18	Raising the Borough's Profile & Image (refreshed)	Karen Wheeler	6	6	9	9	→	12	31/03/18

Footnote: Forecast Date: Retained = The opportunity is managed to the required level but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The opportunity is removed from the S/C R&O Register (e.g. opportunity realised or managed to the required level). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 * = The date applies to when the opportunity/management action plan documentation will be refreshed (e.g. used for medium/long term opportunities, where the opportunity circumstances are expected to change over a period of time).
 Priority: **Gold** = High, **Silver** = Medium, **Bronze** = Low. Ratings: Higher is best DOT: Latest v Previous Rating (→ Static, ↑ Increased, ↓ Decreased)

Strategic/Corporate Risk & Opportunity Register April 2017

In Focus Report

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

Risks In Focus

UNMANAGED / INHERENT RISK

Risk Description		Risk Owner						
<p>Balancing the cost of care and maintaining minimum quality standards – the risk is that a combination of the following on-going pressures – financial pressures on local authorities (e.g. reduced teams for critical processes such as contract management and monitoring, inability to uplift prices to counter competition for workers and inflationary increases etc.), provider failure/financial stability, significant and continued pressures on hospital A&E and periods of ‘black alert’, market-wide decrease in the number of care workers due to ongoing poor employment conditions, ongoing issues in providing temporary care staff through local framework agreement and continued economic pressure on care providers leads to a drop in care quality/standards and failure of providers to maintain basis or minimum standards for service users. Ultimately results in risk to service users’ health, reputational damage to the Council and increased costs in managing escalated care and health needs and council intervention as a result. Neighbouring boroughs where contract monitoring was reduced have experienced care home failures, and in one home alone it was estimated that over 4,500 hours have been spent addressing this. Estimates indicate that the cost of this professional involvement were approximately £140k. Reductions in the number of contract officers from 4 to 2 and the senior contract officers from 2 to 1 means that monitoring cannot take place as frequently as it used to. Also the introduction of new team responsibilities means that the senior and team manager are covering both areas. The implementation of the National Living Wage from April 2016 has added a further pressure to already stretched resources. Additional monies received by local authorities for Adult Social Care over the next three years will help to reduce the likelihood of the risk occurring.</p>		Les Billingham						
Link to Corporate Priority								
Improve health and wellbeing								
Inherent Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 01/04/2017	Residual Risk Rating as at: 01/04/2017	Residual Risk Rating as at	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018
<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>

Comments
Thurrock Council has received additional funding for Adult Social Care. Associated conditions for how the funding is used include helping to deliver sustainability for care providers. Whilst this will undoubtedly help to control the risk, it will not mitigate it and therefore the residual and forecast ratings have been evaluated as 12 (Critical/Likely).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Comprehensive compliance monitoring and audit process in place. 2. Quarterly information sharing meetings with Care Quality commission (CQC) to identify and share concerns/risks. Quarterly Quality Surveillance Group (QSG) meetings with health colleagues and CQC to identify and manage risks across the whole system. 3. Develop a comprehensive accommodation-based programme to deliver choice and quality in the local market. 4. Compliance with the Care Act regarding market failure and service interruption 5. Provision of increase (3% plus 1% for performance) for OP residential providers 6. Bring back in-house domiciliary care packages of failed providers 7. Identify alternatives to existing model of domiciliary care provision as part of the Adult Social Care Transformation Programme 8. Use of additional ASC monies to help provide market stability 9. Improvement action plan delivered relating to CQC inspection of in-house domiciliary care provision	2013/14 2013/14 From 2013 From Apr 2015 From Apr 2017 From 2015 From 2016 From 2017 By 2017
Residual Risk Rating	Date: 01/04/2017 Impact: Critical (4) Likelihood: Likely (3) Rating: 12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
10. Development of specification and tender for domiciliary care contract – 'Living Well at Home'	By July 2017	
11. Implementation of 3% increase on fees paid to care home providers for older people with a 1% performance enhancement for any of these providers obtaining an excellent rating following their contract compliance visit	April 2017	
12. Development and implementation of Enhanced Care Homes 'offer' (associated with new monies)	Throughout 2017	
13. Continued work to manage demand via the ASC Transformation Programme and Better Care Fund Plan	Throughout 2017/18	
Forecast Risk Rating	Forecast Date: 31/03/2018 Impact: Critical (4) Likelihood: Likely (3) Rating: 12	
Revised Residual Risk Rating	Date: Impact: Likelihood: Rating:	

UNMANAGED / INHERENT RISK

Risk Description		Risk Owner						
<p>Adult Social Care and the NHS are finding it increasingly difficult to meet demand for services, particularly when resource continues to decrease. With the expected ageing and growth of the population, we can expect age-related disease to continue to rise. Dementia for example is predicted to rise steeply in Thurrock, and by 2033 the population aged 85+ is projected to double. Two thirds of the resource spent on social care nationally is already spent on individuals with at least one-term condition. Lifestyle factors too will continue to compound the problem with Thurrock levels for smoking and obesity being significantly higher than the national average. Alongside a system that was designed in the 1940s and is no longer fit for purpose and a change in the way that local government is funded in the future, major transformation is required.</p> <p>The Council, working in partnership with NHS Thurrock Clinical Commissioning Group (CCG) has developed a joint transformation programme which is overseen via an Integrated Commissioning Executive (Better Care Fund Plan). Integration though continues to be a significant challenge. As such, the Directorate has also established its own Adults Transformation Programme (For Thurrock in Thurrock) jointly with Thurrock CCG and Stronger Together Thurrock. Failure of the programmes to achieve their objectives will lead to the inability of social care and health to be able to meet demand within existing resources. For adult social care, this would mean either not providing services to those people who were eligible to receive them – which would leave the Council open to challenge and also result in a failure to meet statutory duties – or continue to provide services to those who qualify but exceeding the available budget.</p>		Roger Harris						
Link to Corporate Priority								
Improve Health and Wellbeing								
Inherent Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 01/04/2017	Residual Risk Rating as at: 01/04/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018																																																																																																																												
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Comments
Significant programme management capacity and expertise is required to deliver both the Adult Social Care Transformation Programme and the Health and Social Care Integration Programme. There are also challenges to overcome to progress integration with health. This includes current pressures on the Essex-wide health economy, a 'local' health agenda which is geographically broader than Thurrock, and how decisions made by non-Thurrock parts of the Essex-wide system will impact upon what Thurrock wants and needs to achieve. Thurrock is a very low spending authority per capita on adult social care and also faces significant on-going reductions to funding – although the department has received additional funding for Adult Social Care from 2017/18 which it needs to use to help provide stability and capacity, including within the ASC transformation programme. The pressures identified remain and will not be alleviated in the short term and therefore the residual and forecast ratings have been evaluated as 12 (Critical/Likely).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Programme Management arrangements in place	2014/15
2. Programme Initiation Document established and agreed	"
3. Close partnership working with Thurrock CCG established	"
4. Separate risk register developed as part of the Programme Management arrangements	"
5. Integrated Commissioning Executive established to oversee the development of work between health and social care	"
6. Joint Health and Social Care Transformation Programme agreed – For Thurrock in Thurrock	2016/17
Residual Risk Rating	Date: 01/04/2017
	Impact: Critical (4)
	Likelihood: Likely (3)
	Rating: 12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
7. Continue programme arrangements	April 2017	
8. Complete refresh of Better Care Fund 2017-18	TBC	
9. Delivery of 2017-18 work programme for ASC Transformation Programme	June 2017	
10. Delivery of specific pieces of work and projects linked to the programme – e.g. Medina Road, Chichester Close, Calcutta Road, Collins House, Alternative Delivery Models for Adult Social Care	Throughout 2017 and beyond	
11. Input in to the development of an Accountable Care Partnership focusing on Tilbury (the Tilbury Project)	Throughout 2017	
Forecast Risk Rating	Forecast Date: 31/03/2018	Impact: Critical (4)
		Likelihood: Likely (3)
		Rating: 12
Revised Residual Risk Rating	Date:	Impact:
		Likelihood:
		Rating:

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
Failure of the council and /or service managers to coordinate and maintain business continuity plans would lead to arrangements across the council being inconsistent, outdated and ineffective in times of a disruption affecting Thurrock.								Performance Board	
Link to Corporate Priority									
This links to the delivery of all priorities and the theme a well-run organisation.									
Inherent Risk Rating		Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 01/04/2017	Residual Risk Rating as at: 01/04/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018

Comments
<p>The risk evaluates the position if business continuity plans are not coordinated and maintained, which would lead to business continuity planning arrangements across the Council becoming inconsistent, outdated and ineffective in times of a disruption affecting the authority.</p> <p>Oversight of Business Continuity Management is now being provided by Performance Board and an auditing/quality assurance programme of the Business Continuity Plans for the critical functions is a standing item on the Board agenda each quarter. List of current BCPs & critical functions is being updated and will form the basis of ongoing review process by Performance Board and service areas.</p>

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. BC Review of Team function – Review of BC team undertaken. Decision taken to transfer the BC function from the Emergency Planning Team to Service managers with effect from 1 April, 2015.								April 2015
2. Business Impact Analysis undertaken by Service Areas to identify (i) Priority functions and the time frames for reinstatement (ii) Priority IT applications and order/speed of restoration and Service Business Continuity Plans updated.								Oct 2015 - Feb 2016
3. Analysis of priority functions/IT applications undertaken by ICT Service and report on the interim solution for ICT DR arrangements presented to Directors Board, via Digital Board								Feb – March 2016
4. Outcome of review along with proposals to strengthen BCM arrangements across the Council submitted to Directors Board in April 2016. Performance Board to provide oversight role for Business Continuity Planning from July 2016								April 2016
5. Quality assurance process for Business Continuity Plans for critical functions considered by PB Aug 2016. List of current BCPs and critical functions to be established and to form the basis of ongoing review process by PB and service areas.								August 2016 – March 2017
Residual Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
6. Performance Board to review BCP list as a standing item each quarter to ensure BCPs are kept up to date by services and undertake random sample checks of individual plans for critical functions			Quarterly throughout 2017/18					
7. BCP part of the Leadership Group Away Day in June 2017			June 2017					
8. Directorate Management Teams to quality assure all BCPs within their areas			From Apr 2017					
Forecast Risk Rating	Forecast Date:	31/03/2018	Impact:	Critical (4)	Likelihood:	Unlikely (2)	Rating:	8
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
The Council is running at a high risk by not having a fully resilient infrastructure resulting in an inadequate DR capability. Whilst key data is backed up and taken off site regularly, should a major incident affect the primary Data Centre in the Civic Offices, Grays, it would take many weeks to recover key service delivery systems, information and Services from an alternative site. The reputational and financial impact to the Council would be significant								Murray James	
Link to Corporate Priority									
A well run organisation									
Inherent Risk Rating		Date:	24/04/2017	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 24/04/2017	Residual Risk Rating as at: 24/04/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018

Comments
<p>A proposal to install a basic DR capability to support up to 100 concurrent users at Southend has been approved by Directors Board and is currently being implemented.</p> <p>In parallel the council will be reviewing its strategic infrastructure requirement, but deploying the tactical solution will ensure this exercise is driven by service requirements rather than a DR imperative.</p>

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. An ICT DR plan (v4.2.1) exists.								Nov 2014
2. Establish a BCP/DR Support Group.								Sept 2015
3. Approach for the review of Business Impact Analysis, Business Continuity Plans developed by the BCP/DR Support Group								Sept 2015
4. Approach for the review of BIAs/BCPs introduced to Directors Board								June –Sept 2015
5. Review of Business Impact Analysis and Business continuity Plans undertaken by individual Council Services to identify: (i). Their current critical service functions and applications in use. (a). The Recovery Point Objective (RPO = the maximum point in time they can roll back to in the event of data loss) (b). The Recovery Time Objective (RTO = the maximum time sustainable to reach the RPO).								Feb 2016
6. BCP/DR Support Group reviewed feedback from each Council Service to ensure returns complete and realistic.								Mar 2016
7. ICT options, proposals and costs developed and submitted for Short, Medium and Long term DR scenarios.								From Apr 2016
8. Proposal to support critical applications for up to 100 users provisionally approved by Directors Board, subject to services agreeing the numbers are workable.								April 2016
9. Development/consideration of Medium and Long term DR solutions and delivery of fully resilient ICT strategic infrastructure. Programme forms part of the Capital plan, spread over 2 years								From Apr 2016 – Mar 2018
10. Implementation of DR ICT Technology for short term solution following agreement that proposal is workable								June – Sept 2016
11. DR test of short term solutions/system								From Jul 2016
12. Power redundancy back up system to be restored in main Civic Offices communications room to increase resilience and manage the risk								From Jun – Sept 2016
Residual Risk Rating	Date:	24/04/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
13. Ongoing implementation and application of actions 9 & 11 above.			From Apr 2017					
Forecast Risk Rating	Forecast Date:	31/03/2018	Impact:	Marginal (2)	Likelihood:	Unlikely (2)	Rating:	4
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner	
<p>The Council faces significant budget pressures due significant funding reductions from central government and increasing demand in services. These budget pressures remain and the Council is now concentrating on the period 2018/19 through to 2020/21.</p> <p>Failure to develop plans to set and maintain a balanced budget and to deliver the associated savings for the period 2018/19 to 2020/21 could lead to ill informed decisions on service reductions, unplanned efficiencies and in year overspends and result in service delivery impacts, negative feedback or publicity and unexpected contributions from reserves to balance the budget or, in the worse-case, an ultra vires deficit budget position.</p>							Sean Clark Directors Board	
Link to Corporate Priority								
A well run organisation.								
Inherent Risk Rating	Date:	15/03/2017	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 15/03/2017	Residual Risk Rating as at: 15/03/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 28/02/2018

Comments

MTFS established. Balanced budget for 2017/18 set and forecast for the financial years 2018/19 through to 2020/21 reported to Cabinet and Council February 2017. Transformation and Service Review Programmes established to help address the budget position and support the council in achieving financial self-sustainability. Budget monitoring and reporting established and to continue throughout 2017/18.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. MTFS established and reported to Council February 2017. Balanced budget for 2017/18 agreed and forecast for the financial years 2018/19 through to 2019/20 (including budget deficits) noted.								Feb 2017
2. Transformation and Service Review Programmes established to support the Council to address the deficit and in achieving financial self-sustainability.								2016/17
Residual Risk Rating	Date:	15/03/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
3. Ongoing regular budget monitoring reports to Cabinet , via Directors Board and Management Teams on MTFS and budget position	From Apr 2017							
4. Ongoing identification, development and implementation of transformational projects and other schemes (e.g. service reviews) to support the Council to address the deficit and in achieving financial self-sustainability (e.g. income generation, contract reviews, spend to save initiatives, alternative delivery models, etc.)	From Apr 2017							
5. Regular consideration of budget position by Leadership Group	From Apr 2017							
6. Regular review of budget position, proposals and implementation plans by Spending Review Panel	From Apr 2017							
7. Undertake public consultation including Overview & Scrutiny on any proposals	Dec 2017							
8. Agreement and reporting of Budget 2018/19 (and 2019/20+)	Feb 2018							
Forecast Risk Rating	Forecast Date:	28/02/2018	Impact:	Critical (4)	Likelihood:	Unlikely (2)	Rating:	8
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner	
Failure to manage the increases in demand and budget/ resource pressures for Children's Social Care could lead to a breakdown in the quality or performance of the service provided to vulnerable children and results in less favourable outcomes from inspection and damage to reputation of the service does meet the required standards							Rory Patterson	
Link to Corporate Priority								
- Create a great place for learning and opportunity - Improve health and wellbeing								
Inherent Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 01/04/2017	Residual Risk Rating as at: 01/04/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018

Comments

This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful although as anticipated it has led to an increase in the volume of work to children's social care, this is ongoing. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH. Ongoing savings to be made across Children's Services including from the Children's Social care budget will be risk assessed to mitigate the impact on front line services.

The service has to be demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. An incident of civil disorder could result in more young people being placed in custody and a resulting increase in remand costs to the local authority. Caseloads are too high in some teams and this represents a pressing safeguarding concern. Areas for improvement have been identified within the recent Ofsted (SIF).

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

Risk and action plan documentation refreshed. The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. A forecast date of 31/03/18 has been applied to the risk, which is the time when the risk will be fully refreshed and updated.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Quality Assurance and Safeguarding functions are in place and robustly applied. Functions extended to include the establishment of an Improvements Board.								Ongoing
2. Trix Policies and Procedures have been introduced across Children's Social care. All procedures to be subject to review and updating.								Completed / ongoing
3. Joint delivery of the 'Early Offer of Help Strategy' and associated services are now embedded to meet the new the duty placed on Council's to coordinate an early offer of help to families who do not meet the criteria for social care services and ensure that the 'step down and step up' processes are robustly managed. Further improvements in these services have been identified within the Ofsted SIF. A service redesign is planned based on the SIF findings and work by iMPOWER.								Ongoing
4. Internal quality assurance audits to evidence appropriate application of thresholds.								Ongoing
5. Ongoing data analysis to enable us to benchmark and target areas for improvement; complete redesign of PKI and trends analysis.								From Apr 2016
6. Placement Review – an external reviews of high cost placements.								Ongoing
7. Ofsted inspection and action plan to address recommendations included in report								From Feb 2016
8. Review of key strategic, operational, technological, partnership and practice developments relating to Child Sexual Exploitation (CSE)								From May 2015
Residual Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
9. Ongoing implementation and/or application of actions 1 - 8 above.			From Apr 2017	Ongoing				
Forecast Risk Rating	Forecast Date:	31/03/2018	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner	
Failure to ensure that all children and young people in need of help or protection are safeguarded and supported could result in them not achieving their full potential and increasing the risk of a child death or serious injury.							Rory Patterson	
Link to Corporate Priority								
<ul style="list-style-type: none"> - Build pride, responsibility and respect - Create a great place for learning and opportunity - Improve health and wellbeing 								
Inherent Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 01/04/2017	Residual Risk Rating as at: 01/04/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018

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

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

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. The current trend has seen increasing numbers of children requiring child protection plans, children in need plans and children who the council is required to look after (children in care). Effective demand and resource management remain a priority for the service within an overriding context of keeping children safe.

Risk and action plan documentation refreshed and evaluated that the risk will remain constant throughout the period covered.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Application of the Southend, Essex & Thurrock Child Protection procedures								Ongoing
2. Local Safeguarding Children's Board established, progress reported annually and guidance reviewed								Ongoing
3. Quality assurance and safeguarding function of Children's Social Care.								Ongoing
4. Legal framework and court action								Ongoing
5. Continue to strengthen the Thurrock Multi Agency Safeguarding Hub introduced Sept 2014 and services commissioned as part of the Early Offer of Help Strategy								Ongoing
6. Case Audits								Ongoing
7. Quality assurance framework								Ongoing
8. Improvement plan in line with Ofsted inspection and iMPower consultation								From Feb 2016
Residual Risk Rating	Date:	01/04/2017	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
9. Ongoing implementation and/or application of actions 1 - 8 above			From Apr 2017					
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2018	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner	
Sickness absence remains above average for the sector and outturn for 2016/17 was higher than previous year. Long term sickness levels in particular remain high (over 60% as at end of 2016/17) and incidences of stress related also remain high and both need to be monitored closely. High levels of absence are damaging to the organisation, place additional cost pressures, impact the morale and productivity of the council and disrupt service delivery.							Jackie Hinchliffe	
Link to Corporate Priority								
Links to all corporate priorities and to a well-run organisation								
Inherent Risk Rating	Date:	01/04/2017	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 01/04/2017	Residual Risk Rating as at: 01/04/2017	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2018
<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	<p>Likelihood</p> <p>Impact</p>	

Comments
Sickness remains a concern with outturn for 2016/17 higher than previous year. Service level management of issues has improved significantly however and individual cases are dealt with on a case by case basis. HR Advisors continue to support managers with their sickness absence reviews and there is a big push regarding compliance with Return to Work interviews, for which People Board is providing governance. The reduction of sickness is now linked the Council Spending Review with a target to reduce the cost of agency and overtime paid to cover for absent colleagues.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Management Information issued monthly and supported by HR attendance at DMT's.								Ongoing
2. Programme of mandatory training for people managers around sickness absence management issues. Training programme ongoing.								Ongoing
3. Absence management contract with FirstCare from 1 April 2016 with improved reporting functionality for managers including training to enhance manager compliance with RTW's and monitoring stages.								April 2016
4. In-house Occupational Health service with permanent OH Nurse appointed in December 2015.								December 2015
5. KPIs around sickness included in corporate scorecard and monitored on a monthly basis at Performance Board.								Ongoing
6. Undertaking a review of the top 100 cases and reviewing support requirements								March 2017
7. Introducing a Star Chamber case review process to ensure each case is completely understood and managed appropriately.								March 2017
Residual Risk Rating	Date:	01/04/2017	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress				
8. Ongoing implementation and/or application of actions 1 to 7 above			From Apr 2017 to Mar 2018					
Forecast Risk Rating	Forecast Date:	31/03/2018	Impact:	Substantial (3)	Likelihood:	Likely (3)	Rating:	9
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

Opportunities In Focus

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description								Opportunity Owner	
Opportunity to secure significant capital and/or EU Structural funds through work with the South East Local Enterprise Partnership in pursuit of priorities set out in the Strategic Economic Plan, Opportunity South Essex Growth Strategy and Thurrock Economic Growth Strategy..								Tim Rignall	
Link to Corporate Priority									
Encourage and promote job creation and economic prosperity. Create a great place for learning and opportunity.									
Inherent Opportunity Rating		Date:	01/04/2017	Impact:	Exceptional (4)	Likelihood:	Very Unlikely (1)	Rating:	4

DASHBOARD

Inherent Opp. Rating & Date: 01/04/2017	Residual Opp. Rating as at: 01/04/2017	Residual Opp. Rating as at:	Residual Opp. Rating as at:	Residual Opp. Rating as at:	Forecast Opp. Rating & Date: 31/03/2018																																																																																																
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Comments
<p>The Council has secured £108.3m of Local Growth Funding to support delivery of key infrastructure and regeneration projects. Projects receiving support include:</p> <ul style="list-style-type: none"> • A13 widening. • Stanford-le-Hope/London Gateway access improvements. • Cycling initiatives and sustainable travel. • Purfleet regeneration project. • Grays South regeneration project. <p>The Government has now indicated that there will be no further rounds of LGF funding and through its consultation on the Industrial Strategy Green Paper has tested various ideas for future funding, for example an Industrial Strategy Challenge Fund.</p>

In addition to the LGF funding the Council has also secured significant resource through ERDF and ESF to support delivery of corporate priorities. The Council is a delivery partner in over £35m of business support and employability programmes and is also leading and supporting further bids. The opportunity provided by EU funding is time limited with Brexit negotiations looming. It is also limited by the requirement to provide 50% match funding.

The Council has enjoyed considerable success in pursuing this opportunity; however, in light of comments above the time may be right to recast this opportunity in the context of a changing national and EU policy landscape?

Without doubt we should continue to work with, and have an active role in, SELEP as future funding opportunities are very likely to be routed through it. Equally we should continue to develop a pipeline of projects supported by robust business cases so that when an opportunity does present itself we are in a position to be able to respond.

Clarity on future funding opportunities is likely when the Industrial Strategy Green Paper evolves into a white paper. Although this process is now likely to be delayed by the General election we should continue to be actively engaged in the dialogue around the Strategy and seek to lobby and influence where possible.

Provisional forecast rating of 12 (Exceptional/Likely) and forecast date 31/03/2018 applied and opportunity/action plan documentation (including forecast date and rating) to be refreshed when clarity on future funding opportunities and changing national/EU policy landscape available.

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place		Date Implemented
1. Thurrock input coordinated through Growth Board to ensure strong strategic ownership and a common approach		Ongoing from 2013
2. Designate a single point of contact for TGSE through to the LEP to ensure quality control and consistency of message.		2013/14
3. The initial submission for Strategic Local Growth Fund monies submitted to Government		March 2014
4. Review, develop plans and undertake negotiations with Government and LEP with regard to Government feedback/announcements on the submission		Apr - Jul 2014
5. Confirmation received from Government that the Council successfully secured £92.5M through round one of the local growth fund to support of the A13 widening, Stanford-le-Hope/London Gateway access improvements, cycling initiatives and sustainable travel.		Jul 2014
6. Preparation and submission of round two bid for local growth fund monies to Government. Priorities identified include Purfleet Centre and Lakeside expansion.		Dec 2014
7. Confirmed by Government that the Council was successful in securing £5M of grant funding for the Purfleet Centre Scheme		Jan 2015
8. Details of LGF3 announced		Apr 2016
9. Funding of £10.8m for Grays South awarded through LGF 3		Feb 2017
Residual Opportunity Rating	Date:	01/04/2017
	Impact:	Exceptional (4)
	Likelihood:	Likely (3)
	Rating:	12

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action			Implementation Date	Progress				
10. Growth Board overseeing the development of business cases for a pipeline of potential regeneration/economic development projects to form the basis of bids for future funding rounds. No further funding rounds have yet been announced.			Apr 2017 & Ongoing					
11. Continue to pursue further ERDF and ESF opportunities as relevant opportunities present themselves. Subject to match funding availability.			From Apr 2017 Ongoing					
12. Actively engage in the dialogue around the Industrial Strategy and seek to lobby and influence where possible.			Apr 2017 & Ongoing					
Forecast Opportunity Rating	Forecast Date:	31/03/2018	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Opportunity Rating	Date:		Impact:		Likelihood:		Rating:	

Criteria Guide for Impact and Likelihood

Appendix 3

Criteria Guide for Impact Levels

Risk

Negative Impact	Description
4 Critical	<ul style="list-style-type: none"> • Inability to deliver a number of strategic objectives or a priority. • Major loss of service, including several important service areas • Major reputation damage - adverse central government response, involving threat of / removal of delegated powers or adverse and persistent national media coverage • Loss of Life • Major personal privacy infringement - All personal details compromised / revealed • Huge financial loss/cost - >£1M in a year. Up to 75% of budget. • Major disruption to project / huge impact on ability to achieve project objectives.
3 Substantial	<ul style="list-style-type: none"> • Inability to deliver an organisational priority or strategic objective. • Major disruption to important service or a number of service areas. • Significant reputation damage - adverse publicity in professional/municipal press or adverse local publicity of a major and persistent nature. • Major injury. • Many individual personal details compromised / revealed • Major financial loss/cost - >£500K - <£1M in a year. Up to 50% of budget • Significant disruption to project / significant impact on ability to achieve the project's objectives.
2 Marginal	<ul style="list-style-type: none"> • Significant disruption to important service or major disruption to non crucial service. • Moderate reputation damage - adverse local publicity / local public awareness • Serious injury • Some individual personal details compromised / revealed • High financial loss/cost – >£100K - <£500K in a year. Up to 25% of budget • Moderate disruption to project / moderate impact on ability to achieve the project's objectives.
1 Negligible	<ul style="list-style-type: none"> • Brief disruption to important service or significant disruption to non crucial service. • Minimal reputation damage - no external publicity and contained within Council • Minor injury or discomfort. • Isolated individual personal detail compromised/ revealed • Low or medium financial loss/cost <£100K in a year. Up to 10% of budget • Minor disruption to project / minor impact on ability to achieve the project's objectives.

Opportunity

Positive Impact	Description
4 Exceptional	<ul style="list-style-type: none"> • Exceptional improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objectives/priorities • National award or recognition/elevated status by national government • Positive national press/media coverage • Major improvement to the health, welfare & safety of stakeholders • Income/savings of >£500K in a year or exceptional saving of resource (e.g. time and labour)
3 Major	<ul style="list-style-type: none"> • Major improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Regional recognition for initiative, partnership or arrangement. • Positive publicity in professional/municipal press or sustained positive local publicity. • Significant improvement to the health, welfare & safety of stakeholders • Income and/or savings of >£250K - <£500K in a year or major savings of resource (e.g. time and labour).
2 Moderate	<ul style="list-style-type: none"> • Moderate improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Borough or County wide recognition for initiative, partnership or arrangement. • Positive local publicity / local public awareness • Moderate improvement to the health, welfare & safety of stakeholders. • Income and/or savings of >£100K - <£250K in a year or moderate savings of resource (e.g. time and labour).
1 Minor	<ul style="list-style-type: none"> • Minor improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Local level recognition for initiative, partnership or arrangement. • Minor positive local publicity • Minor improvement to the health, welfare & safety of stakeholders. • Income and/or savings of <£100K in a year or minor saving of resource (e.g. time and labour)

6 July 2017		ITEM: 7
Standards and Audit Committee		
External Audit Fee Letter 2017/2018		
Wards and communities affected: All	Key Decision: Non-Key	
Report of: Sean Clark, Director of Finance and IT		
Accountable Head of Service: Sean Clark, Director of Finance and IT		
Accountable Director: Sean Clark, Director of Finance and IT		
This report is Public		

Executive Summary

This report introduces the External Audit Fee Letter for 2017/18 which will be presented by Ernst and Young.

1. Recommendation(s)

1.1 That the report be noted

2. Introduction and Background

2.1 This report sets out the audit and certification work relating to the 2017/18 financial year proposed by the external auditors.

The scale fee associated with this work has been set by the Public Sector Audit Appointments Ltd (PSAA) and covers:

- The audit of the financial statements
- The value for money conclusion
- The Whole of Government Accounts

There is also additional fee for the audit of the group accounts.

The certification fee relates to work on the housing benefit subsidy claim. The PSAA will set the certification work fee based on the 2015/16 fee. This is in the process of being finalised and will be notified in due course

2.2 The planned fee for the main audit is £137,723 as set out in Appendix 1.

3. Implications

3.1 Financial

Implications verified by: **Jonathan Wilson**
Chief Accountant

The financial implications are set out in the body of this report.

3.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal Services

There are no specific legal implications from this report.

3.3 Diversity and Equality

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

There are no specific diversity and equality implications from this report.

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

There are no specific implications from the report

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

- N/A

5. Appendices to the report

- Appendix 1 – Ernst and Young Audit Fee Letter 2017/18

Report Author:

Jonathan Wilson
Chief Accountant, Corporate Finance

Lyn Carpenter
Chief Executive
Thurrock Council
Civic Offices
New Road
Grays
Essex
RM17 6SL

20 April 2017

Ref: EY/TC/17-18/Fee

Direct line: 020 7951 2340

Email: SPatel22@uk.ey.com

Dear Lyn

Annual Audit and Certification Fees 2017/18

We are writing to confirm the audit and certification work that we propose to undertake for the 2017/18 financial year at Thurrock Council.

From 1 April 2015, the duty to make arrangements for the audit of the accounts and the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. In October 2015, the Secretary of State confirmed that the transitional arrangements would be extended for one year for audits of principal local government bodies only, to cover the audit of the accounts for 2017/18. The audit contracts previously let by the Audit Commission and novated to PSAA have therefore also been extended for one year to give effect to this decision.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 will apply for principal local government and police bodies. These audited bodies will be responsible for making their own arrangements for the audit of the accounts and certification of the housing benefit subsidy claim. PSAA will play a new and different role in these arrangements.

Indicative audit fee

For the 2017/18 financial year PSAA has set the scale fee for each audited body, following consultation on its Work Programme and Scale of Fees. There are no planned changes to the overall work programme for 2017/18. It is therefore proposed by PSAA that scale fees are set at the same level as the scale fees applicable for 2016/17. These fees reflect the significant reductions made to scale fees since 2012/13.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts

For Thurrock Council our indicative fee also includes the additional fee to audit the group accounts as agreed with the Council for 2016/17 onwards. This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- Officers meeting the agreed timetable of deliverables;
- The operating effectiveness of the internal controls for the key processes identified within our audit strategy;
- We can rely on the work of internal audit as planned;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2016/17, our audit planning process for 2017/18 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Certification fee

PSAA sets an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee for 2017/18 will be based on actual 2015/16 benefit certification fees. As the actual 2015/16 benefit certification fee has not been finalised by PSAA at the time of writing they have not yet set the 2017/18 certification fees.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with a complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2017/18 relates to work on the housing benefit subsidy claim for the year ended 31 March 2018. We will set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2016/17 benefit certification work, and to reflect any further changes in the certification arrangements.

Summary of fees

	Indicative fee 2017/18 £	Planned fee 2016/17 £	Actual fee 2015/16 £
Total Code audit fee	137,723	137,723	133,723
Certification of housing benefit subsidy claim	TBC	17,148	15,664
Non audit work *	N/A	TBC	38,575

* In 2015/16 the Council engaged us as reporting accountants for the Teachers' Pension Return (£12,975) and Housing Pooled Capital Receipts Return (£5,600). We also carried out Advisory work with Xantura on development of the Children's Safeguarding Profiling Model (£20,000), which was completed in 2015/16. The planned fee for the work on the returns in 2016/17 is still to be agreed.

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative code audit fee will be billed in 4 quarterly instalments of £34,430.75. Additionally, we will bill 25% of the indicative certification fee each quarter when it has been determined.

Audit plan

Our plan is expected to be issued in January 2018. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Finance & IT and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Standards and Audit Committee.

Audit team

The key members of the audit team for the 2017/18 financial year are:

Suresh Patel Executive Director	SPatel22@uk.ey.com	Tel: 07392 106465
Martina Lee Manager	mlee1@uk.ey.com	Tel: 07771 942580

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Suresh Patel
Executive Director
For and on behalf of Ernst & Young LLP

cc. Cllr John Kent, Chair of the Standards and Audit Committee
Sean Clark, Director of Finance & IT

6 July 2017	ITEM: 8
Standards and Audit Committee	
Chief Internal Auditor's Annual Report – Year ended 31st March 2017	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford, Chief Internal Auditor	
Accountable Head of Service: N/A	
Accountable Director: Sean Clark, Director of Finance & IT	
This report is public	

Executive Summary

Under the Public Sector Internal Audit Standards, the Chief Internal Auditor is required to provide the Section 151 Officer and the Standards & Audit Committee with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in the risk management, governance and control processes.

The audit opinions that are provided on a review by review basis during the year and are presented to the Standards & Audit Committee as part of the regular internal audit progress reports, form part of the framework of assurances that assist the council in preparing an informed annual governance statement.

1. Recommendation(s)

1.1 That the Standards & Audit Committee considers and comments on the Chief Internal Auditor's Annual Report – Year ended 31st March 2017.

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 Standards & Audit Committee can place reliance on to assess its internal control system.

- 2.2 The Accounts and Audit Regulations 2015 require that a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. This responsibility has been delegated to the Director of Finance & IT (Section 151 Officer) under the Council's Executive Scheme of Delegation and is delivered through the Chief Internal Auditor in consultation with the Director of Finance & IT.
- 2.3 In April 2013, a revised standard for Public Sector Internal Audit Standards (PSIAS) came into effect, compliance against which is seen as fundamental to demonstrating the adequacy and effectiveness of internal audit, in order to meet statutory requirements as set out in the Accounts & Audit (England) Regulations 2011. The procedures and practices that Internal Audit operates at Thurrock are designed to reflect adherence to these standards. However, following the internal audit service being brought back in house from April 2015, an external assessment of compliance with the standards needs to be carried out by March 2020.
- 2.4 The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the Chief Internal Auditor to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. Consulting services are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion.

3. Issues, Options and Analysis of Options

- 3.1 During the year, internal audit have issued a total of 15 assurance reports. We have also issued 4 advisory reports on Business User Allowance and Travel Claims, Cheque Procedures, Procurement in Schools and Third Party Spend. We were requested to carry out and assist with a number of investigations, working alongside colleagues in the Counter Fraud & Investigation team. We also provided advice and guidance around self-service and iprocurement in an advisory capacity.
- 3.2 Following discussions with members and the Director of Finance & IT, Amber/Red assurance opinions are no longer given a positive assurance opinion to reflect that there are either high risk recommendations or a number of medium recommendations which indicate weaknesses across the service area.
- 3.3 In total, we issued 12 reports with a positive (Green or Amber/Green) assurance opinion and 3 reports with a negative (Red or Amber/Red) assurance opinion. These included 2 Red reports on Acquisitions and Disposals of Land and Buildings (excluding council housing) and HR Recruitment and Selection. A follow up review of Recruitment and Selection 2 months after the original review highlighted significant improvements with all recommendations having been actioned. A follow up review of Acquisitions

and disposals has been scheduled into 2017/18 due to changes within the senior management structure within the team.

- 3.4 It should be noted that whilst we have provided an **Amber** opinion on the risk management framework, we have not undertaken a formal review. Our opinion is based upon our knowledge of the work undertaken by the Interim Insurance and Risk Manager and regular reports provided to the Standards & Audit Committee and Directors Board. Nothing has been brought to our attention to suggest the council needs to be concerned around the risk management environment. A review of risk management has been included in the annual audit plan for 2017/18 and will be reported as part of the progress reporting arrangements.
- 3.5 We have assessed that there has been no significant change from last year for governance which remains **Green**. Due to the changes in the Amber/Red assurance opinions no longer being seen as positive and the issue of 2 Red reports, we have concluded that the control environment is **Amber** for 2016/17.

4. Reasons for Recommendation

- 4.1 The Chief Internal Auditor's Annual Report – Year ended 31st March 2017 is presented for the Standards & Audit Committee to consider and comment on and supports the council's Annual Governance Statement.

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

- 5.1 The Chief Internal Auditor's Annual Report – Year ended 31st March 2017 provides an independent opinion on the council's governance, risk management and internal control processes. There is no consultation as it is based on work completed during the year which is widely reported to officers and members.

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

- 6.1 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 Chief Internal Auditor's Annual Report provides an independent assurance that the council has adequate control and risk management processes in place.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Director of Finance & IT

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Law & Governance

The contents of this report and appendixes form part of the council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2015 to at least annually undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no adverse legal implications relating to the reporting progress.

7.3 Diversity and Equality

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

There are no direct diversity implications arising from this report.

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

In terms of risk and opportunity management, the Chief Internal Auditor's Annual Report and its outcomes are a key part of the council's risk management and assurance framework.

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

- Internal Audit Reports issued in 2016/17.

9. Appendices to the report

- Appendix 1 - Chief Internal Auditor's Annual Report – Year ended 31st March 2017.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Corporate Finance

Thurrock Council

Chief Internal Auditor's Annual Report Year ended 31st March 2017

Presented at the Standards & Audit Committee meeting of 6th
July 2017

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1. Introduction

In April 2015, a decision was made to end the contract with the previous contractor and bring the Internal Audit service back in house. As a result of coming back in house and the retirement of a member of the team in March 2016, it was agreed with the Director of Finance & IT to undertake a review of the staffing levels during 2016/17 which resulted in a recruitment process commencing in October 2016. 2 further staff were recruited into the team at an Assistant Internal Auditor level and started in mid-January 2017.

In accordance with Public Sector Internal Audit Standards, the Chief Internal Auditor is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

This is achieved through a risk-based plan of work, agreed with management and approved by the Standards & Audit Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. As such, the assurance framework is one component that the council takes into account in making its annual governance statement (AGS).

In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The AGS is an annual statement by the Director of Finance & IT (Section 151 Officer), on behalf of the council, setting out:

- How the individual responsibilities of the Section 151 Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;

- The purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the assurance framework process; and
- The conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures together with assurances that actions are, or will be taken where appropriate, to address issues arising.

2. Internal Audit Overall Opinion

The purpose of the annual Chief Internal Auditor's Opinion is to contribute to the assurances available to the Section 151 Officer and the council through the Standards & Audit Committee. This opinion will in turn assist the council in the preparation of its annual governance statement.

Despite the lack of resources during 2016/17, 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.

For the 12 months ended 31 March 2017, based on the work we have undertaken, our opinion below details the adequacy and effectiveness of your organisation's risk management, internal control and governance arrangements.

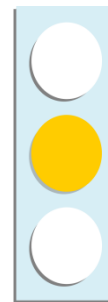
Governance

During 2016/17 we conducted a review of the Register of Gifts, Interests and Hospitality for senior officers and members and provided a substantial assurance (Green) opinion. We have also looked at the governance arrangements in specific areas of the council's operations and where we have identified issues, the council has reacted swiftly to address them. It also looked at options to improve services and reduce costs including partnership working with other local authorities. These decisions were made with the full involvement of both officers and members and showed that governance was robust. Therefore, our overall opinion on governance remains the same as 2015/16 which is **Green**.



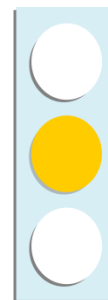
Risk Management

Whilst we did not undertake a review of risk management during 2016/17, it was noted that the results of the annual self-assessment against the CIPFA/SOLACE Risk Management Benchmarking Model showed that the processes are robust and remained unchanged from the previous year. This was reported to the Standards & Audit Committee on the 28th February 2017. Update risk and opportunity reports are also regularly presented to the Standards & Audit Committee. A review of risk management has been included within the 2017/18 annual plan. From our close working relationship with the Interim Insurance & Risk Manager as part of our annual planning process, attendance at the Standards & Audit Committee, the fact that nothing has been brought to our attention around the risk management process and the result of the CIPFA/SOLACE self-assessment, we would be confident that at a corporate level, we could provide a **Green** assurance opinion. However, as we have not reviewed the operational risk management arrangement and cannot be sure if this would have a positive or negative impact on our opinion, overall, we have provided an **Amber** Opinion around the risk management framework.



Internal Control

It was agreed with members and the Director of Finance and IT that changes were needed to the assurance opinions provided in 2015/16. Under the previous contractor, Green, Amber/Green and Amber/Red were considered positive opinions, with Red being a negative opinion. However, it was agreed that an Amber/Red opinion should not be positive. Using this as the basis to provide our opinion for 2016/17, we issued 15 assurance reports of which 12 were positive assurance opinions. 2 reports were issued with a Red no assurance opinion (Acquisitions and Disposals of Land and Buildings (excluding council housing) and HR Recruitment & Selection) and 1 received an Amber/Red assurance opinion (Shop Premises). We also issued 4 advisory reports and undertook a follow up review of HR Recruitment and Selection which showed significant progress had been made. As a result of these which reflect Amber/Red as a negative opinion, and the 2 Red assurance opinions, overall we have provided an **Amber** Opinion around the internal control framework.



3. Acceptance of Internal Audit Recommendations

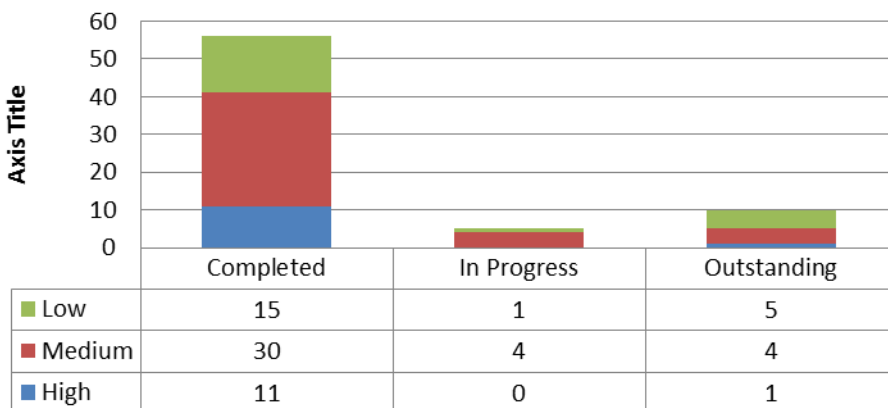
All of the recommendations made during the year and included within the agreed action plans were accepted by management. Where recommendations were not accepted due to compensating controls, cost etc., these were captured in the findings and recommendations.

4. Implementation of Internal Audit Recommendations

Our follow up of the recommendations from previous years and current audit assignments where the implementation date has been reached indicate that the Council has made good progress in implementing the agreed actions. This is in line with 2015/16.

As can be seen from the chart, 56 recommendations had been implemented, 5 had not reached the due date so were in progress and 10 were still outstanding. Of the high and medium recommendations, 90% had been implemented or not reached their due date. Of the 10 outstanding recommendations, 1 high, 3 medium and 3 low related to the shop premises review where several changes to the senior management have resulted in a request to undertake a full review in 2017/18.

Implementation of Recommendations 2016/17



5. Internal Audit Performance

Delivery of value-added services

During 2016/17, the Internal Audit team provided significant resources and knowledge in assisting with a number of key investigations and ad hoc work requested by senior management and the Counter Fraud & Investigation team with whom we have a close working relationship. This included the review of a number of contracts as part of an investigation in the Housing Department.

The Chief Internal Auditor acted as the investigating officer for a disciplinary case involving a member of staff who was providing a traded service to a partner organisation. As a result of this work, the member of staff resigned prior to a formal hearing and the contract with the partner organisation has continued due to the council's prompt and thorough response to the alleged misconduct.

The service have continued to provide advice and guidance to management around their control environments, particularly with the changes in processes brought about by a move to self-service for staff completing overtime claims, standby allowances etc. and iprocurement which means suppliers can submit invoices electronically thereby reducing the amount of paperwork circulating around the Civic Offices.

Support was also provided to Adult Social Care around issues they needed to consider as part of the specifications and internal controls framework when they were setting up a project called Individual Service Fund Pilot for day opportunities for people with disabilities and autism. This was a partnership arrangement with Thurrock Lifestyle Solutions and they requested assistance to determine the governance, monitoring and reporting arrangements were sufficient to provide evidence to show outcomes were being achieved and value for money was being obtained.

We also continue to review claims being submitted under the Troubled Families Programme to ensure outcomes were being achieved as stated, there was evidence to support the outcomes and the claims were accurate. This helps to ensure the council receives its Payment By Results (PBR) grant.

Conflicts of Interest

Internal Audit staff have not undertaken any work or activity during 2016/17 that would require them to declare any declaration of interest.

Compliance with Internal Audit Standards

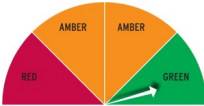
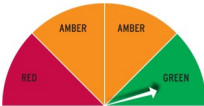
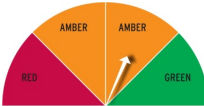
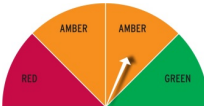
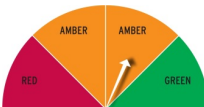
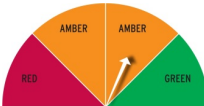
The service came back in-house from April 2015. Under the Public Sector Internal Audit Standards (PSIAS), the Internal Audit service is required to have an external assessment every five years (by March 2020). Whilst the current service is designed to conform to the PSIAS, we will be looking to carry out a self-assessment of our compliance during 2018/19. This will allow us to develop an improvement plan and action any issues before having a formal external assessment in 2019/20.

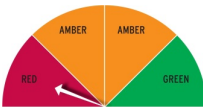
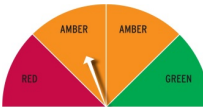
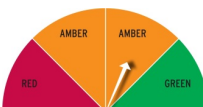
Performance Indicators

Indicator	Target	Actual	Comments
Audits commenced in line with original timescales	Yes	No	Due to resourcing issues and retirement of a member of staff, some work had to be deferred.
Draft reports issued within 10 days of debrief	80%	70%	Some slippage due to competing priorities e.g. investigations, disciplinary work etc.
Management responses received within 10 days of draft report	80%	60%	A number of issues impacted on this indicator including changes to management, annual leave etc. Regular chasing took place. Escalation as detailed in the Audit Protocol to be more vigorously applied in 2017/18.
Final report issued within 5 days of management response	90%	90%	
% of high and medium recommendations followed up	95%	92%	1 high and 3 medium recommendations not followed up for Shop Premises review as management requested a full re-audit in 2017/18.
5 of staff with professional qualification or studying towards	>25%	33%	Chief Internal Auditor (CMIIA, CIA, QIAL and AAT)
Turnover of staff	<10%	0%	
Response time for general enquiries (2 working days)	100%	100%	
Response time for emergencies or potential fraud (1 working day)	100%	100%	

6. Internal Audit Opinion and Recommendations 2016/17

Assignment Objective	Client Lead	Opinion	Recommendations		
			H	M	L
<p>Accounts Payable - All expenditure is committed, approved and accounted for in line with the organisation's financial regulations, and Accounts Payable are paid in a timely manner in accordance with targets.</p>	Director of Finance & IT		0	4	2
<p>Accounts Receivable - To ensure controls over the accounts receivable function are robust, all monies owed to the organisation are recovered in a timely manner and controls are in place to monitor and reduce levels of outstanding debt.</p>	Director of Finance & IT		0	1	2
<p>Acquisitions and Disposals of Land and Buildings (excluding council housing) - To review the systems and procedures in place to ensure the acquisition and disposal of land and buildings is properly managed and authorised.</p>	Head of Regeneration & Assets		2	2	0
<p>Adult Social Care Expenditure - Review to ensure there are robust arrangements around the financial management, authorisation, reconciliation and reporting arrangements for Adult Social Care expenditure.</p>	Corporate Director of Adults, Housing & Health		0	1	0
<p>Business User Allowance & Travel Claims - Business User Allowance, subsistence and business travel is claimed and paid in accordance with the Authority current rules and regulations.</p>	Corporate Director of Adults, Housing & Health	Advisory	1	3	0
<p>Cash & Banking - To ensure the Council accurately records and accounts for all cash income and the banking arrangements are secure.</p>	Director of Finance & IT		0	0	6
<p>Car Parking - This follow up review utilised the action plan produced at the conclusion of an in-service review and addressed the recommendations within the plan as a basis for the test programme. The in-service review action plan identified 4 High, 4 Medium and 1 Low recommendation.</p>	Head of Highways & Transportation		0	0	8

Assignment Objective	Client Lead	Opinion	Recommendations		
			H	M	L
Cheque Procedures - To review the systems and procedures around the collection and recording of cheques following concerns cheques were not being banked promptly.	Director of Finance & IT	Advisory	0	2	0
Gas Inspections - To confirm regular inspections are being made in line with legislative and Council requirements.	Head of Housing & Environment		0	1	1
Gifts, Interests & Hospitality - To ensure that Officers and members formally register interests, gifts and hospitality as required by Council procedures and codes of conduct.	Deputy Head of Legal		0	0	1
Housing Allocations - To review the systems and procedures in place to control and manage the allocation of social housing, to both new and existing tenants and ensure it complies with Statutory Regulations and the Council's own Allocation Scheme.	Head of Housing & Environment		0	4	1
Housing Rents - To review the systems and procedures in place relating to the administration and management of housing rents.	Interim Head of Housing		1	1	0
HR Leavers Process – Appropriate actions are taken to ensure leavers are not overpaid and access to the Council's systems is removed.	Director of HR, OD & Transformation		0	4	2
No Recourse to Public Funds - A review of the process for assessing entitlement and allocating funds to persons who appear to be in need but have no access to the benefits system.	Head of Children's Social Care		0	3	2
Procurement in Schools - To undertake a thematic review across a sample of schools, to determine procurement arrangements and compliance with Council and School's regulations.	Corporate Director – Children's Services	Advisory	0	3	1

Assignment Objective	Client Lead	Opinion	Recommendations		
			H	M	L
Recruitment & Selection - The Recruitment and Selection process is effective and ensures that the organisation has the necessary knowledge, skills and experience to fulfil its responsibilities and achieve its objectives.	Director of HR, OD & Transformation		1	8	2
Recruitment & Selection (Follow up) - To follow up on the implementation of recommendations made in the previous review of Recruitment & Selection and provide management with an opinion on how well the service have reacted in addressing the issues raised.	Director of HR, OD & Transformation	Follow up	0	1	0
Shop Premises - Letting of Shop Premises is managed effectively, as per legislation and council procedures.	Head of Regeneration & Assets		1	3	3
Third Party Spend (under £75K) - To review the systems and procedures in place relating to the administration and management of third party spend and ensure value for money is being obtained.	Director of Finance & IT	Advisory	2	3	1
Treasury Management - To carry out a review to assess whether new policies and procedures have been implemented properly and are being followed.	Director of Finance & IT		0	4	2

6 July 2017	ITEM: 9
Standards and Audit Committee	
Internal Audit Progress Report 2017/18	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford, Chief Internal Auditor	
Accountable Head of Service: N/A	
Accountable Director: Sean Clark, Director of Finance & IT	
This report is public	

Executive Summary

The Internal Audit Plan 2017/18 was discussed by the Standards & Audit Committee at their meeting of 28th February 2017. This report is the first progress report for 2017/18.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Consider reports issued and the work being carried out by Internal Audit in relation to the 2017/18 audit plan.

2. Introduction and Background

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

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

2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and formally approving the Annual Governance Statement. The audit work carried out by the Internal Audit Service is a key source of assurance to the

Standards & Audit Committee about the operation of the internal control environment.

- 2.4 The audits contained in the Internal Audit Plan 2017/18 are based on an assessment of risk for each system or operational area. The assessment of risk includes elements such as the level of corporate importance, materiality, service delivery/importance and sensitivity.

3. Issues, Options and Analysis of Options

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

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

- 3.2 We have only issued 1 follow up report on Business User Allowance (BUA) which is currently being discussed in Directors' and People Boards. This will be presented to the Standards & Audit Committee at a later date.

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

4. Reasons for Recommendation

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

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

- 5.1 The audit risk assessment and the plan are periodically discussed with the Chief Executive, Corporate Directors, Directors and Heads of Service before being reported to Directors Board and the Standards & Audit Committee.
- 5.2 All terms of reference and draft reports are discussed and agreed with the relevant Corporate Directors, Directors, Heads of Service and/or management before being finalised.
- 5.3 The Internal Audit Service also consults with the council's External Auditors to ensure that respective audit plans provide full coverage whilst avoiding duplication.

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

- 6.1 The council's corporate priorities were used to inform the annual audit plan 2016-17. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **S Clark**
Director of Finance & IT

Whilst there are no direct financial implications arising from this report, it is important that the authority maintains adequate internal controls to safeguard the authority's assets. If there is a cost to any audit recommendation, this is to be met from existing budgets.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Law & Governance

The contents of this report and appendixes form part of the council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2015 to at least annually undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no adverse legal implications relating to this progress report.

7.3 Diversity and Equality

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

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

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

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

8. Background papers used in preparing the report:

- Strategy for Internal Audit 2017/18 to 2019/20 and Internal Audit Plan 2017/18

- Internal Audit Reports issued in 2017/18.

9. Appendices to the report

- Appendix 1 – Internal Audit Progress Report.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Corporate Finance

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2017/18

Date of Committee: 6 July 2017

Introduction

The internal audit plan for 2017/18 was presented to the Standards & Audit Committee on 28th February 2017. This report provides an update on progress against that plan.

Table showing reports issued as Final, in Draft or Work in Progress

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Community Safety	Work in Progress	Deferred to September at request of client	N/A	N/A	N/A
Leaseholder Charges	Work in Progress		N/A	N/A	N/A
Business User Allowance Follow up	Final	Advisory	Actions being discussed in both Directors' and People Boards		
Emergency Planning	Work in Progress		N/A	N/A	N/A
Risk Management	Work in Progress		N/A	N/A	N/A
Section 17 Payments	Work in Progress		N/A	N/A	N/A
Temporary Accommodation	Work in Progress		N/A	N/A	N/A
VAT	Work in Progress		N/A	N/A	N/A
Extensions to contracts of consultants	Draft		N/A	N/A	N/A
Core Assurance					
HR & Payroll	Draft		N/A	N/A	N/A
Council Tax	Draft		N/A	N/A	N/A
Housing Benefits	Draft		N/A	N/A	N/A
NNDR	Draft		N/A	N/A	N/A
Main Accounting & Budgetary Control	Draft		N/A	N/A	N/A

Work and other issues for which no reports are generated

We are currently reviewing an EU funded project called ANIMATE to ensure the council claims all of the funding to which it is entitled. The final claim is due to be submitted once our review is completed.

A review of stationery purchases were undertaken following concerns that a local supplier was being used by a number of departments when there is a formally agreed contract in place with Lyreco. It was identified that some staff used the local contractor as they believed print Cartridges could not be supplied by the current

supplier or were cheaper and others used them between the change from the old to the new supplier. Procurement checked with Lyreco and their prices for cartridges were actually cheaper and they can supply relevant cartridges at a competitive price if they are asked. A memo was sent to Procurement highlighting these findings and they sent out a reminder to all staff that they must use the council's approved supplier.

Changes to plan

There has only been one change to the plan for 2017/18 which was around the request to defer the Community Safety review until September due to resourcing issues.

**Standards & Audit Committee
Work Programme
2017/18**

Dates of Meetings: 6 July 2017, 21 September 2017, 23 November 2017 and 6 March 2018

Topic	Lead Officer
6 July 2017	
Annual RIPA Report	Lee Henley
Annual Chief Internal Auditor Report	Gary Clifford
Refresh of the Strategic / Corporate Risk and Opportunity Register	Andy Owen
2017-18 Fee Letter	Jonathan Wilson
Internal Audit Progress Report	Gary Clifford
Red Reports (as required)	
Work Programme	D/S
21 September 2017	
Counter Fraud & Investigation Annual Report & Annual Strategy	David Kleinberg
Annual Governance Statement	Ernst & Young / Jonathan Wilson
Annual Audit Results Report	Ernst & Young / Sean Clark
Council's Financial Statement	Sean Clark

Annual Access to Records Report	Lee Henley
Annual Complaints Report	Lee Henley
Internal Audit Progress Report	Gary Clifford
Counter Fraud & Investigation Quarterly Status Report	David Kleinberg
Red Reports (as required)	
Work Programme	D/S
23 November 2017	
Annual Audit Letter	Ernst & Young / Sean Clark
Mid-Year RIPA Report	Lee Henley
Review of the Strategic/Corporate Risk and Opportunity Register In Quarter 3 Report.	Andy Owen
Internal Audit Service Update Rpoert	Gary Clifford
Internal Audit Progress Report	Gary Clifford
Counter Fraud & Investigation Quarterly Status Report	David Kleinberg
Red Reports (as required)	
Work Programme	D/S
6 March 2018	
Mid-Year Complaints Report	Lee Henley
Risk and Opportunity Management – Annual Review	Andy Owen
Internal Audit Plan & Strategy	Gary Clifford
Audit Planning Report and Certification of Claims report	Ernst & Young / Sean Clark
Internal Audit Progress Report	Gary Clifford

Counter Fraud & Investigation Quarterly Status Report	David Kleinberg
Red Reports (as required)	
Work Programme	D/S

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