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 March 2018**

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

Substitutes:

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

Agenda

Open to Public and Press

Page

1   Apologies for Absence

2   Minutes   **5 - 10**

To approve as a correct record the minutes of the Standards and Audit Committee meeting held on 23 November 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.

4   Declaration of Interests

5   External Audit Plan 2017/18   **11 - 56**

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: **26 February 2018**

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- Enter the password **Thurrock** to connect to/join the Wi-Fi network.

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

<u>**Helpful Reminders for Members**</u>

- *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?*

<u>**When should you declare an interest *at a meeting*?**</u>

- **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

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

Our Vision and Priorities for Thurrock

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

1. **People** – a borough where people of all ages are proud to work and play, live and stay

    - High quality, consistent and accessible public services which are right first time

    - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing

    - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future

    - Roads, houses and public spaces that connect people and places

    - Clean environments that everyone has reason to take pride in

    - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations

    - Attractive opportunities for businesses and investors to enhance the local economy

    - Vocational and academic education, skills and job opportunities for all

    - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the Standards and Audit Committee held on 23 November 2017 at 7.00 pm

Present:	Councillors Graham Hamilton (Chair), Tony Fish (Vice-Chair), Gary Collins, Oliver Gerrish, Ben Maney and Luke Spillman (Substitute) (substitute for Jack Duffin)
	Jason Oliver, Co-Opted Member
Apologies:	Councillors Stephen Rosser
In attendance:	
	Sean Clark, Director of Finance & IT
	Gary Clifford, Client Manager for Audit Services
	David Kleinberg, Group Manager, Counter Fraud and Investigation
	Andy Owen, Corporate Risk Officer
	Charlotte Raper, 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.

20.   **Minutes**

The minutes of the Standards and Audit Committee meeting held on 21 September 2017 were approved as a correct record.

21.   **Items of Urgent Business**

There were no items of urgent business.

22.   **Declaration of Interests**

There were no declarations of interests.

23.   **Thurrock Annual Audit Letter 2016/17**

The Director of Finance and IT presented the report which summarised the information received at the previous meeting of the Standards and Audit Committee. The external auditors had issued Thurrock Council with an unqualified audit opinion on the 2016/17 financial statements and an unqualified value for money conclusion. There was an obligation to present this information to the Committee in a more formal way.

The Chair noted two misstatements listed on p25 and asked whether they were due to human error. The Director of Finance and IT advised that

sometimes misstatements were not errors but the Council and external auditors would disagree, often around the value of assets.

Councillor Spillman sought details of the impact these misstatements had upon the Council's budget. The difference in figures would fall into the Council's unusable reserves, but in reality there was no impact as the valuation of assets was only realised if they were disposed of.

RESOLVED:

That the Standards and Audit Committee considered the comments of our external auditors as set out in the report and noted their findings.

24. **Regulation of Investigatory Powers Act (RIPA) 2000 - Six Monthly Activity Report**

The Director of Finance and IT presented the report which provided an update on the usage and activity of RIPA requests during April 2017 – September 2017.

The Chair noted that there had recently been reports in the newspaper of a successful fraud investigation into poppies, which showed that such operations could be fruitful. The Director of Finance and IT advised that more detail might be available within the Counter Fraud report later on the agenda.

Councillor Gerrish noted the reduction year on year listed in 3.1 of the report and queried whether this reflected a reduction in the number of operations. The Committee heard that RIPA was an absolute last resort and therefore used sparingly. The reduction did not reflect the number of operations.

RESOLVED:

That the Standards and Audit Committee noted the statistical information relating to the use of RIPA from April 2017 to September 2017.

25. **Mid-Year Review of the Strategic/Corporate Risk and Opportunity Register**

The Interim Insurance and Risk Manager introduced the report which provided the Committee with the key risks and opportunities identified by the review and updated information in relation to the Strategic / Corporate Risk and Opportunity Register. The report also gave assurances that the Council's risk and opportunity management arrangements were effective.

Councillor Collins noted that the sickness and absence remained above average for the sector and questioned the main causes. The Director of Finance and IT advised that the three main issues were stress / anxiety, musculoskeletal and surgery. There were a number of surgery related absences at present which impacted the long-term sickness figures.

Councillor Collins continued to ask whether this was envisaged to be a temporary situation, referring to P71, action 10 and the sickness action plan. The Director of Finance and IT outlined that star chambers had involved the Director of HR and OD and HR officers attending Director's Management Team meetings, for each department, with key officers to ensure the rules and challenges around long-term sickness were understood such as use of Occupational Health and Return to Work interviews. Within his own directorate short term sickness was down however overall figure had risen as there were 3-4 members of staff with long-term conditions and it did not take much to seriously impact upon the figures.

The Vice-Chair queried how a scheme such as Universal Credit, with an in-built 4-6 week delay which could lead to unintended consequences such as rent arrears, would be picked up within the risk register. The Interim Insurance and Risk Manager informed the Committee that Universal Credit formed part of the welfare reform risk which was included within the wider register however had not be mentioned within the report as it did not obtain a high enough rating.

Councillor Collins noted that the advice for residents within tower blocks remained unchanged since the Grenfell tragedy. The Council had worked with the fire service and their advice remained the same at present, though it could change as a result of the Grenfell enquiry. The advice was to remain within the abode unless you were directly affected by the fire. The matter would be discussed in greater detail at Overview and Scrutiny Committee, but the report aimed to provide assurance that the risk was being considered.

Jason Oliver questioned comments around business continuity as little seemed to have changed over 2½ years. The Director of Finance and IT felt there was a wording issue within this section of the report as the situation was definitely improving and there had been a push from Performance Board challenging directorates. The choice of working did not fully convey this.

Councillor Spillman noted that the Council was facing the worst housing crisis in years, and before the Government's budget announcement had had no means to deal with the issues regarding supply. More and more residents were facing poverty due to rising rents however the report only rated the risk around housing as a 9, which he found surprising. The Director of Finance and IT accepted that the challenge was well-founded and the matter would be taken back to the service responsible for the assessment to provide their rationale.

Councillor Maney queried whether it was anticipated that staff sickness levels would fall to in line with the national average or just back to their previous level. The Director of Finance and IT admitted that they were not falling enough and it was unlikely to meet the national average soon however the systems in place were stronger than they had been in all the time he had worked for Thurrock Council. He was confident levels would reduce, but how quickly they would fall to the national average was another question.

The Chair questioned whether there was any differentiation between sickness as a result of surgery complications and those who had to attend surgery, and whether there was a level acceptability for of unintended but unavoidable cases such as those resulting from a car crash rather than a mountaineering accident per se. Anyone who had time off relating to surgery was categorised in the same way and it was not within the policy to differentiate. As part of the wider process sometimes it reached the point that the period became detrimental to the service and a sickness stage three could be triggered. This stage could lead to dismissal. The process was not pleasant however the Council had a responsibility as staff wages were funded through tax payers' money and there was a duty to provide services. There was a finite amount of flexibility however increased ability for staff to work from home helped avoid this situation.

RESOLVED:

1. **That Standards and Audit Committee noted the items and details contained in the Dashboard (Appendix 1).**

2. **That Standards and Audit Committee noted the 'In Focus' report (Appendix 2), which included the key items identified by the review.**

26. **Internal Audit Service Update 2017/18**

The Chief Internal Auditor presented the report which provided a high level summary of the progress made by the service since 1 April 2015, when it was brought back in house.

RESOLVED:

That the Standards and Audit Committee agreed that the new structure will improve the service being provided by internal audit and will provide Members of the Standards and Audit Committee with additional assurance around the internal control, risk management and governance frameworks to senior management and Members.

27. **Internal Audit Progress Report 2017/18**

The Chief Internal Auditor presented the report which updated the Committee on the progress of work undertaken since the report presented at the previous meeting.

Jason Oliver noted there were weaknesses within the IT control mechanisms at both Aveley Primary and St Mary's RC Primary. There were national directives to adopt cyber essentials and he queried whether this had been taken into account in the audit process. It had not. Local Authorities had a duty to share information with local schools. The Chief Internal Auditor advised he would seek a response from the service and bring back to the

Committee. The Director of Finance and IT advised there had been a number of recommendations and improvements and it was good to strengthen security. The matter would be brought back to the Committee once resolved.

RESOLVED:

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

28. **Counter Fraud & Investigation Quarterly Status Report**

The Group Manager – Counter Fraud & Investigation presented the report which outlined work being conducted by the Counter Fraud and Investigation Department (CFID) to deliver the annual work plan and strategy for countering fraud and economic crime as well as the outcomes achieved in the investigations into identified criminality.

Councillor Spillman questioned how many instances of reported and confirmed fraud involved Council staff, and whether there were any concerns around ongoing problems within the Housing Department. The figures were not immediately available but would be circulated outside of the meeting. Investigations and trials were ongoing so officers could not discuss in much detail however the department would continue to work with the Internal Audit department to monitor. If fraud was alleged the CFID delved deep into the service to investigate and did not stop until they were confident that the risk was removed and controls understood. The Director of Finance and IT outlined that when Universal Credit was introduced Thurrock Council took the view to grow the Counter Fraud service and the more closely you looked at something the more you would uncover. The department was picking up on a number of things which previously would have been dealt with by HR but in reality were crimes rather than misconduct. Thurrock was not hiding its failings and was taking the risk very seriously.

The Chair praised Officers for not shying away from the sometimes embarrassing truth of fraud within the system.

Councillor Maney appreciated the "Did you know" boxes. He noted that page 108 of the agenda indicated that £1.3m had not been recovered. The Group Manager – Counter Fraud & Investigation informed the Committee that the CFID's recovery rate was 5x that of its nearest comparison, HMRC, but accepted that the information might not look positive out of context. The Chair added the risk of diminishing returns if chasing vanishing amounts of money.

Jason Oliver asked what the department was doing to continue to improve the service and increase revenue. The department continuously reviewed its practices. Fraud was often not recognised by organisations such as Local Authorities so they continued to push the message that Councils can also be victims of fraud, to offer advice and guidance. Fraud had almost become a

business in its own right for criminals and the CFID continued to target organisations to share their practices and approach.

Councillor Collins congratulated the team for their achievements and thanked them for all their work. This was echoed by the Chair

RESOLVED:

That the Standards and Audit Committee:

1. Noted the performance of the Counter Fraud and Investigation Department over the last quarter.

2. Commented on the new Counter-Fraud, Bribery and Corruption Guidance shown at Appendix 1.

3. Commented on the new Counter-Money Laundering Guidance shown at Appendix 2.

29. **Work Programme**

The Standards and Audit Committee noted the work programme.

The meeting finished at 7.55 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 March 2018	ITEM: 5
Standards and Audit Committee	
External Audit Plan 2017/18	

Wards and communities affected: All	**Key Decision:** No

Report of: Sean Clark, Director of Finance and IT

Accountable Assistant Director: N/A

Accountable Director: Sean Clark, Director of Finance and IT

This report is Public

Executive Summary

This report introduces the External Audit Plan 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 introduces the Audit Plan that will cover the audit of the 2017/18 financial statements and the assessment of the council's arrangements to secure economy, efficiency and effectiveness.

2.2 The plan sets out the audit process and the auditors will report on their findings to the Committee in July 2018.

2.3 The plan sets out the key risks and the areas the auditors will focus on.

2.4 The key financial statement risks identified are noted below along with steps taken by the Council to address them. The risks identified, with the exception of the preparation of group accounts, are general risks common to all local authorities.

- Risk of Fraud in Revenue Recognition

  There is a presumed audit risk that revenue may be misstated due to improper recognition. There have been no concerns raised in this area from

either internal or external assessments in prior periods. The Council remains satisfied the revenue recognition processes in place remain appropriate.

- Risk of Management Override

  There is a need for the external auditors to address the inherent risk of fraud present in all financial systems.

  There have been no identified instances of management override identified at the Council and the system of internal control continues to address this inherent risk.

- IAS 19 and Pensions

  The pension liability has an inherent risk of misstatement as it is based on significant estimation and the judgement of the actuary for the Essex Pension Fund.

  The Council continues to liaise with Essex Pension Fund to ensure all data inputs into the IAS 19 process are complete and accurate. This risk applies to all members of the Essex Pension Fund.

- Property Valuation

  The Council's asset base is a material balance in the financial statements and is based on the significant estimation and the judgement of the valuer. Hence there is an inherent risk of material misstatement.

  It is noted there have been no significant issues noted in previous reviews by external audit and the Council continues to ensure assets are valued in accordance with the requirements of the Code of Practice.

- Early Accounts Deadline and Preparation of Group Accounts

  The statutory deadlines for the completion of the financial statements have been brought forward one month to 31 May 2018. The deadline for the publication of the financial statements has been brought forward 2 months to 31 July 2018. Hence the deadlines are more challenging but the Council continues to prepare to meet the new timescales.

  The Council will consolidate Thurrock Regeneration Ltd and, for the first time, Gloriana Thurrock Homes Ltd into the group financial statements for 2017/18. The Council is working to ensure the consolidation process is completed as part of the year-end closure process.

2.5   The external auditors identify a significant value for money risk in their assessment of the Council's arrangements to secure economy, efficiency and effectiveness. The Council has developed a detailed medium-term financial

strategy to meet the significant financial challenges over this period. This is based on a commercial approach which balances the budget over the next 4 years. External audit note the risks associated with the commercial approach. The Council continues to manage this risk through appropriate due diligence and financial monitoring.

2.6   The proposed audit fees are set out in Appendix A. The planned fee for the main audit and VFM conclusion is £140,723 which represents a 2 per cent reduction on the prior year.

3.   Issues, Options and Analysis of Options

3.1   The report is only for nothing as it is the report of the external auditors.

4.   Reasons for Recommendation

4.1   To make the Committee aware of the external audit programme of work and the associated fees.

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

5.1   There has been an ongoing dialogue between officers and the external auditors and the plan has been reviewed in detail.

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

6.1   Robust financial processes safeguard the Council's assets that support the Council in delivering its policies and priorities

7.   Implications

7.1   **Financial**

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

These are included in the body of the report.

7.2   **Legal**

Implications verified by: **David Lawson**
                                 Assistant Director of Law and Governance

There are no specific implications from this report.

7.3   **Diversity and Equality**

Implications verified by: **Rebecca Price**

Community Development Officer

There are no specific implications from this report.

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

There are no specific implications from the 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 – Ernst and Young Audit Plan 2017/18

Report Author:

Jonathan Wilson

Chief Accountant, Corporate Finance

Thurrock Council
Audit planning report

Year ended 31 March 2018

23 February 2018

EY
Building a better
working world
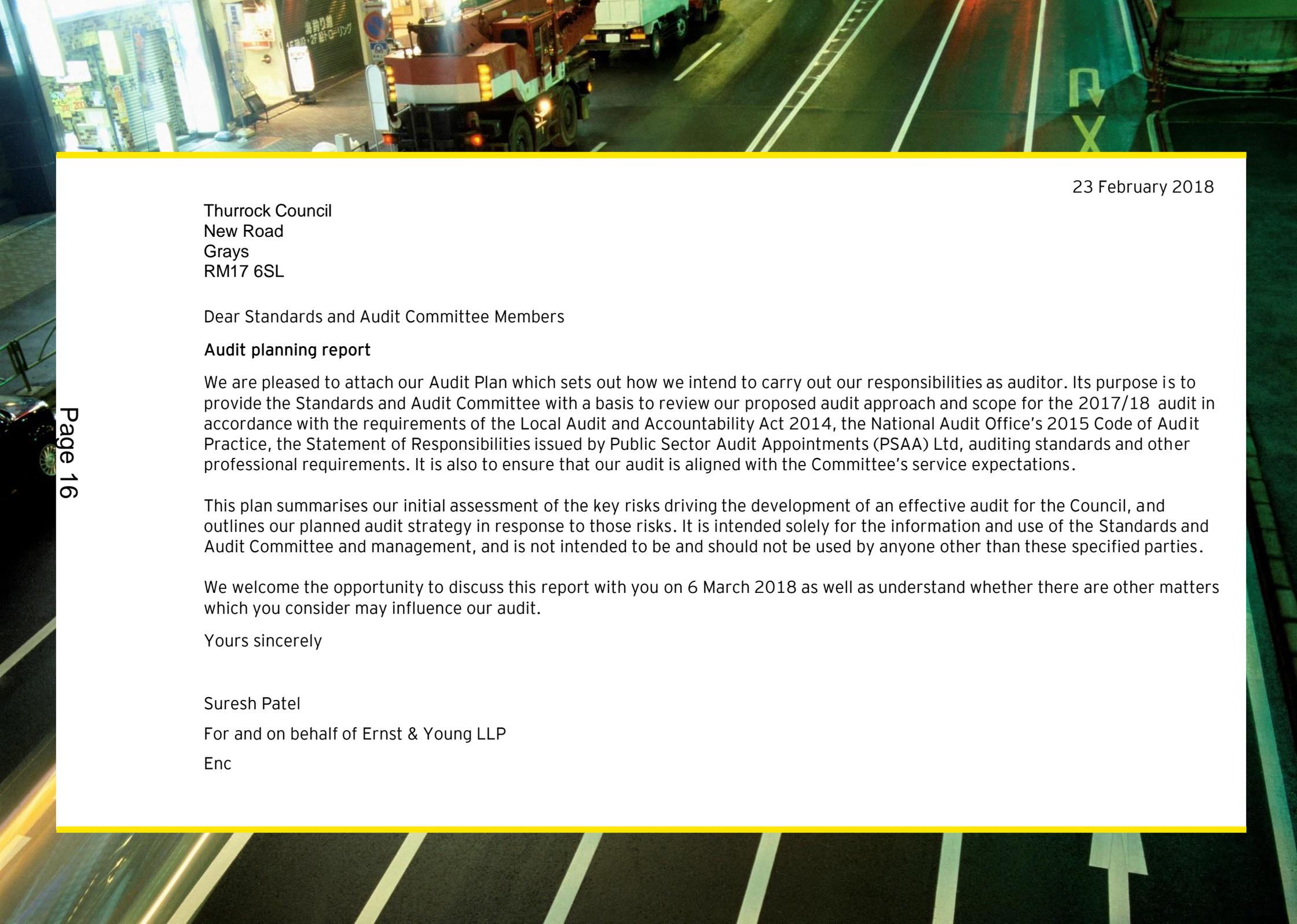
23 February 2018

Thurrock Council
New Road
Grays
RM17 6SL

Dear Standards and Audit Committee Members

Audit planning report

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Standards and Audit Committee with a basis to review our proposed audit approach and scope for the 2017/18 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks. It is intended solely for the information and use of the Standards and Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 6 March 2018 as well as understand whether there are other matters which you consider may influence our audit.

Yours sincerely

Suresh Patel

For and on behalf of Ernst & Young LLP

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (www.PSAA.co.uk).

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

The "Terms of Appointment (updated February 2017)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Standards and **Audit Committee and management of** Thurrock Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Standards and **Audit Committee, and management of Thurrock Council** those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Standards and **Audit Committee and management of Thurrock Council** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

01 Overview of our 2017/18 audit strategy

Overview of our 2017/18 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Standards and Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Risk of fraud in revenue and expenditure recognition	Fraud risk/ Significant risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.
Risk of management override	Fraud risk/ Significant risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
IAS19 and Pensions	Other Risk	No change in risk or focus	The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet. The information disclosed is based on the IAS 19 report issued to the Council by the Actuary. Accounting for this scheme involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a higher inherent risk.
Property Valuation	Other Risk	No change in risk or focus	Property, plant and equipment (PPE) represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end PPE balances held in the balance sheet. As the Council's asset base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk PPE may be under/overstated or the associated accounting entries incorrectly posted. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Earlier accounts deadline and preparation of group accounts	Inherent risk	New risk	The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. The timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July. This risk is enhanced by this being the first year that the Council will be consolidating a second subsidiary company to prepare its group accounts.

Materiality

Planning materiality £7.6mn

Materiality has been set at £7.6mn, which represents 2% of the prior years gross Council revenue expenditure. This comprises of gross expenditure on the provision of services, levies expenditure and interest payable. We have not changed the basis for calculation of materiality from the previous period.

Performance materiality £5.7mn

We have set performance materiality at £5.7mn, which represents 75% of materiality.

Audit differences £0.38mn

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement and cash flow statement) greater than £0.38mn. Other misstatements identified will be communicated to the extent that they merit the attention of the Standards and Audit Committee.

Overview of our 2017/18 audit strategy

This Audit Plan covers the work that we plan to perform to provide you with:
- Our audit opinion on whether the financial statements of Thurrock Council give a true and fair view of the financial position as at 31 March 2018 and of the income and expenditure for the year then ended; and
- Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

There is one change in the scope of our audit for 2017/18. This has arisen because the Council has determined that in preparing group accounts it now needs to consolidate two sets of subsidiary accounts. Thurrock Regeneration Limited (previously Gloriana Thurrock Limited) was consolidated for the first time in 2016/17. However, in 2017/18, there is a new subsidiary of Gloriana Thurrock Homes Limited, which also requires consolidation.
We will aim to provide an opinion on the group accounts and the Council's accounts.
As a result of the additional procedures we will need to undertake on the Council's expanded group consolidation and accounts we propose increasing the audit fee by £7,000.

02 Audit risks

Risk assessment

Risk assessment

We have obtained an understanding of your strategy, reviewed your principal risks as identified in your Statement of Accounts 2016/17 and combined it with our understanding of the sector to identify key risks that impact our audit.

The following 'dashboard' summarises the significant matters that are relevant for planning our year-end audit

● **Significant risks**
1 Risk of fraud in revenue and expenditure recognition
2 Risk of management override

● **Other financial statement risks**
3 IAS19 and Pensions
4 Property Valuation
5 Earlier deadlines & group accounts
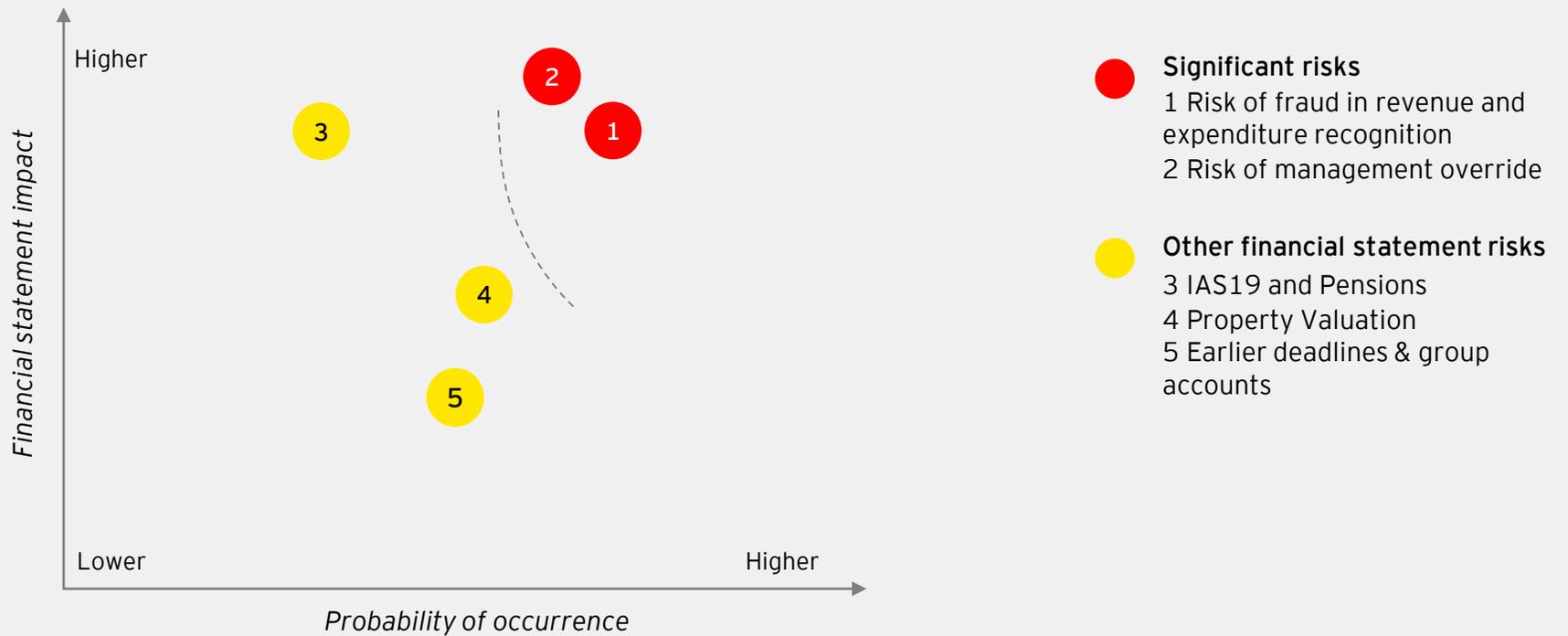
Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Risk of fraud in revenue and expenditure recognition*

Financial statement impact

Misstatements that occur in relation to the risk of fraud in revenue and expenditure recognition could affect the income and expenditure accounts. These accounts had the following balances for provision of services in the Statement of Accounts 2016/17:

Income Account: £398 million

Expenditure Account: £410 million

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

For Thurrock Council, we identified the potential for the incorrect classification of revenue spend as capital as a particular area where there is a risk of misstatement.

What will we do?

Our approach will focus on:
➢ Obtaining a breakdown of capital additions in the year, reconciling to the fixed asset register and general ledger and reviewing the descriptions to identify whether there are any potential transactions that could be revenue in nature; and
➢ Substantively testing capital expenditure, namely additions on property, plant and equipment, and agreeing these back to source documentation to ensure they meet the relevant accounting requirements to be capitalised, should the final sum be material.

Our response to significant risks (continued)

Risk of Management Override*

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What will we do?

Our approach will focus on:

➢ Identifying fraud risks during the planning stages;

➢ Inquiry of management about risks of fraud and the controls put in place to address those risks;

➢ Understanding the oversight given by those charged with governance of management's processes over fraud;

➢ Consideration of the effectiveness of management's controls designed to address the risk of fraud;

➢ Determining an appropriate strategy to address those identified risks of fraud;

➢ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements;

➢ Assessing accounting estimates for evidence of management bias; and

➢ Evaluating the business rationale for significant unusual transactions.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?	What will we do?
IAS19 and Pensions The Council makes extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Essex County Council. The pension fund deficit is a material estimated balance and disclosed on the balance sheet. At 31 March 2017 this totalled £220mn. The information disclosed is based on the IAS 19 report issued to the Council by the actuary. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.	**Our approach will focus on:** ➤ Liaising with the auditors of Essex Pension Fund to obtain assurances over the information supplied to the actuary in relation to Thurrock Council. ➤ Assessing the work of the Pension Fund actuary (Barnett Waddingham) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and ➤ Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.
Property Valuation The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represent significant balances in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.	**Our approach will focus on:** ➤ Considering the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; ➤ Sample testing key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per sqm); ➤ Considering the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE and annually for IP. We will also consider if there are any specific changes to assets and that these have been communicated to the valuer; ➤ Reviewing assets not subject to valuation in 2017/18 to confirm that the remaining asset base is not materially misstated; ➤ Considering changes to useful economic lives; and ➤ Testing accounting entries have been correctly processed in the accounts.

Other areas of audit focus (continued)

What is the risk/area of focus?	What will we do?
Earlier accounts deadline and preparation of group accounts	We will:
For 2017/18 the Council needs to prepare draft accounts by 31 May and the publish audited accounts by 31 July a challenge and risk for both preparers and auditors.	▸ Gain assurance over group accounting and related disclosures in the Council's group financial statements.
Whilst in our view the Council has good arrangements for preparing its accounts and working papers the accelerated timetable does create inherent risks, with the additional challenge from the need to consolidate two subsidiary companies into its group accounts.	▸ Work with the Council to engage early to facilitate early substantive testing where appropriate.
As your auditor, we have a more significant peak in our audit work and a shorter period to complete the audit. Risks for auditors relate to delivery of all audits within the same compressed timetable. Slippage at one client could put delivery of others at risk.	▸ Provide an early review on the Council's streamlining of the Statement of Accounts where non-material disclosure notes are removed.
To mitigate this risk we will require the Council to continue to provide:	▸ Facilitate faster close workshops to provide a forum for Local Authority accountants and auditors to share good practice and ideas to enable us all to achieve a successful faster closure of accounts for 2017/18.
➢ Good quality draft accounts and supporting working papers by the agreed deadline;	▸ Agree the team and timing of each element of our work with you.
➢ Appropriate Council staff to be available throughout the agreed audit period; and	▸ Agree the supporting working papers that we require to complete our audit and provide coaching to your team on what constitutes good quality working papers.
➢ Complete and prompt responses to audit questions.	
If the Council is unable to meet key dates within our agreed timetable, we will notify the Director of Finance and IT of the impact on the timing of your audit, which may be that we postpone the audit until later in the summer and redeploy the team to other work to meet deadlines elsewhere.	
Where we require additional work to complete your audit, due to new risks, scope changes, or poor audit evidence, we will notify the Director of Finance and IT of the impact on the timing of the audit and fees. Such circumstances may result in a delay to your audit while we complete other work elsewhere.	

03 Value for Money Risks

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2017/18 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;

- Deploy resources in a sustainable manner; and

- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has resulted in the identification of the significant risk noted on the following page which we view as relevant to our value for money conclusion.

Value for Money Risk

| What is the significant value for money risk?	What arrangements does the risk affect?	What will we do?
Achievement of savings needed over the Medium Term Financial Strategy The Council faces significant financial challenges over the medium term with net pressures before investments of £31.34m to 2022/23 reported in the Medium Term Financial Strategy update presented to Council as part of the General Fund Budget Proposals in February 2018. We are aware that the Council has proposed a commercial and investment approach in order to balance the budget and achieve surpluses for each of the next four years to 2021/22. This is on the basis of known investments and the assumption that Council supports the proposed approach towards Thurrock Regeneration Ltd. Achievement of these plans will therefore provide an income and reduce the budget pressure after investments to £3.85m by 2022/23. Therefore, while there is a budget gap over the medium term, the Council has identified a number of savings and actions. However, due to the budget pressures, a risk to the value for money conclusion remains.	Deploying resources in a sustainable manner	Our approach will focus on reviewing the MTFS and selecting a small sample of investments and efficiency targets to understand: ➢ The adequacy of the Council's process for identifying the investments and efficiency targets; ➢ The robustness of any underlying assumptions; ➢ The use of scenario planning; and ➢ The effectiveness of in year monitoring of progress against the savings and efficiency targets.

04 Audit materiality

Materiality

Materiality

For planning purposes, materiality for the Group and the Council for 2017/18 has been set at £7.6mn. This represents 2% of the Council's prior year gross expenditure on provision of services. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix C.

Gross expenditure on provision of services
£381mn

Performance materiality
£5.7mn

Planning materiality
£7.6mn

Audit differences
£0.38mn

Component performance materiality
£5.7mn
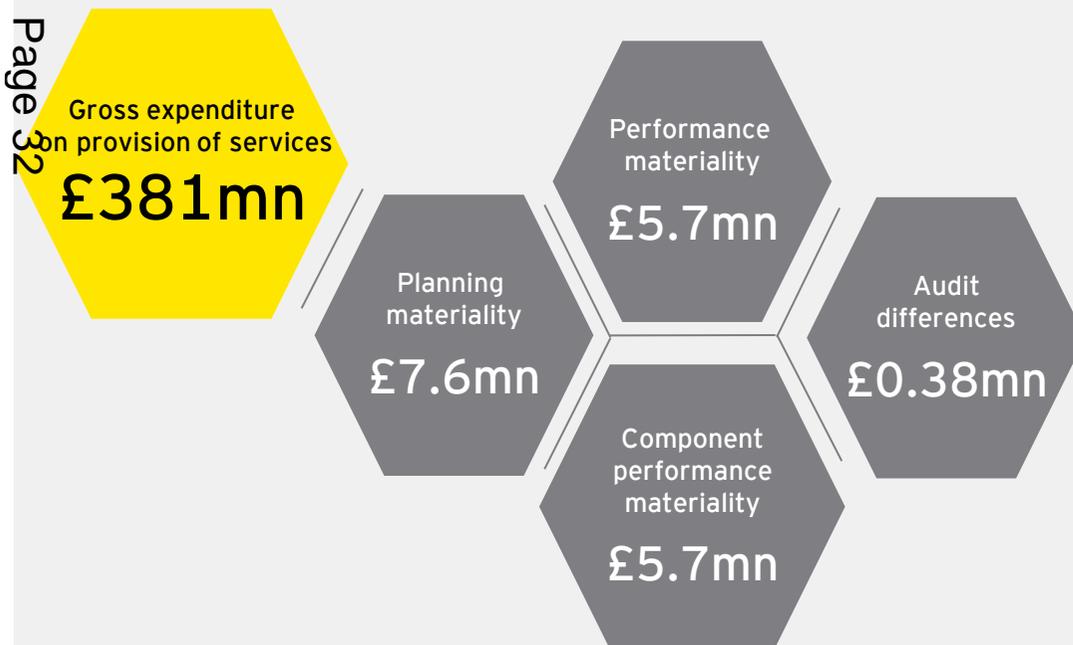
We request that the Standards and Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £5.7mn which represents 75% of planning materiality. We used the 75% threshold as the majority of errors in the prior year were within fixed assets, we therefore will be using lower testing thresholds in that specific area.

Component performance materiality range - we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group. As the Council is the main component of the Group, component performance materiality for the Council is the same as the Group. No component performance materiality has been set for the subsidiaries, as specified procedures will be carried out and these will determine the relevant testing threshold.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, housing revenue account and collection fund financial statements that have an effect on income.

We will communicate other uncorrected misstatements and corrected misstatements to the extent that they merit the attention of the Standards and Audit committee, or are important from a qualitative perspective.

05 Scope of our audit

Scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Council's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code. We issue an audit report that covers:

1. **Financial statement audit**

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards
*   Addressing the risk of fraud and error; Significant disclosures included in the financial statements; Entity-wide controls;
*   Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and Auditor independence.

Procedures required by the Code
*   Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance; and
*   Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our audit involves identifying and understanding the key processes and internal controls and substantive tests of detail of transactions and amounts. For 2017/18 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics - We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Standards and Audit Committee.

Internal audit - We will regularly review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

Scoping the group audit

Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

1. **Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.
2. **Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures.

For all other components we perform other procedures to confirm that there is no risk of material misstatement within those locations. These procedures are detailed below.

Scoping by Entity

Our preliminary audit scopes by number of locations we have adopted are set out below. We provide scope details for each component within Appendix D.

1	A	Full scope audits
0	B	Specific scope audits
0	C	Review scope audits
2	D	Specified procedures
0	E	Other procedures

Scope definitions

Full scope: where a full audit is performed to the materiality levels assigned by the Group audit team for purposes of the consolidated audit.

Specific scope: where the audit is limited to specific accounts or disclosures identified by the Group audit team based on the size and/or risk profile of those accounts.

Review scope: where procedures primarily consist of analytical procedures and inquiries of management. On-site or desk top reviews may be performed, according to our assessment of risk and the availability of information centrally.

Specified Procedures: where the component team performs procedures specified by the Group audit team in order to respond to a risk identified.

Other procedures: For those entities that we do not consider material to the Group financial statements in terms of size relative to the Group and risk, we perform other procedures to confirm that there is no risk of material misstatement within those entities.

Scoping the group audit (continued)

Key changes in scope from last year

‣ Consolidation of two subsidiary accounts - Thurrock Regeneration Limited and Gloriana Thurrock Homes Limited. In 2016/17, Thurrock Regeneration Limited was consolidated for the first time. In 2017/18, there is a new additional subsidiary Gloriana Thurrock Homes Limited.

Details of specified and other procedures

In order to respond to the risk of fraud in revenue and expenditure recognition, we will perform specified procedures on the subsidiaries in relation to testing capital additions to property, as these components hold a large volume of assets under construction and completed properties as stock but are otherwise not significant.

We will also carry out the following procedures on the subsidiaries:

‣ Review group wide entity level controls over these components, including the level of group management oversight and results of Internal Audit reviews.

‣ Test consolidation journals and intercompany eliminations.

‣ Enquire of management about unusual transactions in these components.

‣ Review management's reconciliation of local statutory accounts to prior year group reporting packages.

‣ Review the procedures performed by the finance team to ensure the subsidiaries are consolidated appropriately.

‣ Test the material balances consolidated within the Thurrock Council financial statements.

‣ Review the associated disclosures to ensure these are in line with CIPFA Code of practice and associated guidance.

Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We are also appointed by the boards of the subsidiaries as the statutory auditor for Thurrock Regeneration Ltd and Gloriana Thurrock Homes Limited.

We have listed our planned involvement below.

During the year, we will visit a number of locations, primarily those where significant issues have been identified or where there have been important changes since the prior year. Our visits incorporate a combination of site visits, review of the component team's audit work and meeting with business unit management.

During 2017/18, the group audit team plans to visit departments within the Thurrock Council offices and site location visits where assets are being/have been constructed to carry out the specified procedures listed above.

06 Audit team

Audit team

Audit team structure:

Suresh Patel
Associate Partner

Martina Lee
Manager

Jessal Raja
Senior

Audit team

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions disclosure	Barnett Waddingham & EY Actuaries
Valuation of land and buildings	Thurrock Internal Valuer & EY Valuations Team (to be confirmed once we have received and reviewed current year valuation information)
NDR Provisions	Wilks, Head and Eve
Fair Value Investment Measurement	Arlingclose

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

▸ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;

▸ Assess the reasonableness of the assumptions and methods used;

▸ Consider the appropriateness of the timing of when the specialist carried out the work; and

▸ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

07 Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2017/18.

From time to time matters may arise that require immediate communication with the Standards and Audit Committee and we will discuss them with the Standards and Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Reporting our independence, risk assessment, planned audit approach and the scope of our audit

Audit Plan

Reporting our conclusions on key judgements and estimates and confirmation of our independence

Audit Results Report

The Annual Audit Letter will be provided following completion of our audit procedures

Annual Audit Letter

| Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |

Planning

Walkthroughs

Interim Audit

Substantive testing

Planning

Risk assessment and setting of scopes

Walkthroughs

Walkthrough of key systems and processes

Interim Audit

Controls assessment and early substantive testing

Year End Audit

Work begins on our year end audit. We will complete any substantive testing not completed at interim

08 Independence

Independence

Introduction

The FRC Ethical Standard and ISA (UK) 260 "Communication of audit matters with those charged with governance", requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	**Final stage**
► The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us; ► The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ► The overall assessment of threats and safeguards; ► Information about the general policies and process within EY to maintain objectivity and independence. ► Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard.	► In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ► Details of non-audit services provided and the fees charged in relation thereto; ► Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ► Written confirmation that all covered persons are independent; ► Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ► Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and ► An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements , the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

⬡ Independence

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non –audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Suresh Patel, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees. We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved. None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is approximately 15%. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Council. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

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Independence

Relationships, services and related threats and safeguards

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Non-audit services

For the past three years the Council has engaged us as reporting accountants to certify grant claims for:

► Teachers' Pension Return; and

► Housing Pooling Return.

We are also appointed by the boards of the subsidiaries as the statutory auditor for Thurrock Regeneration Ltd and Gloriana Thurrock Homes Limited. We have considered the other engagements above in the context of threats to our independence and objectivity as the auditor of the Council. We have not identified any perceived or actual threats.

The table below summarises our independence considerations.

Description of service	Related independence threat	Period provided	Safeguards adopted and reasons considered to be effective
Reporting accountants for Teachers' Pension Return and Housing Pooling Return	► No threats identified	► N/A	► No additional safeguards are required
Statutory auditor for the subsidiaries	► No threats identified	► N/A	► No additional safeguards are required

EY Transparency Report 2017

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 1 July 2017 and can be found here:

http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2017

09 Appendices

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code.

	Planned fee 2017/18	Scale fee 2017/18	Final Fee 2016/17
	£	£	£
Total Fee – Code work	133,723	133,723	133,723
Other (Note 1)	0	0	10,000
Other (Note 2)	7,000	0	0
Total audit	140,723	133,723	143,723
Other non-audit services not covered above (Housing Benefits)	15,664	15,664	17,148
Other non-audit services (Teachers' Pension Return)	TBC	0	15,000
Other non-audit services (Housing Pooling Return)	TBC	0	6,000
Total other non-audit services	15,664	15,664	38,148
Total fees	156,387	149,387	181,871

All fees exclude VAT

- Note 1: The 2016/17 audit fee includes a scale fee variation of £4,000 for the preparation of group accounts and £6,000 for additional work we agreed with the Director of Finance and IT in reviewing the Council's proposals for MRP. We currently await final agreement from PSAA.

- Note 2: The additional fee proposals includes the £4,000 due to the preparation of group accounts agreed in the PY and an additional £3,000 for auditing the impact of consolidating the new subsidiary company.

The agreed fee presented is based on the following assumptions:

➢ Officers meeting the agreed timetable of deliverables;

➢ Our accounts opinion and value for money conclusion being unqualified;

➢ Appropriate quality of documentation is provided by the Council; and

➢ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Required communications with the Standards and Audit Committee

We have detailed the communications that we must provide to the Standards and Audit Committee.

		📋 Our Reporting to you
Required communications	📞 **What is reported?**	📅📍 **When and where**
Terms of engagement	Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report
Significant findings from the audit	▸ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▸ Significant difficulties, if any, encountered during the audit ▸ Significant matters, if any, arising from the audit that were discussed with management ▸ Written representations that we are seeking ▸ Expected modifications to the audit report ▸ Other matters if any, significant to the oversight of the financial reporting process	Audit results report

Required communications with the Committee (continued)

		📋 Our Reporting to you
Required communications	📱 **What is reported?**	📅📍 **When and where**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▸ Whether the events or conditions constitute a material uncertainty ▸ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▸ The adequacy of related disclosures in the financial statements	Audit results report
Misstatements	▸ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▸ The effect of uncorrected misstatements related to prior periods ▸ A request that any uncorrected misstatement be corrected ▸ Corrected misstatements that are significant ▸ Material misstatements corrected by management	Audit results report
Fraud	▸ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▸ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▸ A discussion of any other matters related to fraud	Audit results report
Related parties	▸ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▸ Non-disclosure by management ▸ Inappropriate authorisation and approval of transactions ▸ Disagreement over disclosures ▸ Non-compliance with laws and regulations ▸ Difficulty in identifying the party that ultimately controls the entity	Audit results report

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Required communications with the Committee (continued)

		📋 Our Reporting to you
Required communications	📞 **What is reported?**	📅📍 **When and where**
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▸ The principal threats ▸ Safeguards adopted and their effectiveness ▸ An overall assessment of threats and safeguards ▸ Information about the general policies and process within the firm to maintain objectivity and independence	Audit Planning Report and Audit Results Report
External confirmations	▸ Management's refusal for us to request confirmations ▸ Inability to obtain relevant and reliable audit evidence from other procedures	Audit Results Report
Consideration of laws and regulations	▸ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▸ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of	Audit Results Report
Internal controls	▸ Significant deficiencies in internal controls identified during the audit	Management letter/audit results report

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Required communications with the Committee (continued)

		📋 Our Reporting to you
Required communications	📱 **What is reported?**	📅📍 **When and where**
Group audits	▸ An overview of the type of work to be performed on the financial information of the components ▸ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▸ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▸ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▸ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements	Audit planning report Audit results report
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report
Auditors report	▸ Key audit matters that we will include in our auditor's report ▸ Any circumstances identified that affect the form and content of our auditor's report	Audit results report
Fee Reporting	▸ Breakdown of fee information when the audit plan is agreed ▸ Breakdown of fee information at the completion of the audit ▸ Any non-audit work	Audit planning report Audit results report
Certification work	Summary of certification work undertaken	Certification report

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📑 Appendix C

Additional audit information

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards Page 52	▸ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. ▸ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Council's internal control. ▸ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. ▸ Concluding on the appropriateness of management's use of the going concern basis of accounting. ▸ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. ▸ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Council to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, the Standards and Audit Committee reporting appropriately addresses matters communicated by us to the Standards and Audit Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and ▸ Maintaining auditor independence.

Additional audit information (continued)

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

▸ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements; and

▸ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

📂 Appendix D

Scoping the group audit

The below table sets out the scoping details of all locations. We set audit scopes for each reporting unit which, when taken together, enable us to form an opinion on the group accounts. We take into account the size, risk profile, changes in the business environment, and other factors when assessing the level of work to be performed at each reporting unit.

Detailed scoping				
In scope locations	Scope	Statutory audit performed by EY	Current year rationale for scoping	
			Size	Risk
Thurrock Council	Full scope	✔	Yes	Yes
Thurrock Regeneration Limited	Specified procedures	✔	No	Yes
Gloriana Thurrock Homes Limited	Specified procedures	✔	No	Yes

Changes from last year are:

▸ Consolidation of two subsidiary accounts - Thurrock Regeneration Limited and Gloriana Thurrock Homes Limited. In 2016/17, Thurrock Regeneration Limited was consolidated for the first time. In 2017/18, there is a new additional subsidiary Gloriana Thurrock Homes Limited.

EY | Assurance | Tax | Transactions | Advisory

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6 March 2018	ITEM: 6
Standards and Audit Committee	
Annual Members Complaints Update Report	

Wards and communities affected:	Key Decision:
None	No

Report of: David Lawson, Assistant Director Law & Governance & Monitoring Officer
Accountable Head of Service: David Lawson, Monitoring Officer
Accountable Director: Lyn Carpenter, Chief Executive
This report is Public

Executive Summary

This report is to provide the Committee with an update of complaints against Members of the Council, their status, outcome and actions taken.

1. **Recommendation(s)**

1.1 **The Standards and Audit Committee is recommended to note the report and comment on any perceived trends and training needs**

2. **Introduction and Background**

2.1 In 2012 Full Council adopted, as required by the Localism Act 2011, a new local Code of Conduct and Complaints Procedure.

2.2 In accordance with the new Code, the Monitoring Officer conducts an initial assessment of complaints about Members of the Council against an approved initial assessment criteria and consults with the Independent Person and tries to resolve matters informally if possible or appropriate. If a complaint requires further investigation the Monitoring Officer will report the matter to the Members' Advisory Panel which will conduct a local hearing to consider whether the Member has failed to comply with the Conduct.

2.3 During the last year 5 complaints via a duly completed complaint form (and a further 3 expressions of complaint but without a completed complaint form) have been received by the Monitoring Officer. The progress of these complaints is set out in **Appendix 1.** There have been no identified breaches of the Code of Conduct by Members during this period, all complaints have

been investigated to initial assessment stage and the statutory Independent Person consulted in all cases.

2.4 All the complaints were received from members of the public, in 2 cases the complaints involved elected Members "private capacity" and therefore were not within the remit of the Code of Conduct. For the remainder either no complaint form was received, or there was insufficient evidence to pass the initial threshold test or were matters appropriate to a mediated resolution as confirmed by the Independent Person. Insofar as there was any common thread this could be addressed by the regular training on the Nolan principles as already embodied in our local Code of Conduct.

2.5 It should also be noted that although a fairly long period of grace is given before formally closing a matter most complaints were processed within a month and post Localism Act 2011 there has been no need for the previous practice of having a series of statutory sub-committees to assess all complaints no matter how unfounded or trivial.
.

3. Issues, Options and Analysis of Options

3.1 This report aims to aid the Standards & Audit Committee in exercising an oversight as to the promotion of high standards of conduct by Members and Co-opted Members of the Authority and to help address and emerging trends that may require training input.

4. Reasons for Recommendation

4.1 For continued good governance and to ensure that the Standards Committee is aware of complaints against Members of the Council.

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

5.1 This report is for information only.

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

6.1 For continued good governance.

7. Implications

7.1 **Financial**

Implications verified by: **Sean Clark**

Director of Finance & IT

There are no financial implications associated with this report.

7.2 **Legal**

Implications verified by: **Matt Boulter**

Deputy Monitoring Officer

The Standard & Audit Committee has within its terms of reference the promotion of high standards of conduct by Members and Co-opted Members of the Authority.

7.3 **Diversity and Equality**

Implications verified by: **David Lawson**

Monitoring Officer

None.

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

None.

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):

- Council Constitution
- https://www.thurrock.gov.uk/constitution-of-council/thurrock-council-constitution

9. **Appendices to the report**

Appendix 1 – Progress of Complaints Update

Report Author:

David Lawson

Monitoring Officer

Assistant Director of Law & Governance

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TBC Member Complaints – Monitoring Officer Record

Ref:	Receipt of Complaint 2015	Member	Complainant	Nature of Complaint	Investigation	Hearing	Outcome	Status (Open/closed)	Follow-up / Learning
MC 11/16	14 November 2016	Complaint about 1 Member	Public	Complaint over being allegedly drunk at a public meeting	Independent Person contacted agreed no breach of Code – Initial assessment	None	Didn't pass Initial Assessment Decision as not attending in either official capacity and /or no evidence or sufficient evidence of any disruption and / or intoxication at meeting	Closed March 2017	Group Leader aware of private capacity issues may exist
MC 1/17	7 March 2017	Complaint about 1 Member	Public	Complaint about councillor allegedly encourage mother of a vulnerable child not to adhere to recommended medication for child	Independent Person contacted agreed no breach of Code – Initial assessment	None	Didn't pass Initial Assessment Decision as insufficient evidence	Closed June 2017	None
MC 2/17	4 May 2017	Complaint about 1 Member	Public	Complaint over Harassment by neighbour and alleged improper access to personal data by position as Member	Despite chasing no Complaint Form submitted	None	Complaint Form received August 2017 Didn't pass initial assessment as Independent Person of the view private capacity only engaged	Closed October 2017	None

MC 3/17	8 May 2017	Complaint about 1 Member	Public	Complaint over alleged breach of personal / housing information given in confidence	Despite chasing no Complaint Form submitted	None	No Complaint Form or supporting evidence received	Closed October 2017	None
MC 4/17	18 May 2017	Complaint about 1 Member	Public	Complaint over alleged threatening behaviour towards member of the public at a local Forum meeting	Independent Person contacted agreed no breach of Code – Initial assessment	None	Didn't pass Initial Assessment Decision as no evidence of intimidation in fact evidence to the contrary	Closed July 2017	None - as insufficient evidence supporting allegation
MC 5/17	18 June 2017	Complaint about 1 Member	Public	Complaint over alleged harassment including social media	Despite chasing no complaint form submitted	None	No Complaint Form or evidence received	Closed July 2017	None bar training on use of social media
MC 6/17	31 July 2017	Complaint about 1 Member	Public	Complaint over alleged offence language at Full Council	Independent Person agreed resolution through letter of apology	None	Resolved through mediation and apology with review by Independent Person	Closed November 2017	Guidance on Nolan principles
MC7 / 17	10 October 2017	Complaint About 1 Member	Public	Complaint over alleged offence language at Full Council	Initial Assessment undertaken both parties wish to explore mediation				

6 March 2018	ITEM: 7
Standards and Audit Committee	
Complaints & Enquiries Report – April 2017 to September 2017	

Wards and communities affected:	**Key Decision:**
All	Non-key

Report of: Tina Martin, Statutory & Corporate Complaints Manager

Accountable Assistant Director: David Lawson – Assistant Director Legal and Democratic Services (Monitoring Officer)

Accountable Directors: Jackie Hinchliffe – Director of HR, OD & Transformation and David Lawson – Assistant Director Legal and Democratic Services (Monitoring Officer)

This report is: Public

Executive Summary

- The council received a total of 124 external compliments within the reporting period from residents and visitors.

- The number of complaints received for the reporting period is 930. For the same period last year the combined figure for concerns and complaints was 1569, therefore the reporting period represents a reduction which is positive.

- Directorate sheets and service dashboards are attached as Appendix 1. These provide information on the most common (not all) complaints received for the Directorate, with analysis on identified actions undertaken by the service to improve service delivery and reduce complaints. It also outlines performance for those complaints that were escalated throughout the process which resulted in the original complaint outcome being overturned.

- A summary for Adult Social Care complaints is attached as Appendix 2. This provides information on complaint and informal feedback, independent investigation costs, root cause analysis and any associated learning.

- A summary for Children Social care complaints is attached as Appendix 3. This provides information on complaint and informal feedback, any independent investigation costs, root cause analysis and associated learning.

- During the reporting period, 38% of complaints have been upheld. This is an improvement compared with the same period last year which identified 44% of

complaints as being upheld. Detailed analysis on upheld complaints is shown for service areas within Appendix 1, however the reporting period has highlighted:

  - o A reduction in upheld complaints for housing repair related services, which is positive.
  - o An increase in upheld complaints for missed bin collections. This is expected to improve now that the optimised waste collection changes are embedded along with the recruitment of a number of frontline vacant posts.

- For the reporting period, 78% of complaints were responded to within timeframe. This is below the 95% target. Measures have been put in place post September 2017 that has resulted in improved performance (see below).

  - o October 88%
  - o November 91%
  - o December 93%

- A total of 445 MP/MEP enquiries were received, of which 69% were responded to within the timeframe. Measures have put in place post September 2017 that has resulted in improved performance.

- A total of 2040 member enquiries were received, with 92% responded to within timeframe. The average time taken to respond to members enquiries across all Directorates was 5 days.

1. Recommendation(s)

1.1 To note the statistics and performance for the reporting period.

2. Introduction and Background

2.1   This report sets out the council's complaints statistics for the period 1st April 2017 to 30th September 2017.

2.2   Adult Social Care (ASC) and Children's Social Care (CSC) have separate statutory complaints procedures.

2.3   Directorate and service analysis of complaints has been produced and is attached as Appendix 1. The Corporate Complaints Team work with services to establish the root cause for complaints received, to identify reasons for complaint escalation and to establish the reasons why complaints are upheld. Services are required to set SMART objectives outlining outcomes required to improve service delivery.

2.4   Ombudsman Enquiries

2.4.1   The table below provides a summary of formal enquiries where the Local Government Ombudsman (LGO) and/or the Housing Ombudsman (HO) have reached a formal decision on cases within the reporting period. Findings and

recommendations from all enquiries are shared with respective Directors and Assistant Directors.

Area	Issue Nature	Ombudsman Findings	Financial Remedy
Environment & Place (LGO)	Planning permission granted on resident's land	Discontinue investigation	N/A
Environment & Place (LGO)	Failure to remove dwelling	Maladministration, No Injustice	N/A

2.5   MP and Member Enquiries

2.5.1   During the reporting period enquiries were received as follows:

- 2040 member enquiries were received, with 92% responded to within timeframe. The average time taken to respond to members enquiries across all Directorates was 5 days.
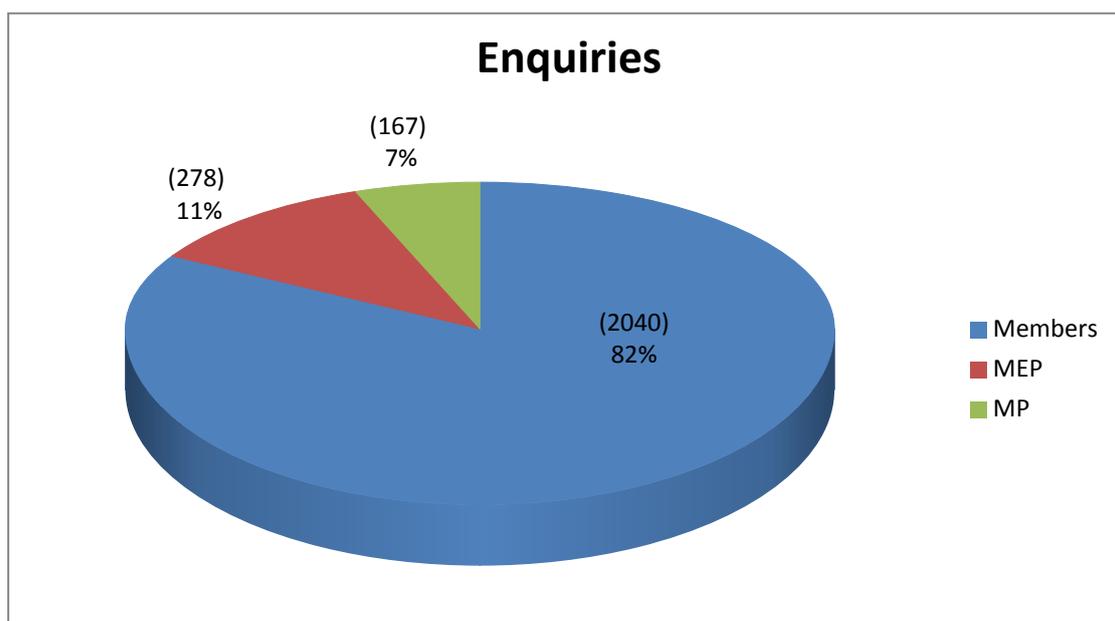
- A total of 445 MP/MEP enquiries were received, of which 69% were responded to within the timeframe.

2.5.2   MP/MEP enquiry trends and common themes are outlined below:

MP/MEP Enquiry trends
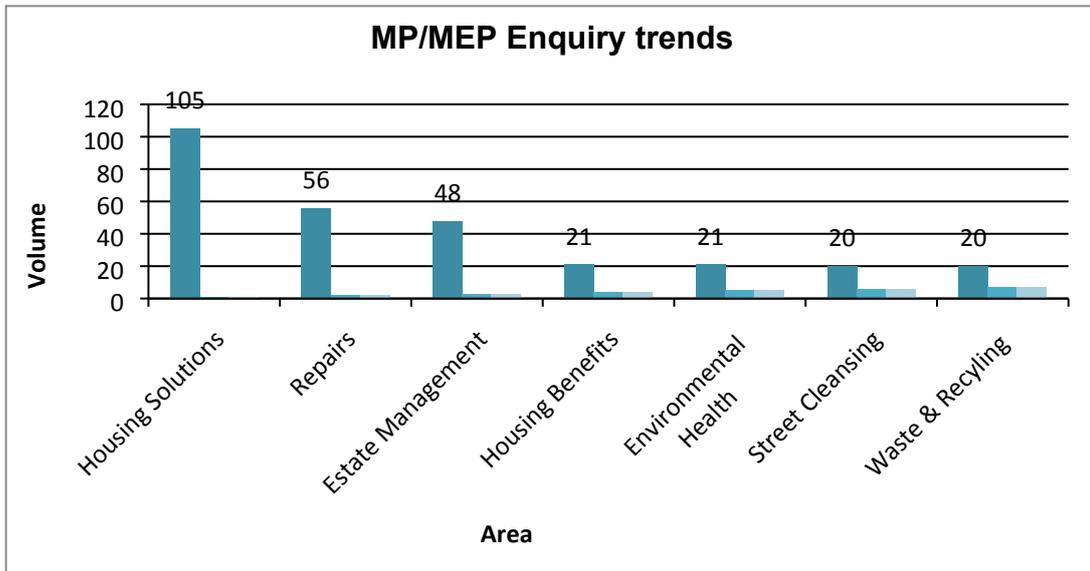
2.5.3 Councillor enquiry trends and common themes are outlined below:

Cllr Enquiry trends
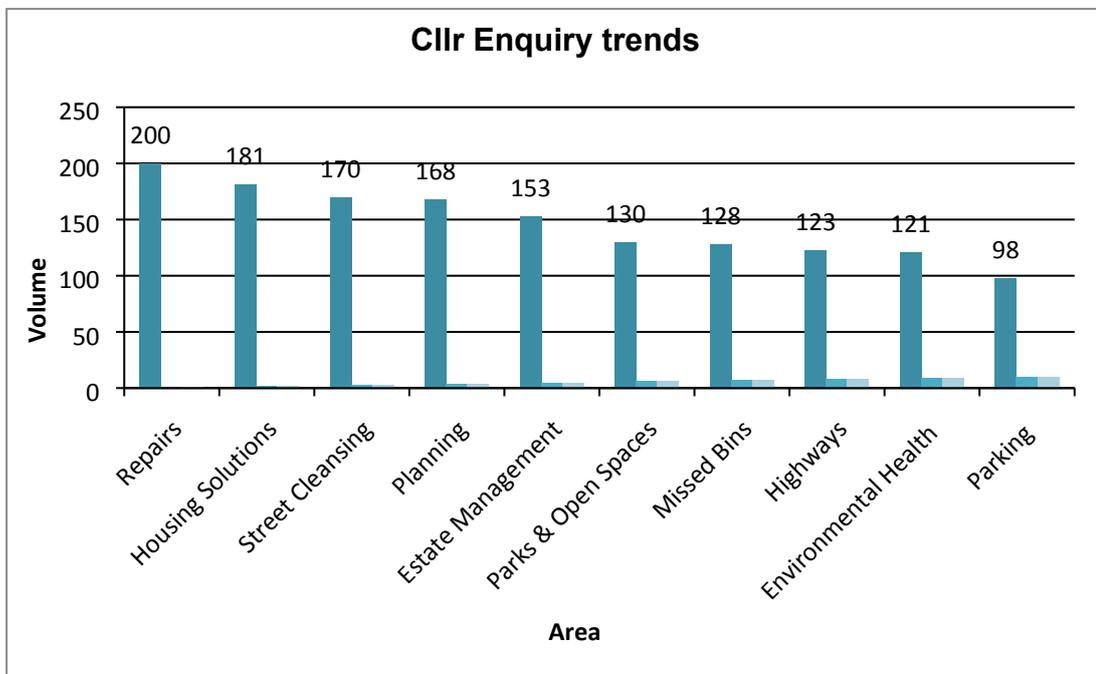
2.6 Learning lessons from complaints

2.6.1 The most important aspect of any complaints management framework is the ability to demonstrate that the council can show evidence that it is learning from complaints received. The service dashboards (Appendix 1) include a high level summary of learning from upheld complaints which has been identified by the Directorates.

2.7 Complaint investigation costs

Complaints which escalate through the complaints procedure can result in additional costs to the council in terms of officer time. Based on analysis it has been estimated that a stage 1 complaint costs £40, a stage 2 complaint costs

£70 and a stage 3 complaint costs £120. As such complaint investigation costs for the reporting period are as follows:

Note – This is based on complaints closed (so will be different to the complaints received figure in the Executive Summary)

Complaint stage	No of complaints	Associated cost
Stage 1	625	£25k
Stage 2	277	£19k
Stage 3	58	£7k

The Directorate Sheets provide more analysis on those complaints where the original complaint outcome was changed following further investigation.

2.8 Alternate Dispute Resolution

Alternate Dispute Resolution (ADR) has been embedded within the corporate complaints process for several years and is implemented as a mechanism to resolve complaints swiftly should the complainant request escalation. This involves assessment of the presenting issues by the Statutory & Corporate Complaints Manager and appropriate recommendations being made. It can also include mediation with the complainant, the service or advising of onward referral to the appropriate Ombudsman.

For both children and adult social care services, ADR commenced in April 2017, with a key aim to reduce costs for the council in appointing independent investigating officers. The Statutory & Corporate Complaints Manager assesses all social care cases where escalation is requested by the complainant. This approach has shown positive outcomes resulting in no complaints for adult or children social care services requiring external independent investigation.

Complainants are seeking resolution and welcome the involvement of a neutral third person who will be able to assist both the complainant and the service in negotiating a settlement to their complaint.

Costs for independent investigations for both children and adult social care services differ depending upon complexity of the case, length of the investigation and in particular the need for independent persons in addition to an independent investigating officer for children's services. However, initial data analysis has shown that on average these costs are:

Adult Social Care   …   £3000 per complaint investigation
Children's Social Care   …   £1800 per stage 2
                                    …   £1000 per stage 3

Within the reporting period at total of 6 ADR's were successfully completed. This has resulted in savings to the respective service although it should be recognised that they can, at times, be resource intensive for the Corporate Complaints Team.

Social care service (adults or children's)	No of escalations received	No of completed ADR's	Estimated Savings
Adult Social Care	1	1	£3000
Children's Social Care	5	5	£9000
		TOTAL	**£12000**

2.9 Compensation

2.9.1 Records confirm that within the reporting period financial compensation payments have been made by the council as outlined below:

Area	Complaint Stage	Financial Remedy
Environment & Place – Street Services	Stage 3	£4,776
Environment & Place – Waste & Recycling	Stage 3	£25
		Total £4,801

2.10 Children's Social Care (CSC)

- Appendix 3 provides a summary dashboard for CSC.

- Children's Social Care operates a statutory complaints procedure. For the reporting period, 26 Stage 1 complaints were recorded. 5 complaints were upheld, 7 complaints were partially upheld and 14 complaints were not upheld. This is compared to last year's annual figures of 94 Stage 1 complaints recorded, 9 complaints upheld, 10 complaints partially upheld and 53 complaints not upheld. 7 were out of jurisdiction and 15 were withdrawn.

- No complaints progressed to Stage 2 independent investigation.

- No complaints progressed to a Stage 3 review panel.

- Other representations received are shown below:

  - 6 compliments

  - 9 MP Enquiries

  - 16 Member Enquiries

  - 11 MEP Enquiries

  - 16 Initial feedback.

2.11 Adult Social Care (ASC)

- Appendix 2 provides a summary dashboard for ASC.

- 14 complaints were investigated in accordance with the statutory adult social care complaints procedure. 8 complaints were upheld, 2 were partially upheld, 4 complaints were not upheld (4 are still on-going and 1 was withdrawn). This is compared to last year's annual figures of 98 complaints investigated, 46 complaints upheld, 12 partially upheld and 26 complaints not upheld. 12 complaints were withdrawn and 2 were out of jurisdiction.

- Other representations received are shown below:

  - 1 MP Enquiry

  - 38 Member Enquiries

  - 5 MEP Enquires

  - 72 compliments

2.12 Complaint channels

2.12.1 There are various means for complainants to register expressions of dissatisfaction. The top themes for the reporting period are shown below:

Digital channel (email, social media, website)	87%
Complaints Form	5%
Telephone	5%
Letter	3%
In Person	0%

2.13 Compliments

2.13.1 The council received a total of 124 external compliments within the reporting period from residents and visitors. Breakdown is below:

Area	Volume
Housing	16
Environment & Place	26
Finance & IT	1
Strategy, Communications & Customer Service	3
HR, OD & Transformation	0
Legal	0
Children's	0
ASC	72
CSC	6
Total	**124**

2.14   **Changes to the complaints process**

2.14.1 **Members Enquiries -** The timeframe for responding to member enquiries was reduced to 7 working days (from 10 working days) with effect from 1st September 2017.

3   Issues, Options and Analysis of Options

3.1   There are no options associated with this paper.

4   Reasons for recommendations

4.1   This report is for noting purposes. There are no recommendations requiring approval.

5   Consultation (including Overview and Scrutiny, if applicable)

5.1   This report was sent to Customer and Demand Board and Director's Board.

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

6.1   Complaints impact on the council's priority of delivering excellence and achieving value for money.

6.2   The complaints process seeks to create a culture of corporate learning from best practice from listening to our customers and by acting on complaints. All complaints received must have learning applied if the complaint outcome is upheld.

6.3   The complaints process aims to improve customers' and users' experience of accessing council services. This will support our customer services strategy.

7   Implications

7.1   Financial

Implications verified by: **Yetsie Adeboye**

Management Accountant

There are no direct financial implications arising from this report.

7.2   Legal

Implications verified by: **David Lawson**

Assistant Director Legal and Democratic Services (Monitoring Officer)

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

- The implementation of our learning from complaints and listening to our residents should lead to a reduction of complaints received and a reduction in those going to the Ombudsman or the Courts.

- Social Care for Adult and Children are required to follow a separate procedure stipulated by the Department of Health (DOH) and Department for Education & Skills (DFES).

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**

Community Development and Equalities Manager

- The Information Management Team will ensure that the Community Development and Equalities Manager are aware of all complaints that have an equality related expression of dissatisfaction.

7.4 Other implications

None

8   Background papers used in preparing the report

- Information has been obtained from the council's complaints system.

9.   Appendices to the report

- Appendix 1 – Directorate performance data analysis and learning outcomes.
- Appendix 2 – ASC Report summary
- Appendix 3 – CSC Report summary

Report Authors:

Tina Martin

Statutory & Corporate Complaints Manager

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Appendix 1

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**ADULTS, HOUSING & HEALTH**

High level summary

Top expressions of dissatisfaction relate to Housing remedial repairs, Transforming Homes programme; delays by contractors and service provision for homeless applications. These include:

- Transforming Homes - Quality of works, conduct of contractors and no updates being provided.
- Repairs - Lack of updates regarding repairs appointments, damp and mould, delays by the contractor and quality of work.
- Housing solutions - Lack of updates, conduct of staff, delays with decision being made on application.
- Estate Management – ASB issues, lack of communication and service charges.

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Repairs	80 (429)	32% (41%)	9 (71)	23 (97)	38% (48%)	13% (N/A)	7 (15)	7 (15)	0% (7%)	0% (N/A)
Housing Solutions	40 (100)	27% (24%)	10 (20)	29 (60)	36% (32%)	3% (N/A)	3 (12)	3 (15)	0% (7%)	0% (N/A)
Estate Management	56 (107)	25% (20%)	6 (22)	24 (57)	21% (26%)	6% (N/A)	4 (10)	5 (15)	33% (26%)	33% (N/A)

Transforming Homes	24 (65)	46% (60%)	1 (11)	7 (15)	60% (67%)	0% (N/A)	1 (3)	1 (3)	0% (N/A)	0% (N/A)

*Last year's full figures are shown in brackets

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

HOUSING – COMPLAINT DASHBOARD 2017/2018

HOUSING ASSET MANAGEMENT

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	Communication – the service are addressing communication issues through Mears Governance Meetings	These continue to be held and form part of the contract management against set KPI's. In addition to this, in-line with Mears own internal procedures, governance meetings take place with Mears and their subcontractors
2	Attitude of staff – this has been addressed by taking appropriate action in line with HR procedures	This continues to take place and is monitored as part of routine business by Mears in order to address and identify any training issues
3	Quality of work – this has been addressed by delivered Toolbox talks	This is business as usual, in addition if a common theme/trend is identified this will be addressed

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	80	32%	9	23	38%	13%	7	7	0%	0%
Last year's stats>>	(429)	(41%)	(71)	(97)	(48%)	(n/a)	(15)	(15)	(7%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • **Why previous commitments has not had an impact or** • **Provide suggested progress going forward or** • **Provide a summary of positive impact**	Additional commentary from the Complaints Team
32% of stage 1 complaints were upheld (based on 93 complaints). These linked to administration errors and processes not being followed properly	Yes – point 1	The service have seen a significant reduction in the volume of complaints received and a reduction in overall upheld volumes, compared to last year's figures. Complaints data is subject to regular review and discussions with contractors take place as required, which includes the production of Learning Actions Plans (LAP). LAP are monitored as part of regular operational and governance meetings with all repair and planned maintenance contractors as part of current contract management arrangements. Actions implemented are with a view to reducing volumes and to prevent unnecessary escalations.	Previous commitments have resulted in improved performance within the reporting period.
38% of stage 2 complaints were upheld (based on 24 complaints). The main trend related to contractor staff complaints which were handled in line with HR	Yes – point 2	Robust contract management and the monitoring of Learning Actions have resulted in significant service improvements across the repairs service. This is evidenced by the	Previous commitments have resulted in improved performance within the reporting period

procedure and staff being reminded of processes		reduction of complaints, including those received and escalated to stage 2, compared to the previous year's figures.	
13% of stage 2 complaint were upheld but were not upheld at stage 1. This related to incorrect information being given within the previous complaint response and a missed appointment	No	There are no common trends in this regard. However, all upheld cases are reviewed with relevant teams/contractors and where applicable learning implemented with a view to preventing any similar occurrences.	Although there are no common trends, service should focus on robust investigation at initial stages and 'getting it right first time' approach

HOUSING – COMPLAINT DASHBOARD 2017/2018

TRANSFORMING HOMES

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	Where complaints are upheld actions are put in place with our contractors to address any themes arising are monitored through ongoing improvement plans	Progress with the Improvement Plan is monitored monthly. Complaint themes are also reviewed on a monthly basis and new actions are included in the plan where applicable. Similar actions were taken regarding upheld complaint report for April – July 2017.
2	English classes have been put into place by a contractor for their workforce to help improve their ability to respond to residents when working in Thurrock homes. In addition to this, the content of all standard letters has been reviewed	Letters have been reviewed to ensure they are clear and contain up to date information. English lessons continue for new operatives and the amount of training is tailored for each individual by the independent training body and is signed off when the person is considered competent. Residents continue to receive ongoing support from our RLO's before and during works. This action also remains on the improvement plan for on-going review
3	The way defects are handled has now been reviewed and the time taken to resolve any defects is now monitored monthly as a performance item with our contractors	A review of the last 3 months shows that the number of defects has reduced and turnaround times have improved

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>> Last year's stats>>	24 (65)	46% (60%)	1 (11)	7 (15)	60% (67%)	0% (N/A)	1 (3)	1 (3)	0% (N/A)	0% (N/A)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • Why previous commitments has not had an impact or • Provide suggested progress going forward or • Provide a summary of positive impact	Additional commentary from the Complaints Team
46% of stage 1 complaints were upheld, based on 26 complaints. These were linked to process issues such as missed appointments and communication	Yes – point 1	There has been an overall reduction in the number of stage 1 complaints. This is confirmation that the improvement plans developed is working to improve service delivery. All team members are aware of the contents of the plan and take part in regular review sessions.	Previous commitments have resulted in improved performance within the reporting period
60% of stage 2 complaints were upheld (based on 5 complaints).	Yes – point 1	There has been a slight reduction in numbers received and % upheld. This	Continued effective monitoring of contractor performance is

The main trend related to contractor staff complaints. Figure for whole of last year was 67%		will be subject to further monitoring	essential to reduce complaint volumes

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**CHILDRENS SERVICES**

High level summary

Top expressions of dissatisfaction relate to Special Educational Needs (SEN) and School Admissions and include:

- Delays with Educational Health and Care (EHC) plan
- Lack of contact from SEN department
- Administration error regarding change of address

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
SEN	7 (17)	63% (41)	1 (3)	6 (8)	75% (50%)	25% (N/A)	1 (4)	2 (4)	50% (25%)	0% (N/A)
School Admissions	1 (7)	0 (14)	0 (0)	0 (5)	0 (60%)	N/A (N/A)	0 (0)	0 (0)	0 (0)	N/A (N/A)

*Last year's full year's figures are shown in brackets

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

CHILDRENS SERVICES – COMPLAINT DASHBOARD 2017/2018

SEN SERVICE

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	The service provided no commitments for the period 2016/2017	

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	7	63%	1	6	75%	25%	1	2	50%	0%
Last year's stats>>	(17)	(41)	(3)	(8)	(50%)	(n/a)	(4)	(4)	(25%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: - Why previous commitments has not had an impact or - Provide suggested progress going forward or - Provide a summary of positive impact	Additional commentary from the Complaints Team
63% of stage 1 complaints were upheld, based on 8 complaints	No previous commitments provided	A Special Educational Needs Board has been set up within the Directorate. This is aimed at addressing the performance issues, root causes and common themes of complaints. This will allow SMART objectives to be captured to improve performance for this service.	The Complaints Team will monitor progress via the SEND Board on a regular basis and assist the service where appropriate
75% of stage 2 complaints were upheld, based on 4 complaints	No previous commitments provided	As above	As above
25% of stage 2 complaints were upheld but were not upheld at stage 1, so complaints overturned	No previous commitments provided	As above	As above
50% of stage 3 complaints were upheld, based on 2 complaints	No previous commitments provided	As above	As above

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**ENVIRONMENT & PLACE**

High level summary

Top expressions of dissatisfaction include:

- Bins not being collected on dedicated collection day.
- Lack of contact from Planning Department
- Service delays
- Data Protection issues
- Bins not being put back in the correct place.
- Lack of maintenance of recreation grounds and open spaces
- Staff complaints

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Missed Bin Collections	101 (190)	78% (66%)	8 (13)	8 (27)	88% (52%)	13% (N/A)	0 (4)	1 (4)	(100%) (50%)	0% (N/A)
Planning	32 (60)	18% (19%)	8 (15)	13 (31)	7% (21%)	0% (N/A)	6 (7)	6 (7)	0% (14%)	0% (N/A)

Non Return of Bins	22 (22)	48% (73%)	7 (7)	7 (7)	17% (43%)	0% (N/A)	2 (1)	2 (3)	100% (67%)	33% (N/A)
Parks & Open Spaces	19 (31)	44% (19%)	2 (4)	3 (5)	100% (60%)	0% (N/A)	2 (1)	2 (0)	50% (100%)	0% (N/A)
Waste & Recycling - Customer Relations	6 (2)	75% (100%)	1 (2)	14 (33)	40% (87%)	0% (N/A)	0 (1)	0 (1)	0% (100%)	0% (N/A)
Waste & Recycling – Driving Standards	3 (1)	33% (0%)	1 (0)	6 (11)	29% (56%)	0% (N/A)	0 (0)	0 (0)	0% (0%)	0% (N/A)

*Last year's full year's figures are shown in brackets

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

Environment & Place – COMPLAINT DASHBOARD 2017/2018

Waste & Recycling (Missed Bin collections)

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	A review of the existing collection system and routes, planned improvement from a 'pepper pot' system to a 'sweep system' was to be introduced	Optimisation route was introduced in May 2017
2	Continue to actively engage frontline crews to ensure they understand the impact of complaints and their role in performance	Various monitoring documents have been introduced to ensure front line staff are clear on expectations and are adhering to written instructions where required.
3	Continue to actively engage the Waste Management Team to improve management skills and knowledge. A bespoke training programme will be created with the Training team which will include complaint management	Bespoke management training programme has been set up with My Learning to develop management skills and knowledge. Some sessions have been delivered but due to staff leaving this has been put on hold pending new incoming staff
4	Performance monitoring with crews regarding stage 2 complaints, including individual meetings with crews to address and monitor matters of concern as part of the PDR process	This has been a significant challenge with reduced management resources but meetings have been held with crews and individuals as part of complaint investigation processes. More work needs to be done on this.

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	101	78%	8	8	88%	13%	0	1	(100%)	0%
Last year's stats>>	(190)	(66%)	(13)	(27)	(52%)	(n/a)	(4)	(4)	(50%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • Why previous commitments has not had an impact or • Provide suggested progress going forward or • Provide a summary of positive impact	Additional commentary from the Complaints Team
78% of stage 1 complaints were upheld and properties were added to the monitoring list (100 complaints)	Yes – points 1,2,3	Whilst the introduction of optimised waste collection operations has overall been a success, the changes have meant that 79% of households have been impacted by this change. Given the scale of the changes to the collection service the current level of missed bin performance (just below target) is a significant achievement and was expected.	Robust monitoring of the service commitments should result in improved performance

		Written instructions to crews have been consistently provided regarding complaints. Agency staff covering A/L and sickness (who may be unfamiliar with routes) may have also impacted on service levels over the summer months	
88% of stage 2 complaints (8) were upheld and 13% of stage 2 were upheld that had not been upheld at stage 1 so the complaint outcome was overturned following escalation. This was due to incorrect information being provided in the stage 1 response	Yes – points 1,2,3,4	Close monitoring of stage 2's (via Hotspot monitoring list) has been in place as standard procedure for managing missed bins.

Supervisors carry out weekly site visits to stage 2 households and maintain contact with residents where possible to reassure action is being taken. Work related instructions are issued and monitored by supervisors.

On occasions some site visits have been missed and this was due to unavailability of supervisors (annual leave, vacant posts, and agency staff). | There have been issues when monitoring has not taken place due to resources following staff absences, however overall the monitoring appears to have reduced repeated complaints

Service may want to consider how feedback is given to complainants when monitoring cannot be fulfilled due to leave, e.g. a call to the resident about impending leave could negate a formal stage 3 |

ENVIRONMENT & PLACE – COMPLAINT DASHBOARD 2017/2018

Non Return of Bins

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	Further in house training, written notifications provided to crews to address correct return of bins as required.	Training has been provided to crew members in April 2017. Written work related instruction have been provided to crews when issues arise and meetings held with crews have taken place to discuss repeated occurrences at the same address.
2	Review of return of bins procedure and improved publicity to residents	Outstanding
3	Better management of residents expectations	Outstanding

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	22	48%	7	7	17%	0%	2	2	100%	33%
Last year's	(22)	(73%)	(7)	(7)	(43%)	(n/a)	(1)	(3)	(67%)	(n/a)

stats>>

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • Why previous commitments has not had an impact or • Provide suggested progress going forward or • Provide a summary of positive impact	Additional commentary from the Complaints Team
48% of stage 1 complaints were upheld , written instructions were provided to the crew and they were reminded of the service standard expected	Yes – point 1	Written instructions to crews have been consistently provided regarding complaints.	The % upheld figure has reduced which is positive.
17% of stage 2 were upheld, monitoring was requested to reduce issues	Yes – point 1	Close monitoring of stage 2's (via Hotspot monitoring list) has been in place as standard procedure for over a year. Supervisors carry out weekly site visits to stage 2 households and maintain contact with residents where possible to reassure action is being taken.	The % upheld figure has reduced which is positive
100% of stage 3 were upheld, learning related to reviewing policies and service standards. 1 complaint was overturned from not upheld at a stage 2	Yes – point 2	The reasons for disruptions have been, and continue to be addressed. A key theme is staff taking time to familiarise themselves with the changes to routes with the introduction of new rounds and ways of working.	

		Where crews are covering sickness/annual leave this is also a challenge for consistent delivery of service. Crews have been consistently supported to manage the changes via individual and group meetings, work related instructions and close monitoring etc. The service has been stabilised by recruiting 34 frontline employees into vacant posts since January.	

ENVIRONMENT & PLACE – COMPLAINT DASHBOARD 2017/2018

Parks & Open Spaces

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	No previous commitments were requested by the Complaints Team	n/a

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	19	44%	2	3	100%	0%	2	2	50%	0%
Last year's stats>>	31	(19%)	(4)	(5)	(60%)	(n/a)	(1)	(0)	(100%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • Why previous commitments has not had an impact or	Additional commentary from the Complaints Team

		Provide suggested progress going forward or **Provide a summary of positive impact**	
44% of stage 1 upheld, procedures to be reviewed and monitoring of work to avoid service delays	No	The stage 1 complaints that were upheld cover a number of different themes. The current activities being undertaken within the service that will help to ensure that complaints are not upheld or repeated include: - The recruitment of an Area Senior Supervisor who is more closely managing and co-ordinating the approach taken in the grounds maintenance, street cleansing and parks/open spaces teams - Work is also underway to implement a back office system that will provide clearer details of grass cutting schedules and the completion of work.	
100% of stage 2 were upheld, staff have been spoken to. These complaints escalated to stage 3 with 50% upheld as the service were required to improve communication with residents	No	Two changes have been implemented within Street Services that will hopefully reduce upheld complaints (see below) There is an ongoing and intensive training programme to encourage front line staff working in all services to understand their roles as ambassadors of the council and to recognise the importance of	Suggested approach should result in a reduction of staff complaints

		customer relations/services - The recruitment of an Area Senior Supervisor who will manage the grounds maintenance, street cleansing and parks/open spaces teams.	

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**FINANCE & IT**

High level summary

Top expressions of dissatisfaction relate to Council Tax, Housing Benefit, Sundry Debtors and Corporate Finance, these include:

- Complaints regarding Council Tax demand letters.
- Delays with refunds being processed.
- Lack of contact from Council tax Department
- Issues with Council tax student exemptions being applied
- Delays with amendments being made to accounts.
- Delays and errors in the processing of benefit claims.
- Overpayment letters are not clear.
- Payments stopped with no notification.
- Attitude of staff within the Sundry Debtors service.
- Recovery action taken is unjustified.
- Incorrect information sent from Corporate Finance

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Council Tax	55 (111)	37 (17%)	9 (18)	18 (23)	25 (13%)	10% (N/A)	4 (2)	4 (2)	0% (0%)	0% (N/A)
Housing Benefit	15 (71)	38% (30%)	2 (11)	2 (20)	0% (35%)	0% (N/A)	1 (4)	1 (5)	0% (0%)	0% (N/A)
Sundry Debtors	12 (27)	15% (11%)	3 (1)	16 (69)	9% (12%)	0% (N/A)	6 (3)	6 (3)	0% (0%)	0% (N/A)
Corporate Finance	1 (6)	100% (67%)	0 (0)	0 (0)	0% (0%)	0% (N/A)	0 (0)	0 (0)	0% (0%)	0% (N/A)

*Last year's full year's figures are shown in brackets

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

FINANCE & IT – COMPLAINT DASHBOARD 2017/2018

Council Tax

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	Whilst the reporting period has seen a significant reduction in complaint volumes, the focus is to consider further improving this trend whilst continuing to maintain excellent recovery rates through debt recovery at the right time, in the right way and with the right message	The majority of complaints in this period related to delays attributed to high work volumes and staff absences in the billing team at year end and were not recovery related. Vacancies have now been filled and turnaround times are now with target.

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	55	37%	9	18	25%	10%	4	4	0%	0%
Last year's stats>>	(111)	(17%)	(18)	(23)	(13%)	(n/a)	(2)	(2)	(0%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • **Why previous commitments has not had an impact or** • **Provide suggested progress going forward or** • **Provide a summary of positive impact**	Additional commentary from the Complaints Team
37% of stage 1 upheld, relating to service delays attributed to insufficient staff numbers and peak billing times	See above.	Complaints regarding the debt team have greatly reduced. Going forward complaint reporting will be split between billing and debt recovery.	
25% of stage 2 upheld relating to admin errors by the team which has been addressed with specific advisors	See above	Complaints regarding the debt team have greatly reduced. Going forward complaint reporting will be split between billing and debt recovery.	

FINANCE & IT – COMPLAINT DASHBOARD 2017/2018

Housing Benefits

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	The number of complaints received within the reporting period is low based on the volume of benefit claims processed, however the team will continue to work on areas to improve both timeliness and accuracy of when assessing claims.	The number of complaints continues to remain low in comparison to claims processed. The timeliness and accuracy of assessment remains business as usual for the service and is encouraging to see this area continuing to improve

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	15	38%	2	2	0%	0%	1	1	0%	0%
Last year's stats>>	(71)	(30%)	(11)	(20)	(35%)	(n/a)	(4)	(5)	(0%)	(n/a)

Analysis – key themes /	Does this link back	Comments to explain:	Additional commentary from

concerns	to previous commitments?	• **Why previous commitments has not had an impact or** • **Provide suggested progress going forward or** • **Provide a summary of positive impact**	the Complaints Team
Significant reduction is stage 1 complaints being received	Yes – point 1	This is an improvement on previous reporting	
38% of stage 1 complaints upheld, root causes were service delays due to high work volumes and errors made by advisors	Yes – point 1	The number of complaints continues to remain low in comparison with claims processed	
Fewer staff complaints being received	Yes – point 1	This is an improvement on previous reporting	

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**HR, OD & TRANSFORMATION**

High level summary

Top expressions of dissatisfaction relate to Corporate Complaints & FOI and Organisational Development and include:

- Unhappy with the recruitment process.
- Qualifications of staff
- Agency pay entitlement
- Grievances process
- Delay in processing a subject access request.

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Complaints/FOI/DP	5 (2)	80% (50%)	1 (0)	4 (0)	25% (0%)	0 (N/A)	1 (0)	1 (0)	100% (0%)	100% (N/A)
Organisational Development	2 (1)	0 (0%)	1 (0)	3 (0)	0 (0)	0 (N/A)	1 (0)	1 (0)	0% (0%)	0% (N/A)

*Last year's full year's figures are shown in brackets

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

HR, OD & TRANSFORMATION – COMPLAINT DASHBOARD 2017/2018

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	No service commitments required by the Complaints Team	N/a

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	5	80%	1	4	25%	0	1	1	100%	100%
Last year's stats>>	(2)	(50%)	(4)	(0)	(0%)	(n/a)	(0)	(0)	(0%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • Why previous commitments has not had an impact or • Provide suggested progress going forward or • Provide a summary of positive impact	Additional commentary from the Complaints Team
80% of stage 1 upheld due to	None set	Last year's figure of 50% related to a	Commitment given should

delays in processing Subject Access Requests.		single complaint. During 2016/17, the council received 47 Subject Access Requests and 83% (39) were processed within the statutory timeframe. 4 of the 8 requests that missed the deadline were received at the same time and were large requests resulting in staged disclosures being made. The team need to improve how it communicates staged disclosures going forward to avoid future upheld complaints	result in no further complaints of this nature

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**LEGAL**

High level summary

Top expressions of dissatisfaction relate to Democratic & Electoral Services and Legal Services and include:

- Issues with delivery of polling cards
- Location of polling stations
- Adherence to fair procurement policy
- Lack of update received from Legal Services.

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Democratic & Electoral Services	2 (1)	50% (0%)	0 (1)	0 (4)	0 (50%)	N/A (N/A)	0 (0)	0 (0)	0 (0)	N/A (N/A)
Legal Services	1 (4)	0 (50%)	1 (1)	2 (4)	67% (25%)	0 (N/A)	1 (2)	1 (2)	0 (50%)	0 (N/A)

*Last year's full year's figures are shown in brackets

					SIX MONTH COMPLAINT SUMMARY:	2017/2018			

SIX MONTH COMPLAINT SUMMARY: **2017/2018**

DIRECTORATE: **STRATEGY, COMMUNICATIONS & CUSTOMER SERVICE**

High level summary

Top expressions of dissatisfaction relate to the Contact Centre, the Communications Team and Face to Face (F2F) and include:

- Unhappy with advice given by Contact Centre advisors
- Telephone call transferred to incorrect department
- Telephone calls not returned
- Communications regarding bin collection changes
- Advertising procurement procedure
- Mishandling of documents when providing them to F2F.
- Staff conduct.

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Contact Centre	8 (10)	50% (90%)	1 (0)	4 (12)	67% (50%)	33% (N/A)	1 (0)	1 (0)	0 (0%)	0 (N/A)
Communications Team	4 (0)	50% (0%)	2 (0)	2 (0)	0% (0%)	0% (N/A)	0 (0)	0 (0)	0 (0)	N/A (N/A)
F2F	2 (4)	0% (100%)	1 (0)	4 (6)	50% (67)	25% (N/A)	0 (0)	0 (0)	0 (0)	N/A (N/A)

*Last year's full year's figures are shown in brackets

STRATEGY, COMMUNICATONS & CUSTOMER SERVICE – COMPLAINT DASHBOARD 2017/2018

Contact Centre

	Service commitments submitted by the service for the year 2016/2017	Progress summary provided by the service
1	Complaints relating to the contact centre remain low compared to number of calls received, however the service will continue to undertake quality/monitoring checks to ensure call advisors handle calls effectively	Call quality monitoring is a BAU activity and a selection of every advisor calls are monitored monthly. Feedback is given and the advisors are scored against the call handling criteria which feeds into their PDR's
2	Advisors to continue to attend customer care training	This is BAU however a new Customer Care programme for council wide employees is also in development following new customer services strategy development
3	Individual feedback is given for staff performance related complaints	Individual feedback is always given in relation to any complaints in addition to continuous feedback from call quality monitoring and our customer satisfaction tool

Complaint data for April to September 2017	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
April-Sept stats>>	8	50%	1	4	67%	33%	1	1	0	0
Last year's	(10	(90%)	(0)	(12)	(50%)	(n/a)	(0)	(0)	(0%)	(n/a)

Analysis – key themes / concerns	Does this link back to previous commitments?	Comments to explain: • **Why previous commitments has not had an impact or** • **Provide suggested progress going forward or** • **Provide a summary of positive impact**	Additional commentary from the Complaints Team
50% of stage 1 upheld relating to human errors such as incorrect information being given to residents	Yes – points 1,2,3	2016/17 commitments are still in place and ongoing for 17/18 and will continue during 2018/19. Customer care training pilot commences during December 2017 and will be rolled out during 2018.	

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**CHILDRENS SERVICES (CORPORATE BUT SOCIAL CARE RELATED)**

High level summary:

These complaints relate to Children's Social Care that **do not** impact on social work registration and include staff complaints

Top expressions of dissatisfaction relate to temporary accommodation conditions, Data Protection breaches and staff complaints

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Family Support Team	2	50%	0	4	0%	0	0	0	0	0
Children & Families Assessment Team	1	0%	0	4	25%	0	0	0	0	0
Safeguarding	0	0%	0	1	0%	0	0	0	0	0
Disabled Children	0	0%	0	1	100%	0	0	0	0	0
Adoption	0	0%	0	1	100%	0	0	0	0	0

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

Points to Note:

- Family Support Team – 50% of stage 1 complaints were upheld, based on 2 complaints. The learning from this were that guidelines were issued to team members regarding the sharing of third party information

- Children & Families Assessment Team – 25% of stage 2 complaints were upheld, based on 4 complaints. This related to a data breach which was being investigated via HR processes.

- Disabled Children – 100% of stage 2 complains were upheld, based on 1 complaint. The member of staff was given additional training regarding errors made on assessment documents.

- Adoption – 100% of stage 2 complaints were upheld, based on 1 complaint. The data breach was discussed with the individual during their supervision meetings.

SIX MONTH COMPLAINT SUMMARY:	2017/2018
DIRECTORATE:	**ADULT SOCIAL CARE SERVICES (CORPORATE BUT SOCIAL CARE RELATED)**

High level summary

These complaints relate to Adult Social Care that do not impact on social work registration and include staff complaints

Top expressions of dissatisfaction relate to incorrect invoices and Data Protection issues.

	S1 rec'd	% upheld	S1 escalated	S2 rec'd	% upheld	% of S2 upheld, that were not upheld at S1	S2 escalated	S3 rec'd	% upheld	% of S3 upheld, that were not upheld at S2
Customer Finance	2	100%	0	1	0%	0%	1	1	100%	100%
Transitions Team	0	0%	0	1	100%	0%	0	0	0%	0%

Please note: The Complaints Team will investigate a complaint direct at stage 3 when an assessment of the case is deemed appropriate

Points to Note:

- Customer Finance - 100% of stage 1 complaints were upheld (based on 2 complaints). Staff were spoken to regarding incorrect details on invoices and for one complaint, the amount was written off as a goodwill gesture.

- Customer Finance - 100% of stage 3 complaints were upheld (based on 1 complaint). This was overturned from not being upheld at a stage 2. Services were reminded of the need to accurately process payments

- Transitions Team – 100% of stage 2 complaints were upheld, based on 1 complaint. The staff member was spoken to about the importance of adhering to the Data Protection policy.

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ADULT SOCIAL CARE COMPLAINTS DASHBOARD 2017/2018

SUMMARY

A high level summary on quarterly feedback is detailed below together with root causes. For those complaints that have been concluded as upheld, the service has identified learning outcomes. A key performance indicator is the timeliness of responses for those complaints that are due a response in month.

Types of feedback: This is classified into four groups:

- *Initial feedback* – low risk, non-complex types of feedback that can be resolved quickly and without the need to be investigated through the statutory complaints procedure
- *Low Intervention* – minor inconvenience or discomfort, lack of information or information not in appropriate format, access issues etc.
- *Medium intervention* – moderate harm e.g. delayed assessment, failure to meet care needs, loss of property etc.
- *High intervention* – as above but involving more than one organisation, events resulting in serious individual harm etc.

Feedback:	Initial Feedback	Low Intervention	Medium Intervention	High Intervention	No. withdrawn	Total to be investigated	Cases closed*	% of complaints upheld (closed in month)	% timeliness of response for those due in month
April - Sept	**28**	**14**	**5**	**0**	**1**	**18**	**14**	**71%**	**93%**

*This figure *may* be different from the total received, due to the time taken to investigate a complaint

Root cause analysis and associated learning:

Complaints are analysed and the top three themes are identified below for each quarter, learning from upheld complaints is recognised by the service as part of complaint resolution. The Complaints Team will ensure the case studies are shaped as appropriate and that learning is embedded.

Root cause analysis and learning from upheld complaints:	Root Cause 1 and associated learning	Root Cause 2 and associated learning	Root Cause 3 and associated learning
April – Sept	Service delays and assessment	Missed appointments, quality of care	Staff conduct
Learning	…change of procedure and staff training	…staff training, change of procedure	...staff training

CHILDREN SOCIAL CARE COMPLAINTS DASHBOARD 2017/2018

SERVICE SUMMARY:

A high level summary on quarterly feedback is detailed below together with root causes. For those complaints that have been concluded as upheld, the service has identified learning outcomes. A key performance indicator is the timeliness of responses for those complaints that are due a response in month.

Feedback:	Initial Feedback	S1 complaints	S1 escalation	S2 complaints	S2 escalation	S3 complaints	No of ADR cases	Cases closed*	% of complaints upheld (closed in month)	% timeliness of response for those due in month
Apr – Sept	16	26	0	0	0	0	5	24	50%	81%

*This figure *may* be different from the total received, due to the time taken to investigate a complaint

Cases which required Alternative Dispute Resolution (ADR) are managed by the Complaints Team.

Root cause analysis and associated learning:

Top three themes are identified below for the reporting period, learning from upheld complaints is recognised by the service as part of complaint resolution. The Complaints Team will ensure the case studies are shaped as appropriate and that learning is embedded.

Root cause analysis and learning from upheld complaints:	Root Cause 1 and associated learning	Root Cause 2 and associated learning	Root Cause 3 and associated learning
Learning for Apr – Sept 2017	**Quality of assessment** ..to ensure that completed assessments are quality checked prior to release to ensure they are	**Communication** ... to ensure communication is improved between staff and service users and members	**Time management** …to ensure that court reports are prepared in good time and are quality checked prior to the court

	fit for purpose		filing date …to ensure that any change of circumstances is updated on the LCS system as a matter or priority

6 March 2018	ITEM 8
Standards and Audit Committee	
Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework	

Wards and communities affected: All.	**Key Decision:** Non-key.

Report of: Andy Owen, Interim Insurance & Risk Manager

Accountable Assistant Director: N/A

Accountable Director: Sean Clark, Director of Finance & IT

This report is a public report.

Executive Summary

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

To enable Standards and Audit Committee to consider the effectiveness of the Council's ROM arrangements the report is presented on an annual basis.

The report provides details of how the Council's ROM arrangements compare against good practice, outlines the current ROM activity, the proposals to maintain/improve the practice across the organisation and includes the updated ROM Policy, Strategy and Framework.

1.   Recommendation(s)

1.1   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.

1.2   That Standards and Audit Committee note and approve the updated ROM Policy, Strategy and Framework.

2.   Introductions and Background

2.1   Risk and Opportunity Management is an integral part of the Council's Corporate Governance and Performance Management arrangements and the Council has a statutory responsibility under the Account and Audit Regulations to put in place arrangements for the management of risks.

2.2   The Council has for a number of years used the ALARM/CIPFA Risk Management framework to test the Council's performance against best practice and for some of those years employed the model to compare scores with other public service organisation results.

2.3 For the 2017 ROM review the Council decided that it was not cost effective to sign up to the ALARM/CIPFA model. However the framework has been used to structure the exercise but means there is no benchmarking data available as a result of this approach.

2.4 The ALARM/CIPFA framework resembles the European Foundation for Quality Management model (EFQM) and breaks down risk management activity into seven strands with five focussed on enablers and two focussed on results:

Enablers criteria for Risk Management	Results criteria for Risk Management
A. Leadership & Management	F. Risk Handling & Assurance
B. Policy & Strategy	G. Outcomes & Delivery
C. People	
D. Partnerships & Resources	
E. Processes	

2.5 The Enabler section covers what an organisation does and the Results section covers what an organisation achieves. Each strand is covered by a series of questions that are designed to explore where the organisation scores against best practice. The answers to the questions are weighted to reflect their relative impact on performance and collated into a final score for each strand.

2.6 These results are then used to calculate the overall scores for the Enabler and Results sections. A summary of Thurrock's scores against the model is outlined below:

ENABLERS			Score
A	4/4	**LEADERSHIP & MANAGEMENT**	**75/100**
1	✓	Information and decision making	24/32
2	✓	Escalation and reporting systems	10/12
3	✓	Accountability and management responsibility	24/32
4	✓	Leading risk management implementation	17/24

B	2/2	**POLICY & STRATEGY**	**75/100**
1	✓	Risk management policy	50/60
2	✓	Strategy	25/40

C	4/4	**PEOPLE**	**71/100**
1	✓	Culture	20/25
2	✓	Responsibility	14/20
3	✓	Skills and guidance - capability	21/35
4	✓	Communication	16/20

D	3/3	**PARTNERSHIPS & SHARED RESOURCES**	**70/100**
1	✓	Partnerships and shared services	35/50
2	✓	Finance	20/30
3	✓	Tools	15/20

ENABLERS			Score
E	6/6	**PROCESSES**	**74/100**
1	✓	Links to business/service processes overview	25/35
2	✓	Risk Identification and Analysis	25/30
3	✓	Risk response	10/15
4	✓	Risk reporting and review	4/5
5	✓	Information Risk	4/5
6	✓	Service Continuity	6/10

RESULTS			Score
F	2/2	**RISK HANDLING & ASSURANCE**	**71/100**
1	✓	Risk handling	43/60
2	✓	Assurance	28/40

G	2/2	**OUTCOMES & DELIVERY**	**70/100**
1	✓	Risk management contribution to overall performance	40/60
2	✓	Contribution to specific outcomes	30/40

Comparison to Alarm's National Performance Model for Risk Management

ENABLERS LEVEL KEY		
	Level 5 - Driving	85%+
Your Score-->	Level 4 - Embedded and integrated	70%+
	Level 3 - Working	45%+
	Level 2 - Happening	20%+
	Level 1 - Awareness	0+

RESULTS LEVEL KEY		
	Level 5 - Driving	85%+
Your Score-->	Level 4 - Embedded and integrated	70%+
	Level 3 - Working	45%+
	Level 2 - Happening	20%+
	Level 1 - Awareness	0+

2.7 The Council has attained Level 4 - Embedded and integrated for the Enabler and Results criteria.

3. Analysis and Evaluation of Results

3.1 The table below shows Thurrock's scores against the model for the years 2011 to 2017:

Strand	Year						
	2011	2012	2013	2014	2015	2016	2017
A. Leadership & Management	62	62	72	73	75	75	75
B. Policy & Strategy	34	63	73	75	75	75	75
C. People	59	68	69	71	71	71	71
D. Partnership & Shared Resources	56	56	65	70	70	70	70
E. Processes	67	70	72	74	74	74	74
F. Risk Handling & Assurance	53	64	66	66	66	66	71
G. Outcome & Delivery	60	65	68	68	70	70	70

3.2 The review has revealed that:
- For all 7 strands the Council has attained Level 4 – embedded and integrated (70%+).
- For 6 of the 7 strands the Council's score is 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.
- For 1 of the 7 strands the Council's scores have improved. The review identified that there is evidence to show that Risk and Opportunity Management approaches are having beneficial effects, contributing to overall performance and delivery outcomes. Examples include:

  * Economic Growth Strategy established to address growth and development of local economy via the formation of growth hubs (e.g. Tilbury). Recognised that there will be dynamic changes to the area brought about by large scale projects like the Tilbury Port Expansion. Tilbury Development Framework established to coordinate the key elements of change that drive place making. A vision, strategic objectives/analysis are incorporated in framework. Key opportunities and development needs identified include - Development of medical centre; development of homes; further development/use of community hub facility and improvements to commercial, recreational, open space and cultural facilities.

  Elements of risk/opportunity approaches linked to the above include:
    - Economic Growth Strategy outlines priorities, progress, constraints/challenges (risks) and opportunities for growth.
    - Tilbury Development Framework outlines objectives and incorporates Strengths, Weaknesses, Opportunities and Threats analysis (SWOT)
    - Opportunities for Business/NNDR Growth, Thurrock Regeneration Ltd, Community Hubs and Raising the Borough Profile/Image

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incorporated in the Strategic/Corporate Risk and Opportunity Register.

∗ Sustainable Health & Social Care System for Thurrock incorporated in the Annual Public Health Report. Report includes strategic analysis of issues and proposed way forward. Number of key measures identified to address position, including – Primary Care Improvement Plan; Implementation of integrated community based approach for 65s and over under the Better Care Fund Programme 2017-19; Enhancing the built environment through the development of modern and specialist housing/residential care homes; Creating single point of access and integration of H&SC services via Thurrock First initiative; Improve access to high quality services by providing integrated medical centres and the development of local micro enterprises linked to hubs to provide services to address supply/demand pressures.

Elements of risk/opportunity approaches linked to the above include:
  − Sustainable H&SC System for Thurrock report includes strategic analysis of issues, negative impacts (risks) and proposed measures/opportunities (including positive impacts).
  − Risks for H&SC Transformation and Adult Social Care Cost & Quality Standards and opportunity for Community Hubs incorporated in the Strategic/Corporate Risk & Opportunity Register.

3.3 A summary of the current ROM activity and proposals to maintain and further embed the practice across the organisation are included in **Appendix 1**.

3.4 The challenge facing the Council is to ensure that adequate ROM arrangements remain in place and form part of the decision making process both at operational and strategic levels.

3.5 As part of the review the ROM Policy, Strategy and Framework has been refreshed and some minor changes made to update the document. The updated ROM Policy, Strategy and Framework are included in **Appendix 2.**

4.   Reasons for Recommendation

4.1 To enable Standards and Audit Committee to consider the effectiveness of the Council's ROM arrangements the report is presented on an annual basis.

4.2 The report provides details of how the Council's ROM arrangements compare against good practice and outlines the current ROM activity and proposals to maintain and improve the practice across the organisation.

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

5.1 The results of the benchmarking exercise, outline of the current ROM activity and proposals to maintain and improve the practice across the organisation were be reported to Directors Board 13th February 2018, via Performance Board 29th January 2018.

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: **Dammy Adewole**

Management Accountant

There are no direct financial implications as a result of this report. Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduced the likelihood of financial claims and/or loss faced by the Council.

7.2 **Legal**

Implications verified by: **David Lawson**

Assistant Director of Law & Governance

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

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**

Community Development Officer

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

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

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

Background papers used in preparing the report:

- ALARM/CIPFA Risk Management Benchmarking Model – Review papers.

Appendices to the report:

- Appendix 1 – Summary of Current Activity and Proposals to Maintain and Embed the Practice

- Appendix 2 – Risk & Opportunity Management Policy, Strategy & Framework

Report Author:

Andy Owen

Interim Insurance & Risk Manager

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Summary of Current ROM Activity and Proposals to Maintain/Embed the Practice

ROM Priorities	Summary of Current ROM Activity
• Review and Update the ROM Policy, Strategy and Framework	• ROM Policy, Strategy & Framework updated and reported to Standards & Audit Committee 28th Feb 2017, via Directors Board 24th Jan 2017 and Performance Board representatives 5th Jan 2017. • The revised ROM Policy, Strategy & Framework presented to Department Management Teams March 2017 to maintain ROM awareness across the Council.
• Maintain Strategic/Corporate level ROM	• Review and reporting arrangements for the Strategic/Corporate Risk and Opportunity Register compiled and Performance Board and Department Management Teams made aware of the 2017/18 arrangements Mar 2017. • In Quarter 1 Refresh of the Strategic/Corporate Risk and Opportunity Register undertaken during Mar to May 2017 and reported to Standards & Audit Committee 6th Jul 2017, via Directors Board 27th May 2017 and Performance Board 2nd May 2017. Report papers shared with Cabinet Members. • Mid-Year Review of the Strategic/Corporate Risk and Opportunity Register undertaken during Sept to Oct 2017 and reported to Standards & Audit Committee 23rd Nov 2017, via Directors Board 24th Oct 2017 and Performance Board 12th Oct 2017. Report papers shared with Cabinet Members. • In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register commenced Jan 2018 and to be reported to Directors Board 13th Mar 2018 via Performance Board 5th Mar 2018.
• Maintain and further develop Service level ROM, including project and partnership ROM.	• Support provided to Performance Board for the review of Service/Team Planning arrangements for 2017/18. ROM section of Service Plan template/guidance for 2017/18 updated and Service Plans (including risk and opportunity registers) developed Mar 2017. • Guidance and templates for project level ROM reviewed, updated. • Partnership ROM reviewed and principles that should be applied by services when working with Partners or Third Parties incorporated in the Finance Procedure Rules of the Constitution.
• Continue to embed ROM and build skill/capacity for ROM across the Council.	• Department Management Teams made aware of the ROM arrangements/guidance available Mar 2017. • ROM information regularly updated and made available on the shared file on Objective (central filing system). • ROM information on Intranet updated (e.g. forms). • ROM Awareness Training material updated. • ROM awareness training provision reviewed, e-learning modules researched and development commenced. • Risk management arrangements reviewed against the ALARM/CIPFA RM Model (including review of the ROM Policy & Strategy). Report to be presented to Standards and Audit Committee 6th Mar 2018, via Directors Board 13th Feb 2018 and Performance Board 29th Jan 2018.

ROM Priorities	Summary of Proposals to Maintain/Embed the Practice
• Review and Update the ROM Policy, Strategy and Framework • Maintain Strategic/Corporate level ROM	• Update ROM guidance in line with revised ROM Policy, Strategy & Framework - by Mar 2018. • Update Department Management Teams of the revised ROM Policy, Strategy and Framework to maintain awareness of the ROM arrangements across the Council - Mar 2018. • Review the reporting timeframe/arrangements for Strategic/Corporate Risk and Opportunity Register - by Mar 2018. • Update Department Management Teams of the review and reporting arrangements for the Strategic/Corporate Risk and Opportunity Register - Mar 2018. • Undertake In Quarter 1 Refresh of the Strategic/Corporate Risk and Opportunity Register and report to Standards & Audit Committee via Directors Board and Performance Board representatives - Mar to Jul 2018. • Undertake Mid-Year Review of the Strategic/Corporate Risk and Opportunity Register and report to Standards & Audit Committee via Directors Board and Performance Board representatives - Sept to Dec 2018 • Undertake In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register and report to Directors Board and Performance Board representatives - Feb to Mar 2019
• Maintain and further develop Service level ROM, including project and partnership ROM. • Continue to embed ROM and build skill/capacity for ROM across the Council.	• Provide support to Directors Board, Performance Board, Directorate Management Teams and Services to further embed the Business Planning, Performance Management and Risk& Opportunity Management Frameworks (i.e. development and ongoing monitoring of risk/opportunity registers as part of the service planning and performance management review arrangements) - Jan 2018 to Dec 2018 • Continue to work with services to identify key projects/partnerships and embed risk & opportunity management arrangements. • Continue to raise ROM awareness with Department Management Teams. • Maintain regular updates of ROM Information on the shared file on Objective (central filing system) - Apr 2018 to Mar 2019. • Update ROM information on Intranet (i.e. Forms page and ROM page) - Feb 2018. • Develop draft e-learning ROM Awareness training module - by end of Mar 2018. • Undertake work with Organisational Development to finalise e-learning module and get loaded on the system - from Apr 2018. • Provide support to Organisational Development for the development and implementation of an Innovation & Risk module for the Leadership Development Management Framework - from Feb 2018 • Annual review of ROM arrangements against good practice (e.g. ALARM/CIPFA RM Model) and reporting of developments/outcomes to Standards & Audit Committee via Directors Board and Performance Board - Dec 2018 to Mar 2019

Risk and Opportunity Management Policy and Strategy
December 2017

Title:	Risk and Opportunity Management Policy and Strategy.
Purpose:	Outlines the overarching ROM framework for Thurrock Council.
Owner:	Andy Owen, Interim Insurance & Risk Manager
Approved by:	N/A
Date:	December 2017
Version:	1.6
Status:	Draft
Review Frequency:	Annual
Next Review Date:	December 2018
Consultation:	N/A

Purpose

The Risk and Opportunity Management Policy & Strategy outlines the overarching risk and opportunity management framework in Thurrock detailing where a formal approach to risk and opportunity management must be adopted by officers.

The document details the priorities of Corporate Risk and Opportunity Management (CR&OM) over the next year, how risk and opportunity is monitored, reported and escalated across the Council and what duties are placed on officers across the Authority to ensure compliance.

Staff Governed by the Policy and Strategy

The Risk and Opportunity Management Policy and Strategy apply to all staff including and not limited to temporary staff and contractors. A failure to comply could be damaging to the finances and reputation of the Council.

Executive Summary

This combined risk and opportunity management policy and strategy details the Council's framework for managing business risk and opportunity. The risk and opportunity management framework is the culture, processes and structures that are directed towards effective management of potential risks and opportunities that the council faces in delivering its objectives.

Thurrock Council takes risks and recognises that risk is involved in everything it does and that it has a duty to manage these risks. This duty is to staff, residents and people working in the borough, service users, partners and funding agencies. Effective risk and opportunity management makes sound business sense and is good management practice.

The Risk and Opportunity Management Guide expands on the principles laid out in this document; and provides more support on how to undertake a risk and opportunity assessment.

Contents

Risk & Opportunity Management Policy

Risk needs to be managed and consideration of risk should not stifle innovation. The Council delivers services in an increasingly litigious and risk averse society and believes that risk management is a tool for exploiting opportunities as well as safeguarding against potential threats. Thurrock Council uses the discipline of risk and opportunity management to promote innovation in support of the Council's strategic priorities and objectives.

The risk and opportunity management framework is the all-encompassing approach that the Council takes towards risk and opportunity management; including the adoption of this Policy & Strategy, the resourcing of Corporate Risk and Opportunity Management (CR&OM) and the consideration of risk and opportunity management in other corporate policies and procedures.

The risk and opportunity management discipline involves the identification, evaluation, management, review and escalation of risk and opportunity. Whenever an officer is involved in an activity which has significant levels of risk, it is important that the risk management process is formalised by, for example, undertaking a risk assessment or detailing risks in a report. The Council recognises that the approach to risk management should be proportionate to the level of risk present.

The management of risk and opportunity is woven throughout the Council's key governance frameworks and as such there are specific requirements for all officers to adopt a formal approach to risk and opportunity management in the following areas;

- Key decision making reports
- Corporate and Service planning processes
- Programme and Project management
- Procurement and commissioning processes
- Partnership working arrangements
- Change management processes.

Corporate Risk Management is responsible for developing and embedding the risk and opportunity management framework within which risks and opportunities are to be managed across the Council. This includes developing risk and opportunity management capacity within the Council's workforce through the offer of guidance, support and training.

All Council officers are responsible for the management of the risks and opportunities that surround their role and adherence to the risk and opportunity management framework.

The Risk and Opportunity Management Policy is reviewed on an annual basis by CR&OM. Standards and Audit Committee Members are consulted as part of this process. The Risk and Opportunity Management Policy was approved by Cabinet and any major changes to the document will be submitted to Cabinet for re approval.

Adherence to the requirements set out in the Risk and Opportunity Management Policy and Strategy is monitored by CR&OM and reported to Standards and Audit Committee, via Directors Board as appropriate.

Risk & Opportunity Management Strategy

Thurrock Council believes that through the proactive management of its significant business risks and opportunities it will be in a stronger position to deliver the strategic priorities and objectives

To this end, CR&OM has been issued the remit of developing and embedding an enterprise-wide risk and opportunity management framework.

There is strong senior management support for risk and opportunity management. The Council has a developing risk culture and a positive attitude to risk – recognising that well managed risk brings opportunity and innovation.

The Risk & Opportunity Management Framework

Having a robust and systematic risk and opportunity management framework which is embedded throughout the organisation will;

- Help officers to fully understand the event, cause and effects of the risks and opportunities that they face, and in turn make more informed decisions on how best to manage risks and opportunities.

- Allow officers to analyse and prioritise risks and opportunities; helping inform decisions on the management, escalation and communication of risks and opportunities.

- Reinforce officers' understanding of risks/opportunities and how they will be managed; as well as encouraging the assignation of roles and responsibilities for the management of risks/opportunities.

- Provides senior managers and members with the assurance that risks and opportunities are considered and managed across the organisation, and where necessary the risks and opportunities are escalated for their input and guidance.

Key Risk and Opportunity Management Objectives

In order to realise the organisational benefits of managing risk/opportunity and deliver upon their remit of developing and embedding a risk and opportunity management framework, CR&OM has identified the following objectives;

1. To maintain and review the risk and opportunity management framework which takes into account new and emerging risk and opportunity management practices in accordance with the principles of British Standard 31100.

2. To ensure the Council actively manages the risks to and the opportunities for the achievement of strategic and operational priorities, objectives and plans.

3. To ensure risks and opportunities are considered and discussed as part of the councils key decision making processes.

4. To ensure all programmes and projects in the council have a robust approach to risk and opportunity management.

5. To ensure officers consider the risks and opportunities associated with partner organisations, delivery agents and the voluntary sector.

6. To ensure officers consider the management of risk and opportunity within the procurement and commissioning process.

7. To integrate and embed risk and opportunity management throughout the working culture of the Council by providing support, guidance and training to officers.

8. To monitor adherence to the Risk and Opportunity Management Framework and report on performance to Standards and Audit Committee, via Directors Board and Performance Board.

Defining Risk and Opportunity Management

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

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

This compliments the CIPFA Better Governance Forum's definition of risk and the context of risk management as detailed in the British Standard 31100, which state:

"Risk arises as much from failing to capture opportunities, as it does from threat that something bad will happen" *(Definition of risk - CIPFA Better Governance Forum).*

"Risk management is as much about exploiting potential opportunities as preventing potential problems" *(Context of risk management - British Standard 31100).*

Corporate Risk and Opportunity Management (CR&OM)

CR&OM sits within the Finance & IT Directorate and is led by the Interim Insurance and Risk Manager who is mandated to;

- Establish the risk and opportunity management framework through developing procedures, tools and guidance on how to manage risk and opportunity;

- Embed the framework by providing guidance, support and training to officers across the Council on how to comply with it.

The tools that CR&OM has developed are available on the Risk and Opportunity Management shared file on Objective (the central filing system), see: OBJECTIVE LINK: Risk & Opportunity Management Share Across Services File

Risk and Opportunity Management in Thurrock Council

Thurrock Council's risk management strategy was first developed in 2005 and it is reviewed on an annual basis. The risk management strategy focussed on the potential negative effects of uncertainty (risk) and as a result, uncertainties that could have beneficial effects (opportunities) were generally overlooked. The framework was therefore revised and Opportunity Management incorporated in the approach. The Risk and Opportunity Management framework was introduced in 2008.

Standards and Audit Committee and Directors Board act as the risk and opportunity management oversight bodies; receiving regular reports throughout the year and providing challenge and support to the whole process. The Cabinet Member for Finance & Legal and the Director of Finance & IT promote risk and opportunity management across the Council in their respective roles of Member and Officer Risk Management Champions.

The ROM Policy & Strategy provides an overview of the risk management framework within Thurrock Council and outlines CR&OM objectives in the short/medium term to further develop and embed the framework.

Risk and Opportunity Management Priorities 2017-19

The following priorities will be incorporated into Corporate Risk Management's plans for 2017-2019

- Review and update the ROM Policy, Strategy and Framework.
- Maintain Strategic/Corporate level ROM.
- Maintain and further develop Service level ROM, including Project and Partnership ROM.
- Continue to embed ROM and build skill/capacity for ROM across the Council.

Governance and Compliance

The management of risk is woven throughout the Council's key governance frameworks and as such there are specific requirements for all officers to adopt a formal approach to risk and opportunity management in the following areas;

- Key decision making reports.
- Corporate and Service Planning.
- Programme and Project management.
- Procurement, Commissioning and Contract Management.
- Partnership working arrangements.
- Change management processes.

A formal approach to risk and opportunity management will involve for example, undertaking a risk assessment or detailing risks in a report. The Council recognises that the approach to risk and opportunity management should be proportionate to the level of risk or opportunity involved. For more information refer to the Risk and Opportunity Management Guide in the risk and opportunity management shared file on Objective (the central filing system), see: OBJECTIVE LINK: Risk and Opportunity Management Guidance & Information

Compliance with the Risk and Opportunity Management Framework

This policy and strategy is just one part of the Councils risk and opportunity management framework. Other key components include the risk/opportunity rating system, risk and opportunity assessment templates and strategic/corporate risk and opportunity register.

To ensure consistency it is important that these tools are adopted across the Council. Any variations or dispensations will be kept to a minimum and must be approved by CR&OM.

Heads of Service and Directors have responsibilities to ensure that staff adheres to the risk and opportunity management framework. For more information on the roles and responsibilities of all staff please refer to the Risk and Opportunity Management Framework table, Appendix A at the end of this document.

Monitoring, Reporting & Escalating Risk and Opportunity

CR&OM continually monitors the management of risk/opportunity across the Council. This is done through quarter reviews of each Directorates/Departments key risks and opportunities.

Each Directorates/Departments performance in relation to compliance to the risk and opportunity management framework and management of risk/opportunity is monitored on a quarterly basis through the directorate/department management teams.

Risks/opportunities are escalated and reported throughout the organisation in a number of different ways. Through the regular review of key service, department and directorate risks and opportunities, a process of aggregation and escalation occurs and the items considered by Directorate/Department Management Teams. The Directorate/Department risks and opportunities with strategic/corporate significance are then further analysed to develop strategic/corporate risks and opportunities which are reported to Directors Board quarterly and Standards & Audit Committee on a bi annual basis.

To inform judgements on key decisions the associated risks, opportunities and management response arrangements are detailed within reports to Cabinet.

Within programmes and projects the monitoring, reporting and escalation of risk/opportunity is less formal. CR&OM provides support to programmes and projects, and the corporate programme and/or project management methodology details the approach that should be followed for monitoring, reporting and escalating risk/opportunity to project and programme boards.
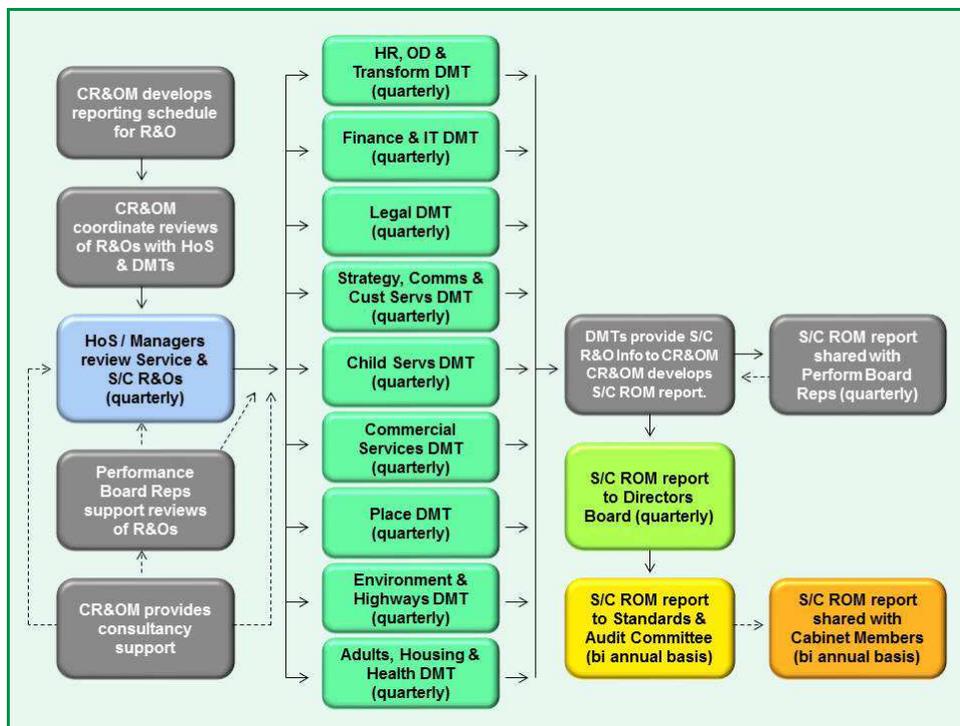
Monitoring & reporting - strategic/corporate risk & opportunity register

Thurrock Council's Risk and Opportunity Management Maturity – Review

The development of the risk and opportunity management framework and the level to which it is embedded in the working practices of the organisation are reviewed and/or benchmarked against good practice on an annual basis. The improvement opportunities highlighted by the review are used to inform the CR&OM priorities and plans for the short/medium term.

Further Guidance, Tools, Support and Training

The latest version of the Risk and Opportunity Management Policy and Strategy and all other documents are available on the risk and opportunity management shared file on Objective (the central filing system), see: OBJECTIVE LINK: Risk & Opportunity Management Share Across Services File Alternatively the details can be obtained from CR&OM via the following contact:

Andy Owen
Interim Insurance & Risk Manager
Thurrock Council
aowen@thurrock.gov.uk
01375 652174

Risk and Opportunity Management Framework

Who	Key Roles & Responsibilities	Report Type	By Whom	Frequency
Council	Receive and act upon: Reports from Cabinet, S&AC and Head of Paid Service. Reports, recommendations and advice from S&AC	e.g. Annual Governance Statement; Policy, Strategy and Framework report and other relevant reports.	Cabinet, Standards & Audit Committee.	Annually
Cabinet	Agree the ROM Policy, Strategy & Framework and receive reports on them. Hold the political responsibility for ROM within each individual portfolio. Identify a lead portfolio holder for ROM	Policy, Strategy & Framework and other relevant reports. Receive updates on the Strategic/Corporate R&Os and action plans	Standards & Audit Committee and Directors Board	Annually or as required Bi Annual
Standards & Audit Committee	Oversee and challenge assurance and the ROM arrangements	Review of Policy, Strategy & Framework Receive updates on the Strategic/Corporate R&Os and action plans Receive assurance on effectiveness of ROM	Director of Finance & IT	Annually Bi Annual Annually
Directors Board	Strategic leadership group for ROM Oversee the ROM Policy, Strategy & Framework Responsible for effectiveness of R&O and assurance arrangements and any management or mitigation. Quarterly monitoring of Strategic/Corporate R&Os & associated action plans.	Review of Policy, Strategy & Framework. Reviews of Strategic/Corporate R&Os and action plans. Review / Benchmarking of ROM	Director of Finance & IT	Annually Quarterly Annually
Corporate Risk & Opportunity Management	Establish the ROM Policy, Strategy & Framework Stewardship of the Strategic/Corporate R&O Register Review /Benchmarking of ROM Establish Service level ROM Provide consultancy and advice on ROM	Review of ROM Policy, Strategy & Framework. Reviews of Strategic/Corporate R&Os and action plans. Review / Benchmarking of ROM	Interim Insurance & Risk Manager	Annually Quarterly Annually
Directors	Monitoring of Strategic/Corporate R&Os for the directorate or Council. Escalation as appropriate of Strategic/Corporate R&Os to DB Monitoring of high level R&Os facing the directorate or Council (e.g. programme, partnership, project and service R&Os)	Reviews of Strategic/Corporate R&Os and action plans to DB Report to Portfolio Holders on the high level R&Os facing the directorate or Council	Directors	Quarterly or as required
Directorate/Department Management Teams	Identification and monitoring of Strategic/Corporate and other key risks/opportunities facing the department Escalation as appropriate of S/C R&Os to Directors Board	Review of R&Os and R&O Registers as a standing agenda item at DMT meetings DMT to receive & approve updates to S/C R&Os and action plans	Directors, Heads of Service or Lead Officer	Quarterly or as required by Director or DMT
Performance Board	Support the review and development of ROM Policy, Strategy & Framework. Support the development/review of the Strategic/Corporate R&Os register. Review / Benchmarking of ROM	Review of Policy, Strategy & Framework. Reviews of Strategic/Corporate R&Os and action plans. Review / Benchmarking of ROM	Interim Insurance & Risk Manager	Annually Quarterly Annually
Heads of Service	Identification, management and review of R&Os within their Service or area of responsibility. Monitoring and escalation as appropriate of R&Os to either Director or relevant DMT	Review of R&Os and R&O Registers as a standing agenda item at Service SMT meetings. Review of Strategic/Corporate R&Os and action plans to DMT Report to DMT on identified R&Os that require consideration for escalation to the S/C R&O Register	Heads of Service	Quarterly or as required by Director or DMT
Programme & Partnership Boards or Project Managers	Responsible for the identification, management and monitoring of R&Os within their given areas.	Report on the management of R&Os and escalation of high level R&Os as required or necessary	Programme Boards, Partnership Boards and Project Managers	Quarterly or as required by Directors, DMTs or Heads of Service
Employees	To manage risk effectively in their job and report hazards, risks or opportunities to their Heads of Service or Manager.	Report incidents, risks and opportunities following the procedures laid down in corporate policies.	All Employees	As necessary or required.

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6 March 2018	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 Assistant Director: 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 progress report covers work undertaken since the last report issued on 23rd November 2017.

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   During the period being reported on, we have finalised 6 reports. These cover the following areas: Bonnygate Primary School; St Thomas of Canterbury Catholic Primary School; Horndon-on-the-Hill Primary School; Little Thurrock Primary School; Risk Management and the Geographic Information System.

3.3   Of the 6 reports issued, 4 received a Green assurance opinion. The report for Little Thurrock Primary School was Amber/Green and the Risk Management report received an opinion that the council was a Risk Managed organisation. Therefore, all of these reports received positive assurance opinions and further details of the headline findings are shown in Appendix 1.

3.4   The Chief Internal Auditor has undertaken 1 ad hoc piece of work at the request of senior management. This is still on-going.

3.5   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 2017-18. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 **Financial**

Implications verified by: **Jonathan Wilson**

Chief Accountant

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

7.2 **Legal**

Implications verified by: **Matthew Boulter**

Democratic Services & Governance Manager

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: **Rebecca Price**

Community Development Officer

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: 6th March 2018

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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					
Bonnygate Primary School	Final	Green	0	2	3
St Thomas of Canterbury Catholic Primary School	Final	Green	0	0	2
Horndon-on-the-Hill Primary School	Final	Green	0	0	2
Little Thurrock Primary School	Final	Amber/ Green	0	1	7
Risk Management	Final	Risk Managed	0	3	3
Geographic Information System	Final	Green	0	0	4
Section 17 Payments	Draft		N/A	N/A	N/A
Performance Development Review (PDR)	Draft		N/A	N/A	N/A
VAT	Draft		N/A	N/A	N/A
Extensions to contracts of consultants	Draft		N/A	N/A	N/A
Integrated and Primary Care – Sexual Health	Draft		N/A	N/A	N/A
Provider Services – Collection of Income	Draft		N/A	N/A	N/A
Better Care Fund	Draft		N/A	N/A	N/A
Children's Care Packages	Draft		N/A	N/A	N/A
General Data Protection Regulation	Draft		N/A	N/A	N/A
Register of Gifts, Interests & Hospitality	Draft		N/A	N/A	N/A
IR35	Draft		N/A	N/A	N/A
Performance Development Review	Draft		N/A	N/A	N/A
Unaccompanied Asylum Seekers	Draft		N/A	N/A	N/A
Cyber Security	Draft		N/A	N/A	N/A
Responsive Repairs & Maintenance	Draft		N/A	N/A	N/A
Insurance	Work in Progress		N/A	N/A	N/A
Sickness Management	Work in Progress		N/A	N/A	N/A

Waste and Recycling Contracts	Work in Progress		N/A	N/A	N/A
Supervised Contact	Work in Progress		N/A	N/A	N/A
Core Assurance					
HR & Payroll – Additional Hours	Draft		N/A	N/A	N/A

<u>Work and other issues for which no reports are generated</u>

Further work has, and is still being carried out on the payment by results funding provided as part of the troubled families programme.

<u>Changes to plan</u>

The review around Home to School Transport has been deferred at the request of the Director of Environment & Highways due to the council wide transport review. Highways Reactive Maintenance has been deferred at the request of client due to system issues with Symology, the Highways Asset Management system. Asset Management Disposal & Acquisitions follow up was deferred at the request of the client following senior management changes. The new Assistant Director- Property & Development has developed a new set of Property Procedure Rules which are currently out to consultation and cover acquisitions and disposals. All of these reviews have been included within the annual plan for 2018/19.

Key Findings from Internal Audit Work

Bonnygate Primary School	Opinion: Green	
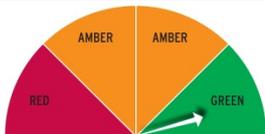
Headline Findings: Our review of **Bonnygate Primary School** identified 2 medium and 3 low recommendations around the adequacy of the control framework. Good controls were identified around the recording of income and security of personnel information. The 2 medium and 1 of the 2 low recommendations from the previous audit had been implemented. The 1 outstanding low recommendation has been repeated as part of this review.

Action and Response	Responsible Officer	Date
Action - Orders must be raised in the first instant to ensure management information reports are up to date and proper authorisation obtained. Quotes for larger value orders should be obtained and kept on file. In addition, invoices should be paid within the agreed time limits. This reduces the likelihood that the school will incur additional costs through non-compliance with the Late Commercial Payments Act. **Response** - Procedures will be put in place	Primary Office Manager	ASAP
Action - The school should check their records of those children receiving free school meals against the Thurrock Entitlement list on a regular basis to ensure there are no differences. This ensures children entitled to free school meals receive them. **Response** - Procedures will be put in place	Primary Office Manager	ASAP

Assignment: St Thomas of Canterbury Catholic Primary School	Opinion: Green	

Headline Findings: Our review of **St Thomas of Canterbury Catholic Primary School** identified 2 low recommendations around the adequacy of the control framework. Good controls were identified around: debt management; the recording and collection of income; banking and reconciliation; and the security and collection of safeguarding information for staff and governors working in the school. The 2 medium and 2 low recommendations from the previous review had been actioned.

Assignment: Horndon-on-the-Hill Primary School	Opinion: Green	
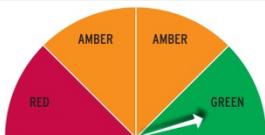
Headline Findings: Our review of **Horndon-on-the-Hill Primary School** identified 2 low recommendations around the adequacy of the control framework. Good controls were identified around: debt management; the recording and collection of income; banking and reconciliation; and the security and collection of safeguarding information for staff and governors working in the school. Out of the 4 medium and 2 low recommendations from the previous audit, the 2 medium and 2 of the low recommendations had been implemented. The 2 outstanding low recommendations have been repeated in this review.

Assignment: Little Thurrock Primary School	Opinion: Amber/Green	
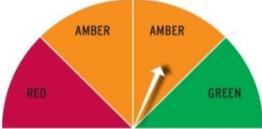
Headline Findings: Our review of **Little Thurrock Primary School** identified 1 medium and 7 low recommendations around the adequacy of the control framework. Good controls were identified around the recording of income and security of personnel information. The 3 medium and 3 low recommendations from the previous audit had been implemented.

Action and Response	Responsible Officer	Date
Action - Orders must be raised before the invoice is received to ensure the correct authorisation has been obtained before the goods are received and management information reports are up to date. **Response** - Procedures will be put in place	Headteacher Business Manager	ASAP

Assignment: Risk Management	Opinion: Risk Managed	N/A

Headline Findings: Our review of **Risk Management** identified 3 medium and 3 low recommendations. This audit focused on assessing the effectiveness of the council's risk management framework in identifying, evaluating and responding to risks that may affect the achievement of objectives and the extent to which risk management is embedded across the council, as an indicator of its maturity in managing risk. Based upon the work undertaken, our assessment of the council's current position on the risk maturity spectrum is **Risk Managed.** This is in line with the self-assessment undertaken by the Interim Insurance & Risk Manager. Whilst the corporate risk management framework and processes are robust, the council needs to do more at the operational/service planning level to move to the final stage on the spectrum which is that of a Risk Enabled organisation.

Action and Response	Responsible Officer	Date
Action - Director's Board should ensure that staff responsible for preparing service plans comply with the Business Planning, Performance Management and Risk Management frameworks and meet the deadline for completing their plans by 31st March each year. In addition, they should remind management where the plans should be filed on Objective. This will ensure the plans are relevant and consistent and all staff within the service have access, are aware of their service priorities and risks in the coming year, and can see how they will be managed. **Response** - Interim Insurance & Risk Manager to continue to work with Performance Board, Directors Board and DMTs to further embed the Business Planning, Performance Management and Risk & Opportunity Management Frameworks.	Interim Insurance & Risk Manager	By end of March 2018
Action - Service plans should be reviewed quarterly as required by the risk management framework to provide assurance to management that risks are being managed at the operational level. **Response -** Interim Insurance & Risk Manager to continue to work with Performance Board, Directors Board and DMTs to further embed the Business Planning, Performance Management and Risk & Opportunity Management Frameworks.	Interim Insurance & Risk Manager	By June 2018
Action - The reporting of risk management issues from service areas and projects should be formalised and escalated to DMT's for further discussion and referral to Director's Board if appropriate. This ensures emerging risks identified at an operational level are considered where they may impact on the	Interim Insurance & Risk Manager	By June 2018

council meeting its corporate priorities.

Response - Interim Insurance & Risk Manager to continue to work with Performance Board, Directors Board and DMTs to further embed the Business Planning, Performance Management and Risk & Opportunity Management Frameworks. It is expected that Directors, Assistant Directors, Managers etc. are regularly discussing items as part of departmental meetings, one to ones, monitoring progress against projects, etc.

Assignment: Geographic Information System	Opinion: Green	
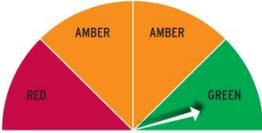
Headline Findings: Our review of the **Geographic Information System** identified 4 low recommendations around the adequacy of the control framework. The review focussed on providing assurance on whether the council was meeting its statutory responsibilities by keeping the Local Land and Property Gazetteer (LLPG) and Local Street Gazetteer (LSG) up to date as required. Therefore, the review also looked at the process around street naming and numbering. There were good controls around the updating and security of the system. There was no follow up of previous recommendations as this area has not been reviewed previously.

6 March 2018	**ITEM: 10**
Standards and Audit Committee	
Strategy for Internal Audit 2017/18 to 2019/20 and Annual Internal Audit Plan 2018/19	

Wards and communities affected:	**Key Decision:**
All	Non-key

Report of: Gary Clifford – Chief Internal Auditor
Accountable Assistant Director: N/A
Accountable Director: Sean Clark – Director of Finance & IT
This report is Public

Executive Summary

In January/February 2017, a comprehensive Audit Needs Assessment (ANA) process was undertaken which involved attending meetings with each of the Directorate Management Teams (DMT's) to discuss the risks and priorities with Directors and senior management. As a result, a 3 year Strategy for Internal Audit 2017/18 to 2019/20 was developed. This report comments on the Audit Plan for 2018/19 which represents the second year of the three year Strategy.

1. **Recommendation(s)**

1.1 **That the Standards & Audit Committee:**

Receive and agree the Strategy for Internal Audit 2017/18 to 2019/20 and the Annual Internal Audit Plan 2018/19.

2. **Introduction and Background**

2.1 Following the comprehensive Audit Needs Assessment (ANA) process in January/February 2017, a 3 year Strategy for Internal Audit 2017/18 to 2019/20 was agreed by the Standards & Audit Committee on 28th February 2017. The Annual Audit Plan 2018/19 represents the work to be carried out in the second year of that Strategy. As part of the planning process, Internal Audit also considered a number of other sources including the External Auditor's Annual Audit and Inspection Letter, the Annual Governance Statement, Annual Governance Report and the risks arising from the Corporate Risk & Opportunity Register. New issues and potential emerging risks were also identified and discussed with senior management during the year. We also consider the results of our work in 2017/18 and concerns raised by the Standards & Audit Committee.

It is important to note that the Audit Strategy and plan is designed, in part, to test the control environment surrounding potential risks and key controls. Internal Audit will continually revisit the Strategy and Plan to reflect changes that may occur through restructure, new legislation and changes in working practices. The plan is dynamic and is likely to change during the year as priorities change, new regulations are introduced and the structure of the council is further developed. Any changes will be agreed by the Chief Internal Auditor and/or Director of Finance & IT and presented to members of the Standards & Audit Committee as part of the progress reporting arrangements.

3. Issues, Options and Analysis of Options

3.1 With the addition of 2 Assistant Internal Auditors in January 2017, the Chief Internal Auditor has developed an ambitious plan which will provide the Standards & Audit Committee with an increase in outputs, and as a consequence, provide greater assurance around the council's control, risk management and governance frameworks.

4. Reasons for Recommendation

4.1 For the Standards & Audit Committee to satisfy itself that:

- the Strategy for Internal Audit covers the organisation's key risks as they are recognised by the Standards & Audit Committee.
- the detailed Internal Audit Plan for the coming financial year reflects the areas that the Standards & Audit Committee believe should be covered as a priority.
- sufficient assurances are being received to monitor the organisation's risk profile effectively, including any emerging issues/key risks not included in the strategy or annual plan.

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

5.1 The Chief Internal Auditor consulted with all Directors and attended Directorate Management Team meetings. The plan was also presented to the Directors Board as a final draft before being brought before the Standards & Audit Committee.

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

6.1 The achievement of corporate priorities is a key consideration of the senior management and internal audit when they are discussing the areas that need to be included within the annual audit plan.

7. Implications

7.1 **Financial**

Implications verified by: **Jonathan Wilson**

Chief Accountant

The Annual Audit Plan will be within the annually agreed budget for 2018/19.

7.2 **Legal**

Implications verified by: **Matthew Boulter**

Democratic Services & Governance Manager

The Council has the legal obligation to maintain an adequate and effective system of internal audit and the Council has delegated this responsibility to the Standards & Audit Committee. The report recommends that the Standards & Audit Committee receives and agrees the Strategy for Internal Audit 2017/18 to 2019/20 and the Annual Audit Plan 2018/19. The Strategy and the Annual Plan identify how the Section 151 Officer will deliver an effective internal auditing service for the Council, therefore there are no obvious adverse legal implications associated with receiving this report.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**

Community Development Officer

There are no direct diversity implications arising from this report.

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 Strategic/Corporate Risk & Opportunity Register.

8. **Background papers used in preparing the report:**

- The Accounts and Audit Regulations 2015.
- Public Sector Internal Audit Standards (PSIAS).
- CIPFA – PSIAS Local Government Application Note.
- Strategic/Corporate Risk & Opportunity Register.

9. **Appendices to the report**

- **Appendix 1 –** Draft Strategy for Internal Audit 2017/18 to 2019/20 and Annual Internal Audit Plan 2018/19

Report Author:

Gary Clifford
Chief Internal Auditor
Thurrock Council Internal Audit Service, Corporate Finance

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Standards & Audit Committee

Internal Audit Strategy 2017/18 to 2019/20 and Annual Plan 2018/19

Date: 20th February 2018

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Contents

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1   Developing the Internal Audit Strategy

This document sets out the approach we have taken to develop your internal audit strategy for 2017/18 – 2019/20 and the annual plan for 2018/19.

1.1 Role of Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Definition of Internal Audit: Chartered Institute of Internal Auditors.

In line with the requirements of the Public Sector Internal Audit Standards (PSIAS), we plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the Council has in place, focusing in particular on how these arrangements help the organisation to achieve its objectives. This involves undertaking a risk-based plan of work, agreed with management and approved by the Standards & Audit Committee. Our plan is developed to enable us to provide an opinion at year end, which may also be used by the Council to support its Annual Governance Statement.

1.2 Factors influencing Internal Audit coverage

The organisation's objectives are the starting point in the development of the audit strategy.

Appendix A reflects the range of potential issues that may affect the Council, some of which are included on the risk register. These were used to focus our discussions with management regarding assurance priorities and to determine where internal audit input would be most beneficial.

In preparing the strategy and the annual internal audit plan, in Jan/Feb 2018 we met with and attended the DMT's for the following:

- Environment & Place;
- Strategy, Communications & Customer Services;
- Adults, Housing & Health; and
- HR, OD and Organisational Development.

In addition, meetings were also held with the following senior management:

- Director of Children's Services;
- Director of Finance & IT;
- Director of Commercial Services;
- Head of Children's Social Care;
- Head of Adult Services;
- Head of Housing;
- Head of ICT;

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- Operational Lead for Revenues & Benefits; and
- Corporate Procurement, Strategy & Delivery Manager.

The plan was then presented and discussed at Directors Board.

The plan for 2018/19 represents the 2nd year of the Strategy. Further discussions will be held with senior management during the year to ensure current priorities are being addressed.

The key areas / factors are summarised below.

Key areas discussed and their impact on the 2018/19 internal audit plan

1. We have agreed to carry out follow up visits to independently provide assurance that high level recommendations are implemented in line with target dates for reports issued in 2018/19.

2. The continued emphasis on achieving savings including shared service or joint working arrangements with other local authorities, income generation and more effective and efficient working practices are reflected in a number of areas within the plan.

3. New and changing legislation, particularly around Children's Services, Adults, Health & Commissioning and Housing have been discussed and resulted in an increased programme of reviews in these service areas.

The strategy is set out at Appendix B, with the detailed internal audit plan for 2018/19 set out at Appendix C.

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy includes:

- Planned assurance on areas of activity such as the core financial systems;

- A contingency allocation, which will only be utilised should the need arise and which will be subject to prior approval by the Chief Internal Auditor and/or Director of Finance & IT and reported to the Standards & Audit Committee;

- Time to follow up previous recommendations and actions to provide the Standards & Audit Committee with assurance on the actions taken by management to address previous internal audit recommendations. High level recommendations will require further testing as they reach their implementation date. For medium and low level recommendations, we will place reliance on management responses but will follow-up as part of the next review of the service; and

- Audit management, which is used for quality control, preparation of the 3 year Strategy & Annual Plan, Annual Governance Statement, client meetings, External Audit liaison, preparation of the Chief Internal Auditor's Annual Report and attendance at Standards & Audit Committee.

2 Assurance Resources

2.1 Your Internal Audit Team

Your internal audit team is led by Gary Clifford as Chief Internal Auditor.

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing standards.

2.2 Working with other assurance providers

We intend to meet with the External Auditor to avoid duplication of coverage between Internal and External Audit. This will also ensure that External Audit can continue to place their planned level of reliance on our coverage of financial controls.

The Standards & Audit Committee is reminded that internal audit is only one source of assurance. Through our plan we do not seek to cover all risks and processes. However, where we can, we will also seek to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance can be provided.

2.3 Considerations for the Standards & Audit Committee

- Does the Internal Audit Strategy 2017/18 to 2019/20 (Appendix B) cover the organisation's key risks as they are recognised by the Standards & Audit Committee?

- Does the internal audit plan for 2018/19 (Appendix C) reflect the areas that the Standards & Audit Committee believes should be covered as priority?

- Is the Standards & Audit Committee satisfied that sufficient assurances are being received to monitor the organisation's risk profile effectively, including any emerging issues/key risks not included in the strategy or annual plan?

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Appendix A: Issues affecting Thurrock Council

The chart below reflects some of the external and internal issues, both known and emerging that face the Council. We have identified using italics, those that are fully or partially covered within this years' annual plan.

External Factors	Known	Emerging
BREXIT		✔
Devolution Agenda	✔	
Economic downturn and austerity	✔	
Welfare reform	✔	
Public Health	✔	
Regeneration	✔	
House building and financing schemes	✔	
Immigration & Asylum		✔
Cyber Security		✔
General Data Protection Regulation	✔	

Internal Factors	Known	Emerging
Safeguarding	✔	
Fraud	✔	
Procurement	✔	
Medium Term Financial Planning	✔	
Contract Management	✔	
Partnership/Joint working arrangements	✔	
Business Continuity & Disaster Recovery	✔	
Income generation		✔
Personal Budgets/Direct Payments	✔	
Local Pay T&C's for staff		✔
Financial Management & Controls	✔	
Financial Reporting	✔	
Transformation Programme	✔	

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Appendix B: Internal Audit Strategy 2017/18 – 2019/20

Auditable Area	Risks	2017/18	2018/19	2019/20
Risk based reviews				
Corporate/Thematic Reviews				
Contract Procedures	Contract procedure rules and the procurement process may be ineffective leading to inefficiency and a lack of value for money.	✔	✔	✔
Project Management	The project management process might not meet its objectives and be rolled out across the Council.			✔
Budgetary Control	Budgets may not be controlled and monitored leading to service overspends.			✔
Corporate Health & Safety	Inadequate health and safety policies and procedures could result in an increase in incidents and accidents.		✔	
Medium Term Financial Strategy	The Council may not achieve their reported savings resulting in budget overspends.			✔
Duplicate Payment Testing	If duplicate payments are not identified, the Council may be paying twice for services it only received and budgeted for once.	✔	✔	
Public Services (Social Value) Act	The Council fail to take into account the wider social, economic and environmental benefits to the local area when procuring services so may not obtain best value.		✔	
Performance Development Reviews (PDR'S)	If the PDR process is not followed, staff may be awarded an increment when their performance is below that expected and/or further training or assistance is required.	✔		
Business Continuity	The Council may not be able to provide key/critical front line services in the event of an emergency or serious disruption.		✔	
BREXIT	Still not clear but may impact on NNDR (if businesses chose to trade outside the UK), increases in costs on contracts paid to foreign contractors due to falling value of the pound sterling, EU Grants and the impact on MTFS, Treasury Management etc.			✔
Children's Services				
Fostering	Inappropriate persons may be allowed to act as foster parents.			✔
Adoption (incl. Special Guardianship and Adoption Allowances)	Children may not be appropriately placed with adoptive parents who have been through a robust adoption process.			✔
Asset Management – Children's Services	The revised asset management arrangements may not lead to on-going improvements in the quality of educational facilities.			✔
Cyclical School Visit Programme	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.	✔	✔	✔

Auditable Area	Risks	2017/18	2018/19	2019/20
Children's Centres	The resources of Children's Centres may not be targeted at the most vulnerable families resulting in a poor use of resources.			✔
Cyclical visits to Nursery Schools	Failure to manage the budget and control debt could result in overspends and impact on service provision.			✔
Personal Budgets	Failure to monitor care packages effectively could result in care being paid for that is not required, or, care not being provided to meet the needs of the client.		✔	
Children's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.		✔	
Health & Safety in Schools	If the inspection process is not robust, the Council may not be compliant in identifying and taking corrective action to address concerns around the presence of asbestos in some public buildings.	✔		
Educational Visits	Staff taking young adults on educational visits may not be properly trained or checked and there may not be appropriate risk assessments carried out for each trip to minimise incidents.			✔
Looked After Children's Fund	Funds could be misappropriated if there are not strong controls around the management and monitoring of Looked After Children's Funds.		✔	
No Recourse to Public Funds (NRPF)	Failure to correctly assess, manage and monitor funds paid to families with NRPF could result in payments being made to persons who do not qualify.			✔
School Placed Planning	Without an effective co-ordinated strategy, the increasing population from families moving into the area from London could result in a shortfall in school places and a failure by the Council to meet its statutory requirements.		✔	
Catering Provision in Schools	If the service does not offer value for money, its trading operations may be adversely affected with more schools becoming academies.		✔	
Supervised Contact	Costs associated with supervised contact provided by the Oaktree Resource Centre may not be providing value for money if they are not monitored and managed.	✔		
Troubled Families Programme	Funding claims may be rejected if there is insufficient evidence to support the services provided.	✔	✔	✔
Adolescent Social Work Team	Following restructuring of the service and the introduction of the Social Impact Bond, the outcomes for teenagers may not be monitored resulting in increased costs and more teenagers coming into care.	✔		
Early Offer of Help	If the recommendations resulting from the review undertaken by iMPOWER are not meaningful and achievable, the Council will not benefit from the expected savings resulting in increased budgetary pressures.		✔	

Auditable Area	Risks	2017/18	2018/19	2019/20
Procurement in Schools	Poor procurement practices may result in the school's not getting good quality services in a cost effective manner resulting in additional costs.			✔
Section 17 Payments to Children in Need	Failure to correctly assess, monitor and manage Section 17 payments could result in them being provided to children who are not entitled to them.	✔		
Unaccompanied Asylum Seekers	Payments may be made to asylum seekers who have had their applications rejected and are no longer entitled to get assistance from the Council.	✔		
Children's Care Packages for Children with Special Educational Needs and Disabilities	Poor planning, management and monitoring of care packages could result in vulnerable clients not getting the support they need, or, getting more support than they need.	✔		
Education, Health & Care Plans	The Council may not have plans that support children with special educational needs so might not be compliant with the new legislation by the target date of 2018.	✔		
3rd Sector Arrangements	Arrangements between the Council and the 3rd (voluntary/ charity) sector may not result in VFM being achieved.			✔
Adults, Housing & Health				
Devolved Decision Making	A lack of transparency and clarity around the process for agreeing care packages could result in poor decision making and inappropriate use of resources.			✔
Better Care Funding – CR2	If there are not appropriate financial arrangements around authorisation and payments, funds may not be spent appropriately.	✔		
Adult's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.			✔
Provider Services – Collection of Residential Care Home Income	Poor controls around collection of income from clients' contributions to their care could result in financial loss to the Council.	✔		
Care Act	The Council may not take action to ensure changes to legislation have been implemented in a timely and appropriate manner.			✔
Adult Care Packages (Mental Health)	Poor planning, management and monitoring of care packages by the South Essex Partnership Trust (SEPT) could result in vulnerable clients getting more/less support than they need.	✔	✔	
Extra Care	Poor controls around the payment of expenditure and collection of income for vulnerable adults may result in misappropriation of funds and financial loss to the clients.			✔
Primary Care Contracts – Sexual Health	If performance is not monitored and checked, clients may not get the level of service they are entitled to under the primary care contracts for sexual health.	✔		

Auditable Area	Risks	2017/18	2018/19	2019/20
Financial Top-ups	If appropriate and robust checking processes are not in place, funds may be allocated to persons not entitled to them.		✔	
Housing Allocations	Policies and procedures may not be followed which could lead to complaints about equality and the fairness around the assessment process and allocation of Council properties.			✔
Gas Safety Inspections	Council properties may not be inspected in accordance with legislation and/or policy.			✔
Electrical Safety Inspections	Council properties may not be inspected in accordance with legislation and/or policy.			✔
Disabled Facilities Grants	Grants may not be used in accordance with grant requirements.		✔	
Homelessness	New arrangements and changes to legislation mean that the Council might not be able to discharge its duties in respect of homelessness.		✔	
Leaseholder Charges	Charges made to leaseholders for services provided may not be reasonable or in line with guidance.			✔
Responsive and Planned Maintenance	Contracts around repairs and maintenance and planned maintenance may not be managed resulting in residents not having quality housing available to them and costs escalating.	✔		
Transforming Homes	Contracts around Transforming Homes may not be managed resulting in residents not having quality housing available to them and costs escalating.	✔		
Asset Based Community Development	Residents may not maximise the opportunities to develop their communities and improve their quality of life.			✔
Procurement & Provision of temporary accommodation	The arrangements to procure and provide temporary accommodation may not be robust and value for money might not be achieved.	✔		
Right to Buy	If correct procedures are not followed, incorrect discounts may be applied resulting in loss of income to the Council.		✔	
Core assurance. Including areas where external audit may place reliance on our work				
Adult Social Care Expenditure	External audit want to be able to place reliance on testing undertaken by internal audit.	✔	✔	✔
Adult Social Care Income		✔	✔	✔
Housing Rents		✔	✔	✔
Finance & IT				
Insurance	There could be an increase in claims due to ineffective monitoring and use of resources.	✔		
Risk Management	Failure to identify risk as part of the business planning cycle could lead to failure of the plans and reputational damage to the Council.	✔		

Auditable Area	Risks	2017/18	2018/19	2019/20
VAT	The Council may not be complying with relevant VAT legislation resulting in potential fines or penalties.	✔		
Core Protection and Appointee Team	Poor management and lack of controls could result in the assets of adults deemed to be financially incompetent under the Mental Capacity Act being misappropriated.		✔	
Welfare Reform	Changes to the amount and way in which benefits are paid could result in residents experiencing financial hardship which may impact on other services e.g. debt collection, homelessness etc.			✔
Business Rates Retention	The administration of business rates may not be robust and accurate information may not be available resulting in a loss of income to the Council.			✔
Cyber Security	The Council may not have an appropriate management control framework around its corporate information assets increasing the threat of service disruption through cyber security attacks.	✔		
Work to be agreed as part of Audit Needs Assessment process.	Suggested areas include SekChek's automated analysis quickly determines how a client's security controls compare against similar deployments using current, real world data, Physical and Environmental audit (Data centre) and Disaster Recovery – CR11.	✔	✔	✔
Core assurance. Including areas where external audit may place reliance on our work				
Oracle – General Ledger	External audit want to be able to place reliance on testing undertaken by internal audit.	✔	✔	✔
Accounts Payable		✔	✔	✔
Accounts Receivable		✔	✔	✔
Council Tax		✔	✔	✔
National Non Domestic Rates		✔	✔	✔
Housing Benefits		✔	✔	✔
Treasury Management		✔		✔
Asset Register			✔	
Commercial Services				
Procurement – spend under £75K	Controls over smaller procurement spend may not be as robust as on larger contracts resulting in poor value for money.		✔	
Extensions to contracts of consultants	Value for money may not be achieved if contracts and the use of consultants are continually extended. The Council may also not be compliant with relevant HMRC and employment legislation or its own Constitution.	✔		

Auditable Area	Risks	2017/18	2018/19	2019/20
Stationery Contract	Identified that between April 16 and & Dec 16, approx. £14k spent with a stationery supplier who is not on the Council's list of stationery suppliers. Keep a watching brief to determine if spend continues to increase.	✔		
Corporate Purchase Cards	The use of Purchase Cards could result in staff ordering and paying for goods that are not appropriate resulting in a financial loss to the Council.		✔	
Extensions to contracts	If there are not robust processes in place to evidence and support decisions to extend contracts, the Council may not be compliant with relevant national and local procurement regulations.	✔		
Public Contract Regulations 2015	An audit of the Council's Procurement Regulations to ensure they include the necessary changes to meet the regulations.			✔
Environment & Highways				
Environmental Health (Pollution Control)	Poor environmental health processes could fail to identify and/or prevent pollution resulting in potential financial and reputational loss to the Council.		✔	
Bridge Maintenance	Ineffective Bridge Maintenance may result in expensive unplanned costs being incurred.			✔
Highways Reactive Maintenance – Requests & Responses	The Council may fail to maintain a dialogue with the residents reporting faults resulting in damage to the Council's reputation and a deteriorating local highways network.		✔	
Footway Crossings	There may not be robust arrangements around the application process, commissioning of contractors and inspection processes resulting in poor quality work, additional cost or work being undertaken without formal approval.	✔		
Car Parking Service	Review of the processes for charging, collecting fines and writing off fines for on and off street parking.		✔	
Commercial Waste	New sales activity started May 16. Some invoices outstanding. Now actively seeking and winning new business. If processes are not robust, the Council may not be billing customers and getting in the income.	✔		
Home to School Transport	Failure to adhere to the policies and procedures could result in non-statutory services being provided and see costs escalating above the statutory minimum.		✔	
Street Market Activity	Arrangements' around street market activity may not be robust leading to unlicensed traders attending street markets and a loss of income to the Council.			✔
Waste Disposal & Recycling Contracts – CR23	The process for awarding waste and recycling contracts may not be robust and in line with relevant procurement legislation and rules resulting in non-compliance and not achieving value for money.	✔		
Street Services	The street cleaning service may not be improving leading to dissatisfaction among residents and damage to the Council's reputation.		✔	

Auditable Area	Risks	2017/18	2018/19	2019/20
Shop Premises	Arrangements' around the management of shop premises may not be robust leading to loss of income to the Council.	✔		
Garages	Arrangements' around the management of garages may not be robust leading to loss of income to the Council.			✔
Trading Standards	Non-compliance with statutory requirements in respect of Trading Standards might result in dissatisfaction amongst local residents.			✔
Place				
Community Safety	Non-compliance with section 17 of the Crime and Disorder Act relating to the Council's duty to consider crime and disorder implications may leave them open to legal challenge.	✔		
Gloriana Thurrock Ltd	Poor corporate governance, decision making and monitoring arrangements may result in Gloriana Thurrock Ltd, the Council's wholly owned housing company, not meeting their targets for new housing.	✔	✔	✔
Community Safety	Non-compliance with section 17 of the Crime and Disorder Act relating to the Council's duty to consider crime and disorder implications may leave them open to legal challenge.	✔		
Asset Management – Disposals & Acquisitions Follow up	Disposals and acquisitions may not be effectively managed resulting in loss of opportunities, funding and reputation.		✔	
Purfleet Regeneration Project	Failure to manage the project effectively could result in the Council failing to deliver on time and within budget which could have financial and reputational consequences.		✔	
Emergency Planning	The Council may not be able to react appropriately in the event of a disaster.	✔		
Building Control	The Building Control Service may not maintain a competitive place in the market and might not provide value for money.			✔
Library Visits	The operational and financial management arrangements in Libraries may be inadequate which could result in poor budgetary control and misappropriation of funds.			✔
Thurrock Registrar's Office	The Council may not comply with legislation resulting in increased external scrutiny by the Cabinet Office.			✔
Legal				
Register of Interests, Gifts & Hospitality	Non-compliance with the Constitution and Code of Conduct may open the Council up to accusations of impropriety.	✔	✔	✔
Member's Allowances	Allowances may not be claimed or paid in accordance with the decision of the independent panel.			✔

Auditable Area	Risks	2017/18	2018/19	2019/20
Strategy, Communication and Customer Services				
Performance Management (Data Quality)	Performance Management may not be embedded in the organisation resulting in poor performance, poor quality information and poor decision making.	✔	✔	✔
Core assurance. Including areas where external audit may place reliance on our work				
Cash & Banking	External audit want to be able to place reliance on testing undertaken by internal audit.	✔		✔
HR, OD & Transformation				
Sickness Management	Target levels set for sickness may not be achieved resulting in additional costs for agency workers.	✔		
Recruitment Process incl. Starters	If the process is not robust, fit for purpose and complied with, inappropriate persons may be employed.		✔	
HR Data Management	The hierarchy may not be promptly updated to reflect changes staffing, roles and responsibilities and/or authorisation levels resulting in inefficient use of resources.		✔	
Leavers Process	With the move to a Virtual Desktop Infrastructure (VDI), if staff leave and are not removed from the system, they may be able to continue to access Council systems, email etc. after they have left.			✔
Business User Allowance (BUA) and Business Travel	If processes are not robust, staff may be receiving BUA who are not entitled to it.	✔		
Overtime and Additional Hours	If processes are not robust, staff may receive payments which they are not entitled to.	✔		
Off Payroll Engagement (IR35)	The Council may not be identifying personal service companies (PSC's) so will not be making the appropriate tax and NI deductions from the invoice net of any material costs.	✔		
General Data Protection Regulations (GDPR)	A rolling programme of audits to cover the following: Preparation for the adoption of GDPR including arrangements around data storage (electronic and physical); confidentiality, integrity and availability of data; information governance; compliance with DPA and FOI; detection of data breaches and how they are dealt with and reported (internally and externally), organisational awareness and training; and data classification and management.	✔		
Geographic Information System (GIS)	If the Council does not have an up to date Local Land & Property Gazetteer and Local Street Gazetteer it may not be meeting its statutory responsibilities.	✔		
Core assurance. Including areas where external audit may place reliance on our work				
Payroll	External audit want to be able to place reliance on testing undertaken by internal audit.	✔	✔	✔

Auditable Area	Risks	2017/18	2018/19	2019/20
Other Internal Audit Activity				
Follow up	To meet internal auditing standards, and provide assurance on action taken to address recommendations previously agreed by management.	✔	✔	✔
Contingency	To allow additional reviews to be undertaken in agreement with the Standards & Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year.	✔	✔	✔
Management	This will include: • Annual planning. • Preparation for, and attendance at, Standards & Audit Committee. • Regular liaison and progress updates. • Liaison with external audit and other assurance providers. • Preparation of the annual opinion. • Attendance at Directorate Management Team, Leadership Group, Home Counties Chief Internal Auditors Group, London Audit Group and Essex Audit & Counter Fraud Group meetings. • Preparation of the Annual Governance Statement.	✔	✔	✔

Appendix C: Internal Audit Plan 2018/2019

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Internal Audit plan 2018/2019			
Corporate/Thematic Reviews			
Contract Procedures	Procurement of contracts is in compliance with legislation and the Council's Constitution. The awarding of contracts is backed up by appropriate documentation and evidence.	Compliance	On-going
Duplicate Payment Testing	To ensure there processes in place to identify, prevent and recover duplicate payments in the accounts payable and payroll processes.	Assurance	On-going
Public Services (Social Value) Act	Review to ensure the council complies with the requirements of the Public Services (Social Value) Act when procuring services.	Compliance	TBA
Business Continuity	To ensure services have robust arrangements in place to provide key services in the event of a disaster.	Assurance	TBA
Corporate Health & Safety	To ensure the council is meeting its obligations in ensuring it meets legislative requirements in respect of its employees, contractors and customers.	Compliance	TBA
Children's Services			
Cyclical School Visit Programme	Cyclical school visits programme to review financial management arrangements.	System	On-going
Personal Budgets & Direct Payments	To review the assessment, monitoring and reporting arrangements around personal budgets to ensure the needs of the client are being met and outcomes are being achieved.	Assurance	TBA
School Placed Planning	To ensure there are robust plans in place to ensure there are sufficient school places for local children particularly where new housing developments are being considered.	Assurance	TBA
Catering Provision in Schools	To ensure the service is providing good value for money in an increasingly competitive area due to the majority of schools being academies.	Assurance	TBA
Early Offer of Help	To review whether the service has implemented the recommendations from the iMPOWER review and determine whether anticipated savings are being achieved.	Assurance	TBA
Looked After Children's Funds	To review the financial arrangements around the funds that the Children's Services pay out to looked after children to ensure there are robust controls and the money is safeguarded.	Assurance	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Troubled Families Programme	Checking of a sample of claims to determine if evidence is sufficient to confirm that the claims being submitted are appropriate and correct.	Advisory	On-going when claims are due.
Adolescent Social Work Team	Following restructure, management requested a review to ensure the service is operating effectively and there is evidence that the Social Impact Bond is resulting in improved outcomes and a reduction in cost and teenagers coming into care.	Assurance	TBA
Adults, Housing & Health			
Adult Care Packages (Mental Health)	Planning, management and monitoring of care packages may not be robust resulting in vulnerable clients not getting the support they need, or, getting more support than they need.	Assurance	TBA
Financial Top Ups	A review to ensure only those clients entitled to payments are receiving them and they are being used appropriately.	Compliance	TBA
Disabled Facilities Grants	To ensure grants are being used in compliance with the grant requirements.	Compliance	TBA
Homelessness	To review the arrangements of the council in meeting its statutory obligations under homelessness legislation.	Compliance	TBA
Right to Buy	To ensure applications from residents to buy their council property are correctly processed and discounts are applied in line with relevant regulations.	Assurance	TBA
Finance & IT			
Core Protection & Appointee Team	To review the processes within the team to ensure clients monies are being managed properly where the council acts on their behalf under the Mental Capacity Act.	Assurance	TBA
IT Audit work TBA following audit needs assessment.	An ANA is to be carried out in 2017/18 to identify a work programme for IT audit work moving forward.	TBA	TBA once ANA completed
Commercial Services			
Corporate Purchase Cards	To review the application, monitoring and management of the purchase card process following the decision to roll them out across the council to reduce the need to set up numerous suppliers for small value purchases.	Compliance	TBA
Procurement Spend under £75K Follow up	Review to determine that the recommendations made in the previous report have been implemented.	Follow up	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Environment & Highways			
Home to School Transport	High cost area so management requested a review to look at the arrangements around provision and compliance with statutory responsibilities.	Assurance	TBA
Highways Reactive Maintenance – Requests & Responses	New contractor from April 2017. Portfolio Holder concerned around the ease, accuracy and timeliness of reporting progress back to the requestor. Request by Head of Service to provide assurance that contractor is meeting expectations.	Assurance	TBA (deferred from 17/18 at client request)
Car Parking Income	To review the effectiveness of the arrangements around the collection of income and payment of PCN's.	Assurance	TBA
Street Services	To ensure the service is providing an effective, efficient, quality service and is responding to issues raised by residents as part of the council's clean it, cut it fill it campaign.	Assurance	TBA
Environmental Health - Pollution Control	To review the inspection and monitoring processes to ensure the council is compliant with meeting its pollution targets.	Compliance	TBA
Place			
Gloriana Thurrock Ltd	At the request of the Gloriana Board, a review to determine the robustness of the corporate governance, decision making and monitoring processes around the Council's newly formed, wholly owned housing company.	Assurance	Nov 17
Asset Management – Disposals & Acquisitions Follow up	In line with the Internal Audit Protocol, a follow up review of the Red report issued in 2016/17.	Follow up	TBA (deferred from 17/18 at client request)
Purfleet Regeneration Project	To review the project management and governance arrangements to ensure the project is meeting its objectives and will be completed in line with agreed timeframes.	Assurance	TBA
Legal			
Register of Gifts, Interests & Hospitality	Annual review to confirm that Officers and members register interests, gifts and hospitality as required by Council procedures and codes of conduct.	Compliance	TBA
Strategy, Communication & Customer Services			
Performance Management (Data Quality)	Sample testing of key performance indicators taken from the balanced scorecard, both national and local to verify accuracy of data.	Advisory	On-going

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
HR, OD & Transformation			
HR Data Management	Management request to ensure the hierarchy is promptly updated to reflect changes in roles, responsibilities and/or authorisation limits.	Assurance	TBA
Recruitment Process	To review the recruitment processes to ensure the council only recruits staff who have completed a thorough checking process and provided the necessary evidence to support their appointment.	Compliance	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing

Auditable Area	Internal Audit Coverage	Audit Approach	Proposed Timing
Core financial reviews to provide assurance to External Audit			
Oracle – General Ledger	• Reconciliation • Journals • Access arrangements	System	TBA
Accounts Payable	• Ordering & authorisation • Invoice matching • Separation of duties • Payment processing • BACS transfers • Reconciliation	System	TBA
Accounts Receivable	• Processes and procedures • Reconciliation • Write-offs • Recovery • Analysis	System	TBA
Council Tax	• Processes and procedures • Reconciliation • Billing • Collection & Recovery	System	TBA
National Non Domestic Rates	• Processes and procedures • Reconciliation • Billing • Collection & Recovery	System	TBA
Housing Benefits	• Processes and procedures • Processing of forms • Entitlement checks • Reconciliation • Year-end balancing	System	TBA
HR/Payroll	• Starters/Leavers • Authorisation • System access • Amendments • Exception reporting • Reconciliation • Suspense accounts	System	TBA
Adult Social Care Expenditure	• Policies and Procedures • Ordering and Authorisation process • Monthly reconciliations • Exceptions	System	TBA
Adult Social Care Income	• Policies and Procedures • Authorisation process • Write Offs • Recovery • Monthly reconciliations	System	TBA
Housing Rents	• Tenant checks • System access controls • Reconciliation • Calculations of payments	System	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Other Internal Audit Activity			
Contingency	To allow additional reviews to be undertaken in agreement with the Standards & Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year. Ad hoc project work for services in an advisory capacity.	N/A	As required
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	Ongoing
Management	This will include: • Annual planning. • Preparation for, and attendance at, Standards & Audit Committee. • Regular liaison and progress updates. • Liaison with external audit and other assurance providers. • Preparation of the Head of Internal Audit's Annual Report. • Attendance at Directorate Management Team, Leadership Group, Home Counties Chief Internal Auditors Group, London Audit Group, Essex Audit and County Chief Auditors Network meetings. • Preparation of the Annual Governance Statement	N/A	Ongoing

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6 March 2018	ITEM: 11
Standards and Audit Committee	
Counter Fraud & Investigation Quarter Three Report – 2017/18	

Wards and communities affected:	**Key Decision:**
All	N/A

Report of: Daniel Helps, Counter Fraud & Investigation

Accountable Assistant Director: David Kleinberg, Assistant Director for Fraud & Investigations

Accountable Director: Sean Clark, Director of Finance and IT

This report is Public

Date of notice given of exempt or confidential report: N/A

Executive Summary

The Counter Fraud & Investigation Department (CFID) was formed in 2014 as both an inward and outward partnership approach with the sole responsibility for Thurrock and others to prevent, detect and deter all instances of alleged economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

CFID has developed working arrangements with other agencies to further the Council's counter-fraud culture providing support to those bodies where necessary.

CFIDs' success has grown and it has been recognised both nationally and internationally as the leading public authority fraud service and as a model approach to tackling fraud and corruption.

This report outlines the performance of the CFID over the last three quarters to December 2017 as it relates to Thurrock Council.

1.   **Recommendation(s)**

1.1   **That the Standards and Audit Committee notes the performance of the Counter Fraud & Investigation Directorate over the last quarter.**

2.   Introduction & Background

2.1   To present the Counter Fraud & Investigation Department's Third Quarter Report for 2017/18 to the Committee for consideration.

2.2   This report outlines the work undertaken by the CFID up to the end of the third quarter for Thurrock. The report does not include work we do for other public bodies around the UK.

2.3   CFID has provided support and assistance to number of public and 3ʳᵈ sector bodies in order for them to strengthen their own counter fraud capabilities, these include:

*   Southend-on-Sea Borough Council
*   Castle Point Borough Council
*   Essex County Council
*   London Borough of Barking & Dagenham
*   London Borough of Harrow
*   London Borough of Hammersmith & Fulham
*   London Borough of Newham
*   Wolverhampton Council
*   Essex Police
*   Ministry of Justice
*   Poplar HARCA Housing

2.4   CFID will be producing their year-end report to the next Audit Committee; this will have a full breakdown of cases investigated, value and sanction type. It will also include details of work conducted on behalf of other bodies.

3.   Performance

3.1   The Counter Fraud & Investigation Department (CFID) has made good progress in delivering the 2017/18 counter fraud work plan since April.

*   158 reports of suspected fraud had been received

*   40 of those cases have been closed as 'no fraud'

*   118 investigations were conducted

*   51 sanctions have been delivered in cases of proven fraud

3.2   During Q3 CFID agreed to support the Council's housing management service by completing a number of Tenancy Audit visits to properties in each quarter. It is anticipated that this agreement will provide support to tenants while also identifying any potential fraud in relation to housing and Council Tax.

3.3   CFID Officers will visit properties from a pre-defined list and conducts audits on the property. This activity is likely to identify the following:

*   Unlawful Subletting

- Unlawful Assignment

- Obtaining Housing by Deception/False Representations

- Benefit Fraud – which will be referred to the Dept for Work & Pensions

- Council Tax Fraud

- Vulnerable Tenants

- Social Care Needs

3.4 Where issues, other than fraud, are identified CFID work closely with the appropriate service within the Council to ensure that needs and requirements of the tenant are addressed.

3.5 CFID has been recognised internationally as a centre of excellence in the investigation and detection of fraud and economic crime. CFID were recently asked to present at the 7th Annual National Public Sector Fraud and Corruption Congress which was held in Australia. A CFID Officer presented, via Skype, and spoke of areas including disruption, investigation and recovery of monies from fraudsters.

3.6 CFID also presented at the National Anti-Fraud Network (NAFN) summit for 2017. NAFN is a government body responsible for provide a data and intelligence service to Central & Local Government investigation services. 88% of all Local Government investigation services are members of NAFN, as well as Central Government including the DWP and DVLA.

3.7 CFID presented one of the main agenda items at the summit entitled 'Investigation', this further strengthen CFID's reputation nationally. CFID was the only Local Authority who was invited to present. Other agenda items were presented by the private sector and legal practices.

4.   Reasons for Recommendation

4.1 This report provides a detailed update to the Committee on the improved counter-fraud measures for the Council and how it is reducing fraud under the council's anti-fraud strategy.

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

5.1 All Directors and Heads of Service were consulted with the new strategy to be taken by the Council in its anti-fraud approach.

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

6.1 Work undertaken by to reduce fraud and enhance the Council's anti-fraud and corruption culture contributes to the delivery of all its aims and priorities supporting corporate governance.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**

Management Accountant, Central Services

There are no financial implications contained in this report.

7.2 Legal

Implications verified by: **David Lawson**

Monitoring Officer, Deputy Head of Legal Services

The Accounts and Audit (England) Regulations 2015 section 4 (2) require that:

The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk.

This proactive and investigative work undertaken by the Directorate as well as the regular monitoring of compliance with the requirements of Fighting Fraud Locally discharges this duty.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**

Community Development Officer

There are no implications related to this report.

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

None.

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

None.

9. Appendices to the report

None.

Report Author:

Daniel Helps

Senior Manager Counter Fraud & Investigation

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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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