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

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **11 March 2021**

Due to current government guidance on social-distancing and the COVID-19 virus the Standards and Audit Committee on 11 March 2021 will be held virtually online. The press and public will be able to watch the meeting live via the Council's online webcast channel: www.thurrock.gov.uk/webcast

Membership:

Councillors Gerard Rice (Chair), David Potter (Vice-Chair), Gary Collins, Cathy Kent and Luke Spillman

Lisa Laybourn
Vani Thuvaragan

Substitutes:

Councillors Abbie Akinbohun, Garry Hague, Tom Kelly and Lynn Worrall

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Agenda

Open to Public and Press

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	To approve as a correct record the minutes of the Standards and Audit Committee meeting held on 24 November 2020.	
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**	
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Queries regarding this Agenda or notification of apologies:

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

Agenda published on: **3 March 2021**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

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

Helpful Reminders for Members

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

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

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

↓

Does the business to be transacted at the meeting

- **relate to; or**
- **likely to affect**

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

Disclosable Pecuniary Interests shall include your interests or those of:

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

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

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

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

Pecuniary

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

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

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

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

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

Non- pecuniary

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

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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 24 November 2020 at 7.00 pm

Present:	Councillors Gerard Rice (Chair), David Potter (Vice-Chair), Gary Collins, Cathy Kent and Luke Spillman
In attendance:	Sean Clark, Corporate Director of Finance, Governance and Property Andrew Millard, Director of Place Gary Clifford, Chief Internal Auditor Lisa Clampin, Binder Dijke Otte (BDO) Representative Anna Eastgate, Assistant Director of Lower Thames Crossing and Transport Infrastructure Projects David Kleinberg, Assistant Director for Counter Fraud & Investigations Jonathon Wilson, Assistant Director, Finance Jenny Shade, Senior Democratic Services Officer

Before the start of the Meeting, all present were advised that the meeting was being live streamed to the Council's online webcast channel.

62. Minutes

The minutes of the Standards and Audit Committee held on the 10 September 2020 were approved as a correct record.

63. Items of Urgent Business

There were no items of urgent business.

64. Declaration of Interests

There were no declarations of interest

65. Audit Completion Report for the Year Ended 31 March 2020

Jonathan Wilson, Assistant Director Finance, presented the audit completion report that provided Members with an update that the audit was nearly complete and specifically made reference to the unadjusted misstatement for the McCloud adjustment to the pension fund. Reference was also made to there being six adjustments made to the financial statements, of which one was material; four of the six were noted to be classification issues only with the other two relating to valuation adjustments in respect of PPE.

Lisa Clampin, Binder Dijke Otte (BDO), then introduced the report from BDO's perspective, before the report was presented in detail by Matthew Weller. The key points highlighted were as follows:

- Materiality was consistent with the basis previously communicated in the planning report, but had been increased to reflect the numbers in the draft accounts.
- Triviality had been increased to a higher percentage following feedback at the previous committee.
- The summary page included details of the adjusted and unadjusted misstatements which were discussed in detail further down the report.
- The risks were talked through in detail. It was noted that there was nothing to raise on management override, revenue recognition or expenditure cut-off.
- In respect of PPE valuations, we raised that the valuer had included a material uncertainty statement with respect to the valuations and an emphasis of matter paragraph would be raised in response to this. We also raised that there were a number of adjustments in respect of PPE valuations, of which the two highest value had been adjusted by the Council and the remainder were trivial.
- For the pension fund liability, we noted that there was also a material uncertainty statement regarding the valuation of assets in this fund, which would also require an emphasis of matter to be raised.
- On the bad debt provision, we stated that the provision had been calculated using the Council's best estimates of the recovery rates and did not factor in historical recovery rates, for which we had raised a recommendation.
- We confirmed we had no issues with the basis of valuation of financial instruments, but the movement in valuation for one specific asset had not been adjusted from the prior year resulting in an unadjusted misstatement being raised.
- We confirmed that we believed the Council to be a going concern.
- We stated that we were not aware of any fraud and asked the committee if they would like to bring any to attention. Nothing was raised.
- A brief overview was provided of the unadjusted misstatements regarding the movement on the valuation of one financial instrument and errors identified in respect of the VAT debtor. We also raised that there was an additional unadjusted misstatement to be added to the list relating to the extrapolation of an overstatement identified on our REFCUS sample test.
- We mentioned that the remaining three unadjusted errors were brought forward from the prior year, and that the most significant of these regarding McCloud had already been raised by Jonathan Wilson.
- We mentioned that Jonathan Wilson had already discussed the adjusted errors and these were not covered any further.
- For use of resources, we confirmed that there were no issues to report.
- We confirmed that the Council was required to revalue all land and buildings assets at least once every five years, and that we had identified three which had not been valued. A recommendation had therefore been raised to ask the Council to perform a review for any other assets not revalued and schedule a valuation for 2020/21 for these assets.
- We mentioned that for the recommendation regarding review of system access right, there was a control in place, but this control was not

documented and we could not therefore evidence that it was in place. Our recommendation was therefore that the control was documented.

- It was noted that there would be an additional recommendation raised regarding the fact that two new users were provided access to Oracle without the correct approve process taking place. We had no specific concerns regarding these users, but there was a risk if procedures were not followed.
- The recommendation on the bad debt provision was not raised in detail as had already been discussed above.
- The recommendation regarding payroll contracts was highlighted in that we had been unable to obtain seven of our 40 samples, and six of the 33 we did obtain were not signed.
- We confirmed that no action had been taken in respect of the prior year recommendation raised on journals, and that the recommendation raised on the HRA were now cleared.
- An update was provided on the outstanding items, which were largely the same as when the report was issued. It was confirmed that the significant review points had been answered, and we were still working through the less significant points which were largely tidying of the file.

Lisa Clampin subsequently clarified a few points as follows:

- It was explained what an emphasis of matter paragraph was.
- It was confirmed that the unadjusted misstatement for REFCUS would be added to the unadjusted list and a revised version of the audit completion report would be issued at the end of the audit.
- It was confirmed that a number of Local Government organisations would not meet the 30 November deadline, but we do not expect Thurrock to be one of them.

Jonathan Wilson then added clarification on some of the points:

- He told the committee what REFCUS was.
- He clarified that in respect of unadjusted items that a decision was made based on materiality and the impact on the general fund. For items relating to valuation consideration will also be given to whether this will be superseded in the following year.
- He clarified that if the financial instrument valuation had been adjusted for, this would have been an increase in the value of the investment but due to the accounting rules would not increase the general fund.
- He confirmed that management had provided responses to all recommendations raised.

Councillor C Kent questioned what the timetable was for responding to recommendations, given one of last year's had not been implemented. Jonathan Wilson stated that all recommendations were being considered. In respect of the specific point on the one from last year, he confirmed that the Council was unlikely to implement this as they believed the control environment was sufficient without implementing this point, but it would be reviewed.

Councillor Spillman thanked the auditor team and officers for the update and raised a question in regard to how much reliance could be placed on the audit given the difficulties faced in the COVID environment. Lisa Clampin responded saying BDO was using technology to good effect to counter any potential issues with audit quality and confirmed that the main impact was on the time it took to do the audit remotely.

Councillor Collins raised a question regarding what the extent of the issue with payroll contracts was. Lisa Clampin responded saying that this was not a major concern to BDO, but was a point for which a recommendation was required. Jonathan Wilson added to this by saying that there was no legal requirement for signed contracts to be in place, and also that the Council was introducing a new electronic system going forward which was expected to resolve this issue.

RESOLVED

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

66. Financial Statements and Annual Governance Statement 2019/20

Jonathan Wilson, Assistant Director Finance, presented the report by stating the financial statements had been subject to external audit. External audit work was substantially complete with outstanding matters covering completion procedures and audit file and statement of accounts review. Financial statements had been updated with audit amendments and were included as an appendix to this report. Members would had already considered the external auditor's opinion earlier on this agenda that both the Financial Statements and the Use of Resources conclusions would be unmodified. The Annual Governance statement was also included as an appendix to this report and the review by external audit had concluded that it was consistent with external audit's knowledge of the Council.

There were no questions raised so the Chair asked for Members agreement to the proposed recommendations.

The meeting was paused for five minutes due to a technical issue.

RESOLVED

That the Standards and Audit Committee:

1. Gave consideration to the comments within the Audit Completion Report considered earlier on the agenda, approve the Group Financial Statements;

2. **Noted the issues contained within, and approve, the Annual Governance Statement; and**

3. **Approved the letter of representation on behalf of the Council to be signed by the Chair of the committee.**

67. Regulation of Investigatory Powers Act (RIPA) - Activity Report April 2020 - September 2020

Sean Clark, Corporate Director of Finance, Governance and Property, presented the report that stated there had been no Thurrock RIPA surveillance authorisations proceed during April 2020 and September 2020.

There were no questions raised so the Chair asked for Members agreement to the proposed recommendation.

RESOLVED

That the Standards and Audit Committee noted the statistical information relating to the use of RIPA for the reporting period.

68. Internal Audit Progress Report 2020/21

Gary Clifford, Chief Internal Auditor introduced the progress report that covered the final reports issued to date, draft reports issued and work in progress in respect of the Internal Audit Plan 2020/21, which was discussed and agreed by the Standards & Audit Committee at the meeting on the 9 July 2020.

Councillor Rice asked for an update on the garage rent arrears as part of the Assignment: Housing Rents on page 283 of the agenda. Gary Clifford stated this related to an issue identified as part of that assignment where arrears were not being addressed in line with the Council's procedures. He confirmed there was a process in place and the action would be to monitor the arrears more closely but the member of staff who dealt with this had been self-isolating from COVID at the time of the audit and had now returned to work and was ensuring the correct process was being followed.

RESOLVED

That the Standards and Audit Committee considered the reports issued and the work being carried out by Internal Audit in relation to the 2020/21 audit plan.

69. Counter Fraud & Investigation Quarterly Update (Q2)

David Kleinberg, Assistant Director for Counter Fraud, Investigation & Enforcement, presented the report that outlined the performance of CFI over the last quarter (Q2) for Thurrock Council as a whole as well as the work the

team have delivered nationally for other public bodies. Members were referred to Appendix 1 that outlined the CFI Plan for 2020/21.

Councillor Collins referred to the COVID Business Grant Support Programme and questioned whether there had been any fraud that had been detected in that area. David Kleinberg stated there had been a few cases, to which one was reported on at the last committee but since more had been learnt about this scheme and the team had adapted to it a lot of fraud had been prevented. Members would be provided with updated figures at the next committee meeting.

Councillor Spillman asked, in the team's view, when the courts would be up and running to a sensible degree and fit for purpose for the action the Council would need to take. David Kleinberg stated that some courts were now open, with additional courts being opened to deal with the number of backlog cases with serious crime cases being prioritised. In regards to civil courts, work was still be undertaken with HM Courts Service to understand the capacity but hoped in the next quarter progress would be made on backlog cases. Councillor Spillman noted that Councillors were aware of the situation and how those figures in this current pandemic were being presented to this committee.

RESOLVED

That the Standards and Audit Committee commented on the performance of the Counter Fraud & Investigation Department.

70. A13 Widening Project

Anna Eastgate, Assistant Director for Lower Thames Crossing and Transport Infrastructure Projects, presented the report that provided Members with an update on the A13 project. The report focused on the latest progress made on the delivery of the scheme, the current programme and current out turn forecast.

The Chair stated he was delighted to see that tarmac had started to be laid which was a very positive way forward.

Councillor Spillman asked since the last meeting what was the worst and most difficult thing to have happened on this project. Anna Eastgate stated there had been some changes to resources on the project so some continuity had been lost but there was proper and significant handovers with that resource to continue the challenge and review that had already taken place so far on the project. Councillor Spillman questioned whether Anna Eastgate was happier with progress now to which Anna Eastgate stated this was a challenging project but would continue to work as hard as possible to mitigate and manage the impacts in terms of budget and programme as much as possible.

Councillor Collins questioned how long the road surface was currently going to last based on the projected usage. Anna Eastgate stated this was a technical question but understood the surface should last for five years and agreed to check this detail and circulate to members following the meeting.

Councillor C Kent referred to the minutes of the previous meeting where details of a workshop had been noted to look at the funding gap between SELEP and other organisations and requested an update. Also questioned whether there was any timetables on dates when any extra funding received would need to be spent by to ensure the revenue was there to complete the project. Anna Eastgate stated the funding was safely secured and on programme to spent the budget that had been identified up to the end of this current financial year, there would be reclaim of that money from SELEP as this money would have been sent within the timeframes to spend that money. Anna Eastgate also stated that work was ongoing in relation to the funding gap and work was being undertaken across different departments within the Council to look at proposals to bridge that funding gap and once further information was available this would be reported back to members.

Councillor Rice questioned the current amount of overspend to which Anna Eastgate stated that the budget was currently being reviewed and once that piece of work had been completed would be brought back to committee.

RESOLVED

That the Standards and Audit Committee noted and commented on the report content.

71. Stanford Le Hope Transport Project

Anna Eastgate, Assistant Director for Lower Thames Crossing and Transport Infrastructure Projects, presented the report that provided Members with an update on the Stanford Le Hope Transport Project. This report and future reports would focus on the latest progress in delivery of the scheme, any changes in the agreed programme and any changes in the out turn forecast.

Councillor Rice questioned whether the whole project would be completed in 2021. Anna Eastgate stated that due to the changes in scheme to deliver the project in two phases, the station and then the transport hub on the opposite side of the road there would be a slight delay in the transport hub coming forward which was currently at design stage. The focus had been on the station side of the road with the transport hub following closely behind. It was anticipated that the work for the transport hub would not be as lengthy or detailed as the station. An updated programme on Phase 2 would be made available to members once available.

Councillor Rice questioned as part of Phase 1 would passengers have an upgrade onto the station. Anna Eastgate confirmed that yes this would be the case and stated that the benefit of having Phase 2 across the road enabled

more efficient construction of the station site and would help accelerate the delivery of the Phase 1 works.

RESOLVED

That the Standards and Audit Committee notes and comments on the report content.

72. Investment Briefing

Sean Clark, Corporate Director of Finance, Governance and Property, presented the report that provided Members with a brief update on the Council's investments and borrowings as of 10 September 2020. As requested by the committee this report provided the latest update to members and set out the actual levels of investments and borrowings as at 31 October 2020. Members were referred to the key financial information of the Council's investment performance and the spread of the investments on pages 302 and 303 of the agenda

Councillor Collins congratulated Sean Clark and his team for the fantastic work that had been undertaken during this pandemic.

Councillor C Kent asked for reassurances that in light of the COVID pandemic that the Council's investments were secure and that going forward the Council were not putting itself under any undue financial restraints in relation to those investments. Sean Clark raised a possible issue that one of the Council's smaller investments had some small cash flow issues at this moment, but with the level of cash, with some cash already being pulled back and the levels of capital was largely secure. More details from this would be shared with the shadow investment committee when they meet in December. Sean Clark confirmed that the rest of the investments were doing very well, with returns and there had been no threats to the Council's capital. That reassurance was given to Members that all was looking very positive and not such as a concern when compared to other places around the country.

Councillor C Kent referred to the Council's income and questioned over the next few years would these investments still be holding up to help the Council when budgets were being looking into. Sean Clark stated that the majority of investments were in renewable energy and one of the reasons for this was there was no sign of this being impacted going forward and that these assets had not been so affected by COVID. That in terms of the medium term strategy the returns on the current investment would remain stable and nothing had been seen to change that opinion. In regards to the budget gaps and pressures, as no further investments would be made in the foreseeable future, this was no longer a tool to bridge those gaps going forward. Therefore the investments we had were stable but no further investments to be able to support the pressures.

Councillor Spillman thanked Sean Clark for the report and stated that further investments should still be looked into and questioned whether the decision to

not make any future investments was political or based on risk. Sean Clark stated there were a number of reasons but the market had become a lot more difficult and the environment was becoming more difficult to go forward on investments of this nature.

Councillor Spillman questioned whether it was dearer to borrow from PWLB rather than the borrowing from other councils. Sean Clark stated that it was more expensive but was dependant on the amounts and over what period.

Councillor Spillman questioned what the financial impact would be to the Council of this change in borrowing. Sean Clark stated that it varied and so was a hard question to answer. The MTFS already assumed circa £1.5m growth per annum in borrowing costs to allow for these changes going forward and that this would reduce over time as investments dropped out.

Councillor Spillman stated he was passionate about renewables and for Council's to start paying their own way and was happy with this approach and thanked Sean Clark.

Councillor Rice referred to the 80% of investments in renewables and questioned when these investments would come to an end. Sean Clark stated that the majority were around 7 to 8 years but there were various different periods within that. There was also the ability to pay back those at any time so some may be shorter than that.

RESOLVED

That the Standards and Audit Committee noted the report.

73. Work Programme

Members noted the work programme.

The meeting finished at 8.20 pm

Approved as a true and correct record

CHAIR

DATE

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

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11 March 2021	ITEM: 5
Standards and Audit Committee	
External Audit Plan 2020/21	
Wards and communities affected: All	**Key Decision:** N/A
Report of: Sean Clark, Corporate Director of Finance, Governance and Property	
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property	
This report is Public	

Executive Summary

This report introduces the External Audit Plan for 2020/21 which will be presented by BDO.

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 2020/21 financial statements and the assessment of the council's arrangements to secure value for money through the economic, efficient and effective use of its resources.

2.2 The plan sets out the audit process and the auditors will report on their findings back to the Committee on completion of their work.

2.3 The plan sets out the key risks and the areas of audit focus.

2.4 The key financial statement risks identified are noted below along with steps taken by the Council to address them. The significant risks identified are audit risks which are largely common to all local authorities and are set out below:

- Management Override of Controls

ISA (UK) 240 presumes that management is in a unique position to perpetrate fraud. This is based on the potential to manipulate accounting records and

prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

There have been no identified instances of management override identified at the Council from previous audits and the system of internal control continues to operate effectively to mitigate this inherent risk.

- Revenue (and Expenditure) Recognition

There is risk in respect revenue and capital grants that are recognised in the financial statements before the relevant performance conditions have been met. Hence revenue could incorrectly be recognised in the comprehensive income and expenditure statement (CIES). There is also a risk of the manipulation of expenditure which can lead to recognition in the incorrect financial period.

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.

- Valuation of Property, Plant & Equipment (PPE)

There is an inherent risk over the valuation of land, buildings and dwellings as there is a high degree of estimation uncertainty, with valuations being based on incorrect assumptions or where updated valuations have not been provided for a class of assets at year-end.

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.

- Pension Liability Valuation

There is a risk the valuation of the pension liability is not based on accurate membership or appropriate assumptions, involving a degree of estimation uncertainty and hence there is an inherent risk of material misstatement.

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

- Financial Instruments Valuation

There is a risk the valuation of financial instruments is not based on accurate input data or appropriate assumptions involving a degree of estimation uncertainty and hence there is an inherent risk of material misstatement.

The Council continues to liaise with Fund Managers to ensure all data inputs into the valuation process are complete and accurate and assumptions are reasonable.

2.5 Following the introduction of the new Code of Audit Practice there will be changes to the way that auditor's perform their Use of Resources work and reporting of their findings. The key output from local audit work in respect of value for money arrangements is a commentary as reported in the Auditor's Annual Report as opposed to the VFM conclusion' in place previously. This change is moving away from solely focusing on 'significant risks' to risks focusing on actual arrangements and a wider scope so that any developing issues can be addressed on a timely basis. However, audit are not yet in a position to report risks of significant weaknesses under the new code requirements and will issue an updated planning report once their risk assessment has been completed.

2.6 The proposed audit fees are set out in Appendix A. The planned fee for the main audit and VFM conclusion is £107,967. This is consistent with the base audit fee for 2019/20. Audit will be proposing a fee variation for the significant increase in use of resources work under the new code, once the additional procedures have been scoped.

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**

Assistant Director, Finance

These are included in the body of the report.

7.2 **Legal**

Implications verified by: **Tim Hallam**

Deputy Head of Law and Deputy Monitoring Officer

There are no specific implications from this report.

7.3 **Diversity and Equality**

Implications verified by: **Natalie Smith**

Strategic Lead - Community Development

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 – BDO Audit Planning Report for Thurrock Council 2020/21

Report Author:

Jonathan Wilson

Assistant Director of Finance

Finance

Report to the Standards and Audit Committee

THURROCK COUNCIL

Audit Planning Report: year ending 31 March 2021

IDEAS | PEOPLE | TRUST

BDO

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WELCOME

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We have pleasure in presenting our Audit Planning Report to the Standards and Audit Committee of Thurrock Council (the 'Council'). This report forms a key part of our communication strategy with you, a strategy which is designed to promote effective two way communication throughout the audit process with those charged with governance.

It summarises the planned audit strategy for the year ending 31 March 2021 in respect of our audit of the financial statements and use of resources; comprising materiality, key audit risks and the planned approach to these; together with timetable and the BDO team. This is an outline plan due to the changing climate we find ourselves in, which in particular is affecting audit scope, risk to financial reporting in Local Government and timetabling. We may issue an updated report to the Standards and Audit Committee when risk assessment has progressed further, in particular in respect of our work on use of resources.

The planned audit strategy has been discussed with management to ensure that it incorporates developments in the business during the year under review, the results for the year to date and other required scope changes.

This report contains matters which should properly be considered by the Council as a whole. We expect that the Standards and Audit Committee will refer such matters to the Council, together with any recommendations, as it considers appropriate.

We look forward to discussing this plan with you at the Standards and Audit Committee meeting on 11 March 2021 and to receiving your input on the scope and approach.

In the meantime if you would like to discuss any aspects in advance of the meeting please contact one of the team.

Rachel Brittain, Director
for and on behalf of **BDO LLP**

3 March 2021

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This report has been prepared solely for the use of the Standards and Audit Committee and Those Charged with Governance. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person. For more information on our respective responsibilities please see the appendices.

SCOPE AND MATERIALITY

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This summary provides an overview of the key audit matters that we believe are important to the Standards and Audit Committee in reviewing the planned audit strategy for the Council and the Group for the year ending 31 March 2021.

It is also intended to promote effective communication and discussion and to ensure that the audit strategy appropriately incorporates input from those charged with governance.

Audit scope

The scope of the audit is determined by the National Audit Office's Code of Audit Practice that sets out what local auditors are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. This includes: auditing the financial statements and consolidated entities (together the 'Group'); reviewing the arrangements to secure value for money through the economic, efficient and effective use of its resources; and, where appropriate, exercising the auditor's wider reporting powers and duties. The Code of Audit Practice was updated with effect from 1 April 2020 and as a consequence the scope of the use of resources work has changed for the year ending 31 March 2021. More information on this change is included on page 20.

Our approach is designed to ensure we obtain the requisite level of assurance in accordance with applicable laws, appropriate standards and guidance issued by the National Audit Office.

Materiality

Planning materiality for the Council and the Group will be set at 1.75% of gross expenditure for the year (prior year 1.75%), and is currently based on gross expenditure per the prior year signed financial statements. This will be revisited when the draft financial statements are received for audit.

Although materiality is the judgement of the engagement lead, the Standards and Audit Committee is obliged to satisfy themselves that the materiality chosen is appropriate for the scope of the audit.

ENTITY	Materiality - Current year	Current year clearly trivial threshold	Materiality - Prior year	Prior year clearly trivial threshold
Group	7,815,000	313,000	7,815,000	313,000
Thurrock Council	7,800,000	312,000	7,800,000	300,000

AUDIT STRATEGY

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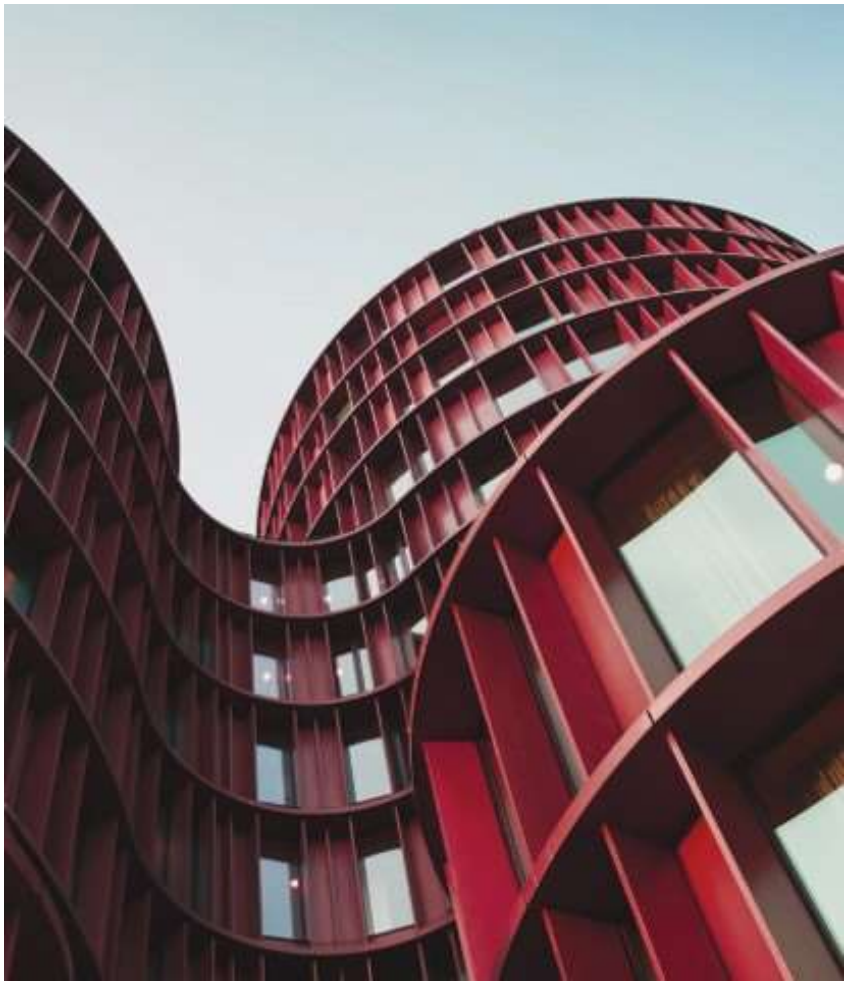

Our audit strategy is predicated on a risk based approach, so that audit work is focused on the areas of the financial statements where the risk of material misstatement is assessed to be higher, or where there is a risk that the organisation has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have discussed the changes to the Council systems and controls in the year with management and obtained their own view of potential audit risk in order to update our understanding of the Group's activities and to determine which risks impact on the numbers and disclosures in the financial statements, or on its arrangements for securing economy, efficiency and effectiveness in its use of resources.

We will continue to update this assessment throughout the audit.

The table on the next page summarises our planned approach to audit risks identified.

There has been no significant change to audit risks identified or their classification as compared to the prior year.

AUDIT RISKS OVERVIEW

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Risk identified	Risk rating	Fraud risk present	Testing approach	Impact of significant judgements and estimates
Management override of controls	Significant	Yes	Substantive	Medium
Revenue recognition	Significant	Yes	Substantive	Medium
Expenditure cut-off	Significant	Yes	Substantive	Low
Valuation of non-current assets	Significant	Yes	Substantive	High
Valuation of pension liability	Significant	No	Substantive	High
Valuation of financial instruments	Significant	No	Substantive	Medium
Allowance for non collection of receivables	Normal	No	Substantive	Medium
Use of resources	Significant	N/A	N/A	N/A

INDEPENDENCE AND FEES

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Independence

We confirm that the firm complies with the Financial Reporting Council's Ethical Standard for Auditors and, in our professional judgement, is independent.

Fees

	2020/21	2019/20
Code audit fee	[1]£102,967	£102,967
Additional audit fee: Group consolidation	£5,000	£5,000
Total audit fees	**£107,967**	**£107,967**
Fees for non-audit services - audit related:		
• Certification of housing benefits subsidy claim	£14,700	TBC
• Certification of pooled housing capital receipts return	£3,675	£3,500
• Certification of teachers' pensions return	£7,350	£7,000
Total non-audit services fees	**£25,725**	**TBC**
Total fees	**£133,692**	**TBC**

Work on the 2019/20 housing benefit subsidy claim remains ongoing at the point of writing.

The figures quoted for non related non-audit services are proposed fees only and subject to agreement with the Council.

Separate engagement letters proposing fees for the 2020/21 audit related non-audit services will be issued at a later date.

Fee variances

[1]Use of resources fee variance

The audit fee is based on audit scope under the Code of Audit Practice. A new Code is effective for periods commencing 1 April 2020, which significantly increases the work of auditors for reporting on a body's use of resources. We will propose a fee variation in respect of this once additional procedures have been fully scoped.

Amendments to the proposed fees

If we need to propose any amendments to the fees during the course of the audit, where our assessment of risk and complexity are significantly different from those reflected in the proposed fee or where we are required to carry out work in exercising our additional powers and duties, we will first discuss this with the Council. Where this requires a variation to the scale fee set by PSAA we will seek approval from Public Sector Audit Appointments Limited (PSAA). If necessary, we will also prepare a report outlining the reasons why the fee needs to change for discussion with the Standard and Audit Committee.

Billing

We will raise 2 equal invoices for the Code audit fee in December 2020 and June 2021 of £51,483.50. Following our firm's standard terms of business, full payment will be due within 14 days of receipt of invoice.

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Key components of our audit objectives and strategy for the Group are highlighted and explained on the following pages.

Audit planning is a collaborative and continuous process and our audit strategy, as reflected here, will be reviewed and updated as our audit progresses.

We will communicate any significant changes to our audit strategy, should the need for such change arise.

Reporting	Objectives
Auditing standards	We will perform our audit in accordance with International Standards on Auditing UK (ISAs (UK)) and relevant guidance published by the National Audit Office.
Financial statements	We will express an opinion on the Council and Group financial statements, prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2020/21 and other directions.
Statement of Accounts	In addition to our objectives regarding the financial statements, we will also read and consider the other information contained in the Statement of Accounts to consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.
WGA	We will review the Whole of Government Accounts (WGA) return and express an opinion on the return whether it is consistent with the audited financial statements.
Additional powers and duties	Where necessary we may be required to: issue of a report in the public interest; make a written recommendation to the Council; allow local electors to raise questions and objections on the accounts; or exercise legal powers to apply to the courts for a declaration that an item of account is contrary to law, issue an advisory notice or an application for a judicial review.
Audit Completion Report to the Standard and Audit Committee	Prior to the approval of the financial statements, we will discuss our significant findings with the Standard and Audit Committee. We will highlight key accounting and audit issues as well as internal control findings and any other significant matters arising from the audit.
Use of resources and Auditor's Annual Report	We will provide an annual commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The commentary will explain the work that we have undertaken during the year and highlight any significant weaknesses identified, along with any recommendations for improvement. The commentary will also draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the Council. The Auditor's Annual Report is required to be published by the Council. At the time of drafting this Audit Planning Report the timetable for publication is not yet confirmed.

AUDIT SCOPE ENTITIES, COMPONENTS AND AUDIT RISKS

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As Group auditor we are required to design an audit strategy to ensure we have obtained the required audit assurance for each component for the purposes of our Group audit opinion ISA (UK) 600

A high-level overview of how we have designed the Group audit strategy is summarised overleaf to ensure you have clear oversight of the scope of the work we intend to perform on each entity.

Audit Risks, covered later in this report, are cross referenced to each entity to provide clarity over how these arise within your business and where the focus of the audit work will be.

The clearly trivial threshold for the subsidiaries has been set at the Group level, being £313,000.

AUDIT SCOPE ENTITIES, COMPONENTS AND AUDIT RISKS 2

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Entity	Nature of Operations	Audit classification	Reason for classification	Audit Risks	Component Materiality and basis of assessment	Audit strategy
Thurrock Council	Provides full range of local authority services	Significant component	Size and Risk	Risk no. 1-8	£7,800,000	Statutory audit performed by BDO UK
Thurrock Regeneration Limited	Delivery of regeneration projects in the borough	Non significant component	Size	Risk no. 1, 2, 4	N/A - non-significant component	Specified procedures performed by BDO UK
Thurrock Regeneration Homes Limited	The rental and housing management of the development of Thurrock Regeneration Limited	Non significant component	Size	Risk no. 1, 2, 4	N/A - non-significant component	Specified procedures performed by BDO UK

BDO TEAM

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As audit engagement lead I have primary responsibility to ensure that the appropriate audit opinion is given.

In meeting this responsibility I ensure that the audit has resulted in obtaining sufficient and appropriate evidence to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to report on the financial statements and communicate as required by the ISAs (UK), in accordance with our findings.

I will ensure that we have undertaken sufficient work to assess the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources against the guidance published by the National Audit Office.

I am responsible for the overall quality of the engagement and am supported by the rest of the team as set out here.

Matthew Weller Manager

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I will lead on the audit of the Council. I work closely with Rachel to develop and execute the audit strategy. I will be a key point of contact on a day to day basis and will ensure that timelines are carefully managed to ensure that deadlines are met and matters to be communicated to management and the Standards and Audit Committee are highlighted on a timely basis.

Lisa Clampin, Relationship Partner

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As overall Relationship Partner, I am responsible for the overall quality of the engagement.

I am responsible for co-ordinating all services provided to the Council by BDO and ensuring your needs, and the firm's standards, are met in the delivery of those services.

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Audit risks

We have assessed the following as audit risks. These are matters assessed as most likely to cause a material misstatement in the financial statements or impact on our use of resources opinion and include those that will have the greatest effect on audit strategy, the allocation of audit resources and the amount of audit focus by the engagement team.

Key: Significant / Normal

Description of risk	Significant risk	Normal risk	Overview of risk
1. Management override of controls	■		ISA (UK) 240 notes that Management is in a unique position to perpetrate fraud.
2. Revenue recognition	■		Auditing standards presume that income recognition presents a fraud risk.
3. Expenditure cut-off	■		For public sector bodies there is a risk of fraud related to expenditure recognition, which we assess to only be relevant to cut-off around year-end.
4. Valuation of non-current assets	■		The valuation of non-current assets is a significant risk as it involves a high degree of estimation uncertainty.
5. Valuation of pension liability	■		The valuation of the pension liability is a significant risk as it involves a high degree of estimation uncertainty.
6. Valuation of financial instruments	■		The valuation of financial instruments involves a degree of estimation uncertainty.
7. Allowance for non collection of receivables		■	There is a risk over the valuation of this allowance if incorrect assumptions or source data are used, or an inappropriate methodology is applied.
8. Use of resources	■		The Code of Audit Practice was updated with effect from 1 April 2020 and as a consequence the scope of our value for money work has changed for the year ending 31 March 2021. We are not yet in a position to report risks of significant weakness under the new Code requirements to those charged with governance and will issue an updated planning report once our risk assessment has progressed. Further information is provided on page 20.

MANAGEMENT OVERRIDE OF CONTROLS

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ISA (UK) 240 notes that Management is in a unique position to perpetrate fraud.

Significant risk	■
Normal risk	
Fraud risk	■
Assess design & implementation of controls to mitigate	■
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	■

Risk detail

Management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively. We are required to consider this as a significant risk of material misstatement due to fraud.

Planned audit approach

Our audit procedures will include the following:

- Review and verification of journal entries made in the year, agreeing the journals to supporting documentation; we will determine key risk characteristics to filter the population of journals and use our IT team to assist with the journal extraction
- Review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias
- Review of unadjusted audit differences for indications of bias or deliberate misstatement.

REVENUE RECOGNITION

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Auditing standards presume that income recognition presents a fraud risk.

Significant risk	■
Normal risk	
Fraud risk	■
Assess design & implementation of controls to mitigate	■
Significant Management estimates & judgements	■
Controls testing approach	
Substantive testing approach	■

Risk detail

Under auditing standards there is a presumption that income recognition presents a fraud risk. For the Council, we consider the risk of fraudulent revenue recognition to be in respect of the accuracy and existence of grant income with performance conditions.

Planned audit approach

We will test a sample of revenue grants in income appropriate to the risk factor, to documentation from grant paying bodies and check whether the recognition criteria has been met.

EXPENDITURE CUT-OFF

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For public sector bodies there is a risk of fraud related to expenditure recognition, which we assess to only be relevant to cut-off around year-end.

Significant risk	■
Normal risk	
Fraud risk	■
Assess design & implementation of controls to mitigate	■
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	■

Risk detail

Under auditing standards there is a presumption that income recognition presents a fraud risk, however, for net-spending bodies in the public sector the risk of fraud related to expenditure is more relevant. There is a risk that material misstatement may occur through the manipulation of expenditure recognition. We assess this risk is only relevant to the cut-off of expenditure around year-end.

Planned audit approach

We will test expenditure transactions around year-end to a lower testing threshold than would have otherwise been applied, checking that expenditure is recognised in the correct accounting.

VALUATION OF NON-CURRENT ASSETS

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The valuation of non-current assets is a significant risk as it involves a high degree of estimation uncertainty.

Significant risk	■
Normal risk	
Fraud risk	■
Assess design & implementation of controls to mitigate	■
Significant Management estimates & judgements	■
Controls testing approach	
Substantive testing approach	■

Risk detail

Local authorities are required to ensure that the carrying value of land, buildings and dwellings is not materially different to the current value (operational assets) or fair value (surplus assets and assets held for sale) at the balance sheet date. There is a risk over the valuation of these assets due to the high degree of estimation uncertainty and where updated valuations have not been provided for a class of assets at the year-end.

Planned audit approach

Our audit procedures will include the following:

- Reviewing and critically assessing the instructions provided to the valuer and the valuer's skills and expertise in order to determine if we can rely on the management expert
- Verifying that the basis of valuation for assets valued in year is appropriate based on their usage
- Verifying the accuracy and completeness of information provided to the valuer, such as rental agreements and sizes
- Critically assessing assumptions used by the valuer and movements against relevant indices for similar classes of assets
- Following up valuation movements that appear unusual
- Verifying that assets not specifically valued in the year have been assessed to ensure their reported values remain materially correct.

VALUATION OF PENSION LIABILITY

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The valuation of the pension liability is a significant risk as it involves a high degree of estimation uncertainty

Significant risk	■
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	■
Significant Management estimates & judgements	■
Controls testing approach	
Substantive testing approach	■

Risk detail

The valuation of the defined benefit obligation is a complex calculation involving a number of significant judgements and assumptions. The actuarial estimate of the pension fund liability uses information on current, deferred and retired member data and applies various actuarial assumptions over pension increases, salary increases, mortality, commutation take up and discount rates to calculate the net present value of the liability.

There is a risk that the membership data and cash flows provided to the actuary at year end may not be accurate, and that the actuary uses inappropriate assumptions to value the liability. Relatively small adjustments to assumptions used can have a material impact on the Council's share of the scheme liability.

Planned audit approach

Our audit procedures will include the following:

- Agreeing the disclosures to the information provided by the pension fund actuary
- Assessing the competence of the management expert (actuary)
- Challenging the reasonableness of the assumptions used in the calculation against other local government actuaries and other observable data
- Assessing the controls in place for providing accurate membership data to the actuary
- Agreeing a work programme with the pension fund auditor and requesting confirmation of the controls in place for providing accurate membership data to the actuary and testing of that data
- Checking that any significant changes in membership data have been communicated to the actuary.

VALUATION OF FINANCIAL INSTRUMENTS

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The valuation of financial instruments involves a degree of estimation uncertainty.

Significant risk	■
Normal risk	
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	■

Risk detail

There is a risk over the valuation of the financial instruments designated at fair value through profit and loss, these are valued using techniques which have a high level of estimation uncertainty.

Planned audit approach

Our audit procedures will include the following:

- Engaging our valuations team to assess the reasonableness of the assumptions applied
- Agree input data to source documentations.

ALLOWANCE FOR NON COLLECTION OF RECEIVABLES

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There is a risk over the valuation of this allowance if incorrect assumptions or source data are used, or an inappropriate methodology is applied.

Significant risk	
Normal risk	■
Fraud risk	
Assess design & implementation of controls to mitigate	
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	■

Risk detail

There is a risk over the valuation of this allowance if incorrect assumptions or source data are used, or an inappropriate methodology is applied. IFRS 9's Expected Credit Loss model applies to financial assets but does not include amounts receivable under statute such as council tax and business rates receivables.

Planned audit approach

We will assess the provision model for significant income streams and receivables and debt balances to conclude on whether it appropriately reflects historical collection rates by age of debt or arrears and, for receivables classified as financial instruments, includes appropriate assumptions for expected credit losses.

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New Code of Audit Practice ("Code")

The Comptroller & Auditor General has determined through a new Code and guidance that the key output from local audit work in respect of value for money (VFM) arrangements is a commentary as reported in the Auditor's Annual Report, not a VFM arrangements 'conclusion' or 'opinion'. There may be matters referred to in the auditor's commentary that do not represent significant weaknesses in arrangements and where significant weaknesses are reported we are required to also report recommendations.

As auditors we need to gather sufficient evidence and document our evaluation of arrangements to enable us to draft our commentary under three reporting criteria. These criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** ('Improving 3Es') - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

In addition to new assessment criteria and commentary requirements, the scope of the new Code also considerably increases auditors' requirements for planning documentation and management should expect an increase in requests for discussion and evidence to facilitate this requirement.

Risk of Significant Weakness

We are required to report the results of our risk assessment to those charged with governance, including additional work planned in respect of any identified risks of significant weakness, and to keep risk assessment under continual review, with any changes again communicated to those charged with governance.

We are working through the implications of the new Code, including on risk assessment procedures and requirements for a work programme that addresses risks of significant weakness identified. Detailed supplementary guidance for auditors on the application of the new Code has recently been issued and we are currently considering the impact of this on our approach.

Pertinent matters from early discussions with management include how the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities (Financial Sustainability), how the Council ensures it delivers its role, engages with stakeholders, monitors performance and acts for improvement within significant partnerships (Improving 3Es) and how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency in respect of capital funding (Governance). We are however not yet in a position to report any risks of significant weakness.

We will update the Standards and Audit Committee on risks of significant weakness and planned work at the next meeting and, subject to risks being identified, will issue an updated version of this report.

OTHER MATTERS REQUIRING FURTHER DISCUSSION

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Fraud

Whilst the officers of the Council have ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit approach includes the consideration of fraud throughout the audit and includes making enquiries of management and those charged with governance.

We have not been made aware of any actual alleged or suspected incidences of fraud. We request confirmation from the Standards and Audit Committee on fraud and a discussion on the controls and processes in place to ensure timely identification and action.

Management believe that there is low risk of material misstatement arising from fraud and that controls in operation would prevent or detect material fraud.

Accounting policies

We will report to you on significant qualitative aspects of your chosen accounting policies. We will consider the consistency and application of the policies and we will report to you where accounting policies are inconsistent with the CIPFA Code of Practice on Local Authority Accounting 2020/21 under the circumstances.

Significant accounting estimates and judgements

We will report to you on significant accounting estimates and judgements. We will seek to understand and perform audit testing procedures on accounting estimates and judgements including consideration of the outcome of historical judgements and estimates. We will report to you our consideration of whether management estimates and judgements are within an acceptable range.

Internal audit

We will ensure that we maximise the benefit of the overall audit effort carried out by internal audit and ourselves, whilst retaining the necessary independence of view.

We will review the reports issued by the Council's internal audit function although we do not plan to place reliance on their work in respect of their assessment of control processes. We will use the work of Internal Audit to inform our consideration of the arrangements in place to secure value for money wherever possible.

Laws and regulations

We will consider compliance with laws and regulations. The most significant of these for your organisation includes VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010. We will make enquiries of management and review correspondence with the relevant authorities.

Related parties

Whilst you are responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for Management override or concealment or fraud. Our audit approach includes the consideration of related party transactions throughout the audit including making enquiries of management.

Financial statement disclosures

We will report to you on the sufficiency and content of your financial statement disclosures.

Any other matters

We will report to you on any other matters relevant to the overseeing of the financial reporting process. Where applicable this includes why we consider a significant accounting practice that is acceptable under the financial reporting framework not to be the most appropriate.

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Officers are required to make an assessment of the Council's ability to continue as a going concern.

Officers' responsibilities

It is the officers' responsibility to make an assessment of the Council's ability to continue as a going concern to support the basis of preparation for the financial statements and disclosures in the financial statements. This is a requirement of the accounting standards.

This assessment should be supported by detailed cash flow forecasts with clear details of the key underlying assumptions, consideration of available finance throughout the forecast period, and a consideration of the forecast's sensitivity to reasonably possible variations in those assumptions along with any other relevant factors.

The going concern assessment should cover a minimum of 12 months from the date of the officers' approval of the financial statements. However, consideration should also be given to any major events or circumstances that may fall outside this period.

Audit responsibilities

Our responsibilities in respect of going concern are:

- To obtain sufficient appropriate audit evidence regarding, and conclude on, i) whether a material uncertainty related to going concern exists; and ii) the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements
- (b) To report in accordance with ISA (UK) 570.

We will obtain an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the Council's financial performance including forecasting and budgeting processes and the Council's risk assessment process. We will evaluate:

- The Council's method, including the relevance and reliability of underlying data used to make the assessment, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other
- The Council's plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances
- The adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist.

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We are required to include in our auditor's report an explanation of the extent to which the audit is considered capable of detecting irregularities (non compliance with laws and regulations), including fraud.

Our audit is designed to provide reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error. We design audit procedures to respond to the risk of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error.

Our audit work will focus on laws and regulations that could give rise to a material misstatement in the Council's financial statements and may include, where appropriate:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations
- Enquiries of management, those charged with governance and the Council's legal advisers
- Agreement of the financial statement disclosures to underlying supporting documentation
- Review of minutes of Council and Cabinet meetings throughout the year and of correspondence with regulatory authorities
- Written representations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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Revision to ISA (UK) 540 means that we may need to update our approach to the audit of accounting estimates - including confirmation and documentation of our understanding of the Council's estimation process.

We will need to obtain an understanding of how you control your estimation process including not only the design and implementation of the process, but also the policies and procedures you put in place to satisfy yourself that each step in the process is properly applied, and that the resulting accounting estimates are reasonable.

For significant accounting estimates, particularly those that are complex or where there is a high degree of estimation uncertainty we will also make enquiries about how you:

- Make those responsible for deriving or changing your accounting estimates aware of relevant significant transactions, conditions or events
- Review the outcome(s) of previous accounting estimates and respond to the results of that review
- Identify and comply with the relevant requirements in the applicable financial reporting framework regarding your accounting estimates and related disclosures, including how they are affected by complexity and your judgment
- Account for regulatory factors relevant to the Council's accounting estimates; including, when applicable, regulatory frameworks related to prudential supervision
- Identify the need for, and apply, specialised skills or knowledge related to accounting estimates, including with respect to the use of a management's expert
- Identify and address risks related to accounting estimates through your risk assessment process
- Identify relevant methods (including models), assumptions and data, and the need for changes in them, and from those identified, select those to apply
- Address the degree of estimation uncertainty in selecting your final point estimates
- Describe in your financial statements matters related to your process for deriving your accounting estimates, and matters related to the degrees of estimation uncertainty underlying your accounting estimates
- Ensure there is oversight and governance in place over management's financial reporting process relevant to accounting estimates.

Under ISA (UK) 540 (revised) our audit approach will involve a more granular risk assessment relating to each significant estimate and separate consideration of the methods (or models) applied in calculating the estimate, the nature, source and reliability of data used and the significance, consistency and appropriateness of assumptions made.

We will also request written representations from you regarding the reasonableness of the methods, significant assumptions and the data used in determining the monetary amounts of accounting estimates, including the related disclosures, in accordance with the CIPFA Code of Practice on Local Authority Accounting 2020/21.

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IT General Controls (ITGCs) are the policies and procedures that relate to many IT applications and support the effective functioning of application controls by helping to ensure the continued proper operation of information systems. They commonly include controls over data center and network operations; system software acquisition, change and maintenance; access security; and application system acquisition, development, and maintenance.

ITGCs are an important component in systems of internal control, and sometimes have a direct impact on the reliability of other controls.

IT assurance is embedded in our audit strategy to ensure the IT systems provide a suitable platform for the control environment and is undertaken in conjunction with our IT Assurance team. Our testing strategy includes a tailored range of data analytics, system configuration and IT environment testing.

We will also obtain an understanding of the information system, including the related business processes relevant to financial reporting.

FRC ETHICAL STANDARD (DECEMBER 2019)

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In December 2019 the FRC published the Revised Ethical Standard 2019 ('ES'), which is applicable from 15 March 2020. There are some transitionary provisions for services and arrangements that are not currently prohibited under the existing Standard. The ES aims to further strengthen auditor independence and enhance confidence in the profession. The table below provides a high level summary of the key headlines as applicable to our audit of the Council.

Key headlines	Impact
The objective, reasonable & informed third party test	Reinforcement that ethical principles take priority over rules. A need to take care where particular facts and circumstances are either not addressed directly by the rules or might appear to 'work around' the rules, or result in an outcome that is inconsistent with the general principles.
Contingent fees	Non-audit services with contingent or success-based fee arrangements will be prohibited for audited entities.
Secondments	All secondments/loan staff to audited entities are prohibited with the exception of secondments to public sector entities.
Recruitment and remuneration services	Prohibition on providing remuneration services to audited entities such as advising on the quantum of the remuneration package or the measurement criteria for calculation of the package. In addition, the prohibition on providing recruitment services to an audited entity that would involve the firm taking responsibility for, or advising on the appointment of, any director or employee of the entity.

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Under ISAs (UK) and the FRC's Ethical Standard we are required, as auditors, to confirm our independence.

We have embedded the requirements of the auditing standards in our methodologies, tools and internal training programmes. Our internal procedures require that audit engagement leads are made aware of any matters which may reasonably be thought to bear on the integrity, objectivity or independence of the firm, the members of the engagement team or others who are in a position to influence the outcome of the engagement.

This document considers such matters in the context of our audit for the year ending 31 March 2021.

We confirm that the firm, the engagement team and other partners, directors, senior managers and managers conducting the audit comply with relevant ethical requirements including the FRC's Ethical Standard and are independent of the Council and the Group.

We previously reported that one of our colleagues at BDO had declared that they have a close family member employed by the Council. This individual is no longer employed by BDO, and does not therefore present an independence threat going forward.

We also confirm that we have obtained confirmation that external audit experts involved in the audit comply with relevant ethical requirements including the FRC's Ethical Standard and are independent of the Council and the Group.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

Non-audit services

Details of services, other than audit, provided by us to the Council during the period and up to the date of this report are set out in the fees table on page 7.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

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Financial reporting

The Council is expected to have effective governance arrangements to deliver its objectives. To this end, the publication of the financial statements is an essential means by which the Council accounts for its stewardship and use of the public money at its disposal.

The form and content of the Council's financial statements, and any additional schedules or returns for consolidation purposes, should reflect the requirements of the relevant accounting and reporting framework in place and any applicable accounting standards or other direction under the circumstances.

The Council is also required to prepare schedules or returns to facilitate the preparation of consolidated accounts such as HM Treasury's Whole of Government Accounts.

The Section 151 Officer is responsible for preparing and filing a Statement of Accounts and financial statements which show a true and fair view in accordance with CIPFA Code of Practice on Local Authority Accounting 2020/21, applicable accounting standards or other direction under the circumstances.

Our audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of materially accurate financial statements.

Use of resources

Councils are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at their disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a Governance Statement.

In preparing its Governance Statement, the Council will tailor the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on their arrangements for securing value for money from their use of resources.

OUR RESPONSIBILITIES

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Our responsibilities and reporting - financial reporting

We are responsible for performing our audit under International Standards on Auditing (UK) to form and express an opinion on your financial statements. We report our opinion on the financial statements to the members of the Council.

We read and consider the 'other information' contained in the Annual Report such as the additional narrative reports. We will consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.

Our responsibilities and reporting - use of resources

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

This means that we have regard to relevant guidance issued by the National Audit Office and undertake sufficient work to be able to satisfy ourselves as to whether the Council has put arrangements in place that support the achievement of value for money and to provide an annual commentary on arrangements in the Auditor's Annual Report.

What we don't report

Our audit is not designed to identify all matters that may be relevant to the Council and the Standards and Audit Committee and cannot be expected to identify all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

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Those charged with governance

References in this report to 'those charged with governance' are to the Council as a whole. For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Standards and Audit Committee.

In communicating with the Standards and Audit Committee, representing TCWG of the parent and the Group, we consider TCWG of subsidiary entities to be informed about matters relevant to their subsidiary. Please let us know if this is not appropriate.

Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered. We will meet with management throughout the audit process. We will issue regular updates and drive the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Audit Planning Report

The Audit Planning Report sets out all planning matters which we want to draw to your attention including audit scope, our assessment of audit risks and materiality.

Internal Controls

We will consider internal controls relevant to the preparation of financial statements in order to design our audit procedures and complete our work. This is not for the purpose of expressing an opinion on the effectiveness of internal control.

Audit Completion Report

At the conclusion of the audit, we will issue an Audit Completion Report to communicate to you key audit findings before concluding our audit opinion. We will include any significant deficiencies in internal controls which we identify as a result of performing audit procedures. We will meet with you to discuss the findings and in particular to receive your input on areas of the financial statements involving significant estimates and judgements and critical accounting policies.

Once we have discussed the contents of the Audit Completion Report with you and having resolved all outstanding matters we will issue a final version of the report.

Auditor's Annual Report

We will provide an annual commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The commentary will explain the work that we have undertaken during the year and highlight any significant weaknesses identified, along with any recommendations for improvement. The commentary will also draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the Council. The Auditor's Annual Report is required to be published by the Council. At the time of drafting this Audit Planning Report the timetable for publication is not yet confirmed.

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This table indicates the latest rotation periods normally permitted under the independence rules of the FRC's Ethical Standard.

In order to safeguard audit quality we will employ a policy of gradual rotation covering the team members as well as other senior members of the engagement team to ensure a certain level of continuity from year to year.

Independence - engagement team rotation

Senior team members	Number of years involved	Rotation to take place after
Rachel Brittain Engagement Lead	1	5 Years
Matthew Weller Manager	2	10 years
Lisa Clampin Relationship Partner	3	5 years

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Concept and definition

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality therefore has qualitative as well as quantitative aspects and an item may be considered material, irrespective of its size, if it has an impact on (for example):

- Narrative disclosure e.g. accounting policies, going concern
- Instances when greater precision is required (e.g. disclosure of senior officers' remuneration and related party transactions).

International Standards on Auditing (UK) also allow the auditor to set a lower level of materiality for particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Calculation and determination

We have determined materiality based on professional judgement in the context of our knowledge of the Group, including consideration of factors such as industry developments, financial stability and reporting requirements for the financial statements.

We determine materiality in order to:

- Assist in establishing the scope of our audit engagement and audit tests
- Calculate sample sizes
- Assist in evaluating the effect of known and likely misstatements on the Group financial statements.

Reassessment of materiality

We will reconsider materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality if we had been aware.

Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will reconsider whether materiality combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope.

Definition of materiality under IFRS

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

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If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.

You should be aware that any misstatements that we identify during our audit, both corrected and uncorrected errors, might result in additional audit procedures being necessary.

Unadjusted errors

We will communicate to you all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.

Clearly trivial is defined as matters which will be of a wholly different (smaller) order of magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate.

We will obtain written representations from the Standards and Audit Committee confirming that in their opinion these uncorrected misstatements are immaterial, both individually and in aggregate and that, in the context of the financial statements taken as a whole, no adjustments are required.

We will request that you correct all uncorrected misstatements. In particular we would strongly recommend correction of errors whose correction would affect compliance with contractual obligations or governmental regulations. Where you choose not to correct all identified misstatements we will request a written representation from you setting out your reasons for not doing so and confirming that in your view the effects of any uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as whole.

NEW ACCOUNTING STANDARDS, AUDITING STANDARDS AND OTHER FINANCIAL REPORTING DEVELOPMENTS

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We would like to draw to your attention the following summary of key changes to standards, regulations and other financing reporting developments, their effective dates and an indication, based on preliminary discussions with management and our sector understanding, of their possible effect on the annual report.

New Accounting Standards, Auditing Standards and Other Financial Reporting Developments	Expected effect				Effective for periods beginning on or after 1 January	
	None	Low	Medium	High	2020	2021
Amendments to IFRS 3 *Definition of a business*		●				●
Auditing standard – audit of accounting estimates						
Increased emphasis on understanding management's processes, systems and controls estimation uncertainty and financial statement disclosures			●		●	
Auditing standard – going concern						
Increased emphasis on evaluation of management's assessment of the entity's ability to continue as a going concern			●		●	
Auditing standard - audit reports						
New audit report format with updated conclusion on going concern and reference to irregularities, including fraud			●		●	

AQR RESULTS 2019/20

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Overview

The FRC released their Audit Quality Review results for the 7 largest accountancy firms in July 2020 for the review period 2019/20. A copy of all of the reports can be found on the FRC Website.

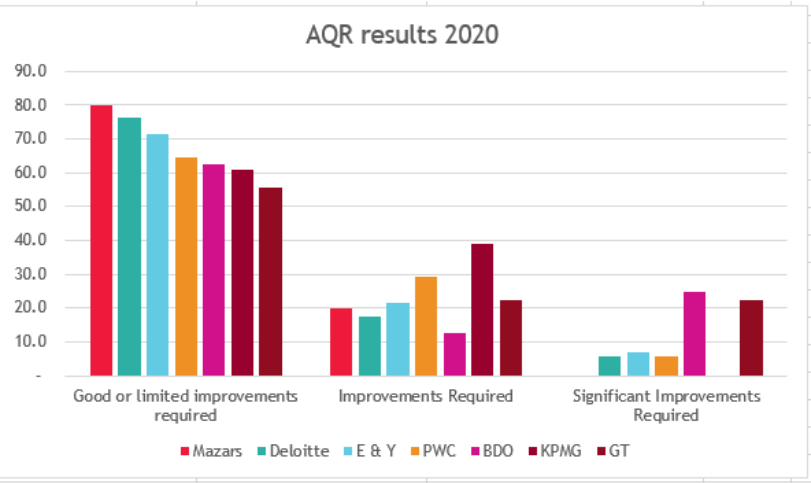
Firm's Results

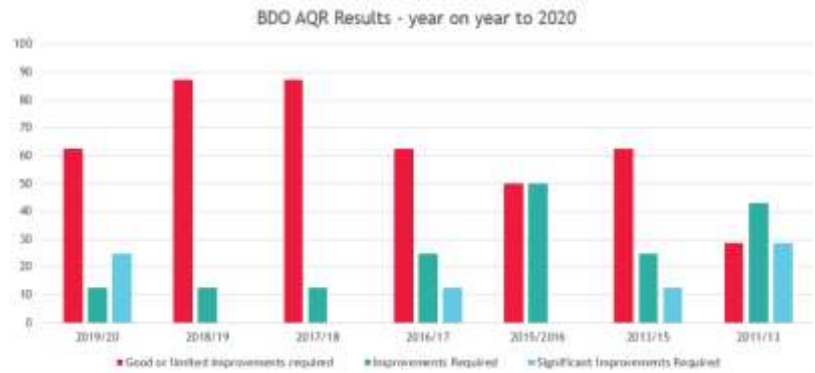
The graphs demonstrates our performance in relation to the other 6 largest firms. Having topped the table for audit quality for the last two consecutive years, we are disappointed to see a decline in our results. These scores remind us we must remain committed to continuous improvements and, having carefully considered the root causes of the AQR findings, we are in the process of implementing detailed action plans where required. We have made a number of enhancements to our Audit Quality Plan to address these issues to drive our key focus of a continuous improvement in audit quality including highlighting how we will make changes to our root cause analysis process which plays a key role.

We would encourage you to read our report which includes:

- Details of the root cause analysis we have been undertaking to address issues raised
- The actions we have/are undertaking to address the issues raised by the AQR
- A number of areas of good practice the AQR review team identified whilst undertaking their review.

More details will be included in our Transparency Report which will be available on our www.bdo.co.uk





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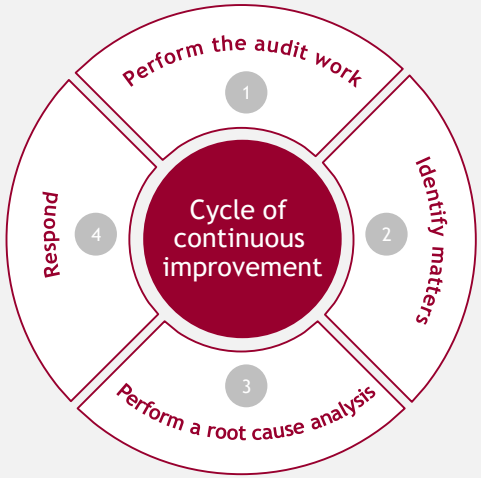
Live files require:
- Review of audit quality by senior team members

and may require:
- Hot review of financial statements
- Technical support for audit work
- Appointment of engagement quality control reviewer

Completed files may be subject to:
- Internal Audit Quality Assurance Review
- External review from AQR or QAD

Considerations of how to address:
- Behavioural matters
- Operational changes required
- Cultural matters to be escalated



Responses may include:
- Updating operational practices
- Embedding matter into performance review and development process for staff
- Staff coaching
- Amending audit approach firm-wide or for specific assignments
- Targeted messaging to relevant audiences (e.g. grades, ranks or sector specialists)
- Updated guidance material

Responses inform training plans

Nature of matters may be:
- Client/assignment specific issues
- Common findings/repeating issues that have need to be tracked and/or escalated
- Firm-wide matters
- "Best practice" examples

May be at Individual assignment or 'whole-firm' level:
- Identification and assessment of root cause
- Productive process to learn from matters and improve quality
- "Best practice" examples treated in the same way as "issues"
- Consideration of appropriate responses to issues identified, proposed and escalated as appropriate

FOR MORE INFORMATION:

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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11 March 2021	ITEM: 6
Standards and Audit Committee	
Thurrock Annual Audit Letter 2019/20	
Wards and communities affected: All	**Key Decision:** Non-key
Report of: Sean Clark, Corporate Director of Finance, Governance & Property	
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property	
This report is Public	

Executive Summary

The external auditors are responsible for:

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

The Annual Audit Letter summarises this work and is appended to this report. The content of this letter has been largely reported to this committee in November 2020 as part of the Audit Completion Report which confirmed:

- The Council received an unmodified audit opinion on the 2019/20 Financial Statements;
- The Council received an unmodified value for money conclusion; and
- The Annual Governance Statement was consistent with external audit's knowledge of the Council.

The Annual Audit Letter summarises these conclusions alongside the wider areas of work completed at the Council.

1. Recommendation(s)

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

2. Introduction and Background

2.1 The main message is that the auditors issued an unmodified audit opinion on the 2019/20 financial statements and an unmodified value for money conclusion.

2.2 The findings from the financial statement audit in relation to the significant risk areas identified in the audit plan are set out in the appendix. The Council positively addressed these risks as noted in the report and these were considered by the Committee in November 2020 as part of the Audit Completion Report.

2.3 The financial statements produced were to a high standard and were supported by relevant supporting records. Officers worked hard to support the audit process and resolve queries quickly and effectively. External audit identified one material error which required a reclassification between short term and long terms debtors – this was amended to update the balance sheet with no impact on the general fund. It was also noted that as a consequence of Covid-19 the financial statements included disclosures about a material valuation uncertainty in respect of Property, Plant and Equipment (PPE), and 'Property' assets within the Local Government Pension Scheme Assets. Consequently external audit have included an 'Emphasis of matter' paragraph in the audit opinion report which does not represent a qualification of the opinion but directs the reader to certain disclosures in the financial statements.

2.4 External audit also noted non-material adjustments and some further unadjusted items which were discussed in detail as part of the audit completion report at the previous committee meeting in November 2020.

2.5 In arriving at their value for money conclusion the auditors confirmed the Council had proper arrangements in place in 2019/20 to address the identified risk in relation to the achievement of savings over the medium term and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

3. Issues, Options and Analysis of Options

3.1 The report continues the positive work from the previous year and officers continue to work to maintain the high standard of the financial accounts.

3.2 The finance team has worked effectively with external audit to enable completion of the work within the statutory timescales and in the context of the challenges of an off-site audit.

3.3 The Council is working to meet the significant financial challenges caused by ongoing reductions in funding and continue to monitor the position through the Medium Term Financial Strategy.

4. Reasons for Recommendation

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

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

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

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

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

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**

Assistant Director - Finance

The financial implications are noted in the body of the report.

7.2 Legal

Implications verified by: **Tim Hallam**

Deputy Head of Law and Deputy Monitoring Officer

The Council is required to publish the Annual Audit Letter following consideration by members in accordance with regulation 20 of the Accounts and Audit Regulations 2015.

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**

Strategic Lead - Community Development

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

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

There are no specific implications from this report.

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

- There are various working papers within accountancy.

9. Appendices to the report

Appendix 1 – The Annual Audit Letter

Report Author:

Jonathan Wilson

Assistant Director - Finance

Corporate Finance

THURROCK COUNCIL

Annual Audit Letter

Year ended 31 March 2020

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EXECUTIVE SUMMARY

Purpose of the Annual Audit Letter

This Annual Audit Letter summarises the key issues arising from the work that we carried out in respect of the year ended 31 March 2020.

It is addressed to the Council but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public.

Responsibilities of auditors and the Council

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for.

Our responsibility is to plan and carry out an audit that meets the requirements of the National Audit Office's (NAO's) Code of Audit Practice (the Code). Under the Code, we are required to review and report on:

- Our opinion on the financial statements
- Whether the Council have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

Audit conclusions

Audit area	Conclusion
Financial statements	Unqualified opinion, with an emphasis of matter in respect of the valuation of land and buildings and the valuation of pooled property assets within the pension fund, due to a material uncertainty included in the final valuation report by the valuers of these assets. Issued on 30 November 2020.
Use of resources	Unmodified conclusion issued on 30 November 2020.

We recognise the value of your co-operation and support and would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the audit.

BDO LLP

23 February 2021

FINANCIAL STATEMENTS

Audit conclusion

We issued our audit report on 30 November 2020.

We issued an unqualified audit opinion on the financial statements. This means that we consider that the financial statements:

- Give a true and fair view of the financial position and income and expenditure for the year
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Council Accounting 2019/20.

Final materiality

Final materiality was calculated at £7,800,000 based on a benchmark of 1.75% of gross expenditure.

Material misstatements

We identified one material misstatement in the Council's draft accounts. This was a classification issue between long term and short term debtors and was corrected by management. Management also corrected for five individually immaterial misstatements.

Unadjusted audit differences

We identified audit adjustments, the net impact of which if posted, would decrease the net deficit on provision of services for the year by £5.091 million.

We reported these audit differences and the Governance and Audit Committee accepted management's decision not to amend the Statement of Accounts for these differences because the impact was not material.

FINANCIAL STATEMENTS

We set out below the risks that had the greatest effect on our audit strategy, the allocation of resources in the audit, and the direction of the efforts of the audit team.

Risk description	How the risk was addressed by our audit	Results
Management override of controls Auditing standards presume that management is in a unique position to perpetrate fraud by overriding controls	We carried out the following planned audit procedures: • Reviewed and verified journal entries made in the year, agreeing the journals to supporting documentation. We determined key risk characteristics to filter the population of journals. We used our IT team to assist with the journal extraction • Reviewed estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias • Reviewed unadjusted audit differences for indications of bias or deliberate misstatement	We used our data analytics tools to inspect journals processed throughout the year and as part of the financial reporting close process for any unusual transactions. We identified a number of journal entries that we considered to be high risk. All were agreed to supporting documentation, with appropriate explanations obtained for all journals identified. We assessed and corroborated significant management estimates and judgements in the following key areas: • Depreciation • Accruals and accrued income • Valuation of property, plant and equipment and heritage assets • Pension liability • Bad debt provision • Valuation of financial instruments • Going concern assumptions We found no evidence of management override or bias for these estimates. Our review of unadjusted audit differences did not identify any indications of bias or deliberate misstatement.

FINANCIAL STATEMENTS

Risk description	How the risk was addressed by our audit	Results
Revenue Recognition Auditing standards presume that income recognition presents a fraud risk. For the Council, we consider the risk of fraudulent revenue recognition to be in respect of the accuracy and existence of grant income subject to conditions.	We tested an increased sample of revenue grants included in income to documentation from grant paying bodies and checked whether the income recognition criteria had been met.	Our sample testing of revenue and capital grants confirmed that these were appropriately recognised when performance conditions attached to them had been satisfied. Our audit work did not identify any issues.
Expenditure cut off For public sector bodies the risk of fraud related to expenditure is also relevant. For the Council, we consider the risk of fraud to be in respect of the cut-off of expenditure at year-end.	We tested an increased sample of expenditure either side of the year end, to confirm that expenditure had been recorded in the correct period and that all expenditure that should have been recorded at year end had been.	Our sample testing of expenditure either side of year end confirmed that the expenditure had been recorded in the correct period and that all expenditure that should have been recorded at year end had been. Our audit work did not identify any issues.

FINANCIAL STATEMENTS

Risk description	How the risk was addressed by our audit	Results
Valuation of non-current assets The valuation of non-current assets is a significant risk as it involves a high degree of estimation uncertainty.	We carried out the following planned audit procedures: • Reviewed the instructions provided to the valuer and reviewed the valuer's skills and expertise in order to determine if we can rely on the management expert • Confirmed that the basis of valuation for assets valued in year was appropriate based on their usage • Reviewed accuracy and completeness of asset information provided to the valuer such as rental agreements and sizes • Reviewed assumptions used by the valuer and movements against relevant indices for similar classes of assets and followed up valuation movements that appeared unusual • Confirmed that assets not specifically valued in the year had been assessed to ensure their reported values remained materially correct.	From our review of the instructions provided to the valuer and our assessment of the expertise of the valuer, we satisfied ourselves that we could rely on their work. We were satisfied that the valuation of the Council's non current assets was completed appropriately and materially accurate. The valuer included a material uncertainty statement in their final valuation reports in respect of the year-end valuations, in light of circumstances surrounding coronavirus. We considered this to be fundamental to the reader of the accounts and included an Emphasis of Matter in our audit report to highlight this uncertainty.

FINANCIAL STATEMENTS

Risk description	How the risk was addressed by our audit	Results
Valuation of Pension Liability The valuation of the pension liability is a significant risk as it involves a high degree of estimation uncertainty.	We carried out the following planned audit procedures: • Agreed the disclosures to the information provided by the pension fund actuary • Reviewed the competence of the management expert (actuary) • Reviewed the reasonableness of the assumptions used in the calculation against other local government actuaries and other observable data • Reviewed the controls in place for providing accurate membership data to the actuary • Contacted the pension fund auditor and requested confirmation of the controls in place for providing accurate membership data to the actuary and testing of that data • Checked that any significant changes in membership data have been communicated to the actuary.	No issues were found in assessing the competency of managements' experts, or, in the agreement of disclosures to the information provided by the actuary. We compared the key financial and demographic assumptions used by the actuary, to an acceptable range provided by a consulting actuary commissioned for local public auditors by the NAO. We considered that the assumptions and methodology used by the Pension Fund actuary were appropriate. We obtained assurance from the auditors of the Essex Pension fund over the controls in place for providing accurate membership data to the actuary and the testing of that data. The pension fund auditor has confirmed in their assurance letter that the valuation of property assets has been reported on the basis of 'material valuation uncertainty' in light of circumstances surrounding coronavirus. We included an Emphasis of Matter in our audit report to highlight this uncertainty.

USE OF RESOURCES

Audit conclusion

We issued an unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. This means that we consider that in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We set out below the risk that had the greatest effect on our audit strategy.

Risk description	How the risk was addressed by our audit	Results
The Council will need to deliver its savings and achieve income targets to maintain financial sustainability in the medium term and there is a risk that these projections will not be met.	We carried out the following planned audit procedures: • Reviewed the assumptions used in the MTFS and assessed the reasonableness of the cost pressures and the amount of Government grant reductions applied • Reviewed the monitoring of the delivery of the budgeted savings • Reviewed the investment plans and the adequacy of those plans • Sampled a number of savings schemes and plans for detailed review.	The Council achieved its savings target for the year, with some savings in the budget which were not achieved being offset by savings elsewhere. An updated medium term financial strategy to 2024/25 was approved by Cabinet in September 2020. The MTFS does not include any proposed savings for 2020/21, and savings will not be monitored in the short to medium term. Due to COVID-19 the Council has been affected with a loss of income as well as incurring additional expenditure – this has created a budget gap of £19.318 million for 2021/22. The impact for 2019/20 was considered relatively small as the effect was only felt at the end of March 2020. Without factoring in the changes arising due to COVID-19, while there was a recognised funding gap in the MTFS, we were satisfied that the Council had sufficient reserves available in the short to medium term and appropriate arrangements to manage the budget gap in a way that would ensure it remained financially sustainable over the period of the MTFS. At the time of issuing our opinion, the Council had not produced a plan for closing the budget gaps identified from the revised MTFS. However, our VFM conclusion is based on in-year arrangements and we concluded that the Council had proper arrangements to ensure that in 2019/20 it deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

REPORTING AND FEES

Fees summary

	2019/20 £	2018/19 £
Audit fee	**107,967**	**117,005**
Audit fee - PSAA scale fee	102,967	102,967
Proposed Amendment	5,000[1]	14,038
Non-audit assurance services (Fees for reporting on Government grants)	**TBC**	**25,400**
Housing benefit subsidy claim	**TBC**[2]	**14,900**
Pooling of Housing capital receipts return	**3,500**	**3,500**
Teachers' pension return	**7,000**	**7,000**
Total fees	**TBC**	**142,405**

[1] The additional fee for 2019/20 has been agreed as recurring fees of £5,000 which relates to consolidation of the group companies into the Council's accounts - the fee for which was not included in the scale fee.

The fee variation will require approval from PSAA.

[2] Work is ongoing and so we are unable to conclude on the final fee until the work is complete.

Communication

Communication	Date (to be) communicated	To whom
Audit Planning Report	12 March 2020	Standards and Audit Committee
Audit Completion report	24 November 2020	Standards and Audit Committee
Annual Audit Letter	11 March 2021	Standards and Audit Committee

FOR MORE INFORMATION:

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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11 March 2021	ITEM: 7
Standards and Audit Committee	
Mid-Year Complaints & Enquiries Report – April 2020 – September 2020	
Wards and communities affected: All	**Key Decision:** Non-key
Report of: Lee Henley - Strategic Lead Information Management	
Accountable Strategic Lead: Lee Henley – Strategic Lead Information Management	
Accountable Directors: Jackie Hinchliffe – Director of HR, OD & Transformation Ian Hunt - Assistant Director of Law and Governance & Monitoring Officer	
This report is: Public	

Executive Summary

- The number of complaints received for the reporting period is 520. For the same period last year the figure was 639, therefore the reporting period represents a reduction in complaints received.

- Details of the top 10 complaint areas are detailed within Appendix 1.

- A summary for Adult Social Care complaints is attached as Appendix 2.

- A summary for Children Social Care complaints is attached as Appendix 3.

- During the reporting period, 32% of complaints have been upheld. This is a significant improvement compared with the same period last year which identified 41% of complaints as being upheld. The target is 38%.

- For the reporting period, 88% of complaints were responded to within timeframe. This is below the 90% target however it's improved performance from last year, where 86% were responded to within timeframe. It should also be noted that strong performance has been maintained in light of Covid related pressures faced by the council.

- A total of 155 MP enquiries were received, of which 89% were responded to within the timeframe. This is below the 90% target, however it represents

improved performance compared to last year's figures of 86% (from 140 received).

- The volume of member enquiries received into the council remains high and is increasing. A total of 2018 member enquiries were received within the reporting period, with 95% responded to within timeframe. This is above the target of 90%. This is a slight dip in performance from last year's figures, however this could be attributed to the increase in volumes this year. Last year 1909 were received with 96% responded to within timeframe. The average time taken to respond to members enquiries across all Directorates was 4 days.

- The council received 402 external compliments within the reporting period compared to 281 during last year.

- The Housing Ombudsman asks all Landlords to complete and publish a self-assessment of their compliance with the Complaints Handling Code. The council's self-assessment has been published and is attached as Appendix 4.

1. Recommendation(s)

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

1.2 Members to encourage residents to report (where possible) their concerns by using our online reporting facilities.

2. Introduction and Background

2.1 This report sets out the council's complaints statistics for the period 1 April 2020 to 30 September 2020.

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

2.3 Top 10 complaint themes have been produced and are 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.

2.4 **Ombudsman Enquiries**

2.4.1 The table below provides a summary of formal enquiries where the Local Government and Social Care Ombudsman (LGSCO) 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	Learning where relevant	Did the council respond to the LGSCO or HO timeframes
Housing – Homeless Team	Lack of support provided to a resident following them becoming homeless	Maladministration Causing Injustice	£400 Split between Housing and Children Services (After Care Team)	Training undertaken to ensure staff better understand their responsibilities to Care Leavers. A new joint Housing protocol for care leavers has been developed. Aftercare Team to be represented at Housing's homelessness panel and Personalised Housing plans will be completed jointly by the Housing and After Care Teams.	Yes
Place – Development Control	Failure to take action to control development in the greenbelt	Maladministration No Injustice	N/A	The LGSCO finding was disputed by the council due to the complexities of this case.	Yes
Housing – Repairs Team	Handling of reports of condensation in property	Maladministration No Injustice	£250	Whilst the process relating to the management of damp and mould is established and remains in place, there is no longer a dedicated damp	Yes

				and mould team/Surveyor. Training has since been provided to other members of the Technical Team which allows for the workload to be shared during busy times to avoid delays in responding to issues of this nature.	
Housing – Voids	Complaint regarding the condition of the property that was let	Maladministration No Injustice	£350	The record keeping process for void works has been reviewed to ensure that Landlords can evidence what void works are completed and when.	Yes
Complaints Team	Handling of formal complaint – Lack of response to the complainant at stage 3	Maladministration Causing Injustice	£100	This stage 3 was not recorded on the complaints system and the team member who was aware of the complaint was not in the office. Processes must be followed to ensure all stage 3's are logged so that other team members have visibility of these on the system. Weekly 'overdue' response log reviewed by	Yes

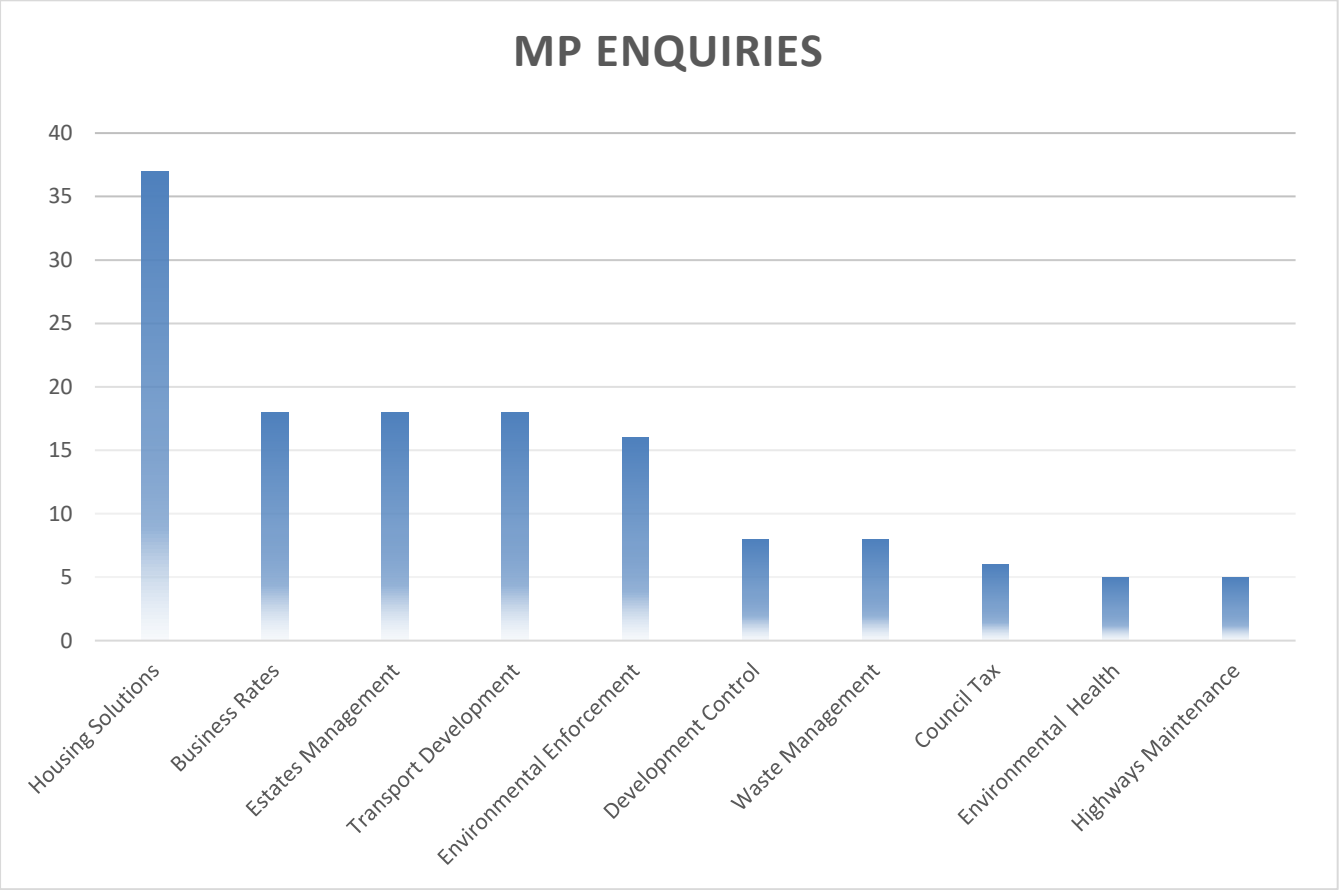
				Manager, with oversight by Strategic Lead, to ensure complaints are being responded to or chased where appropriate	

2.5 **MP and Members Enquiries**

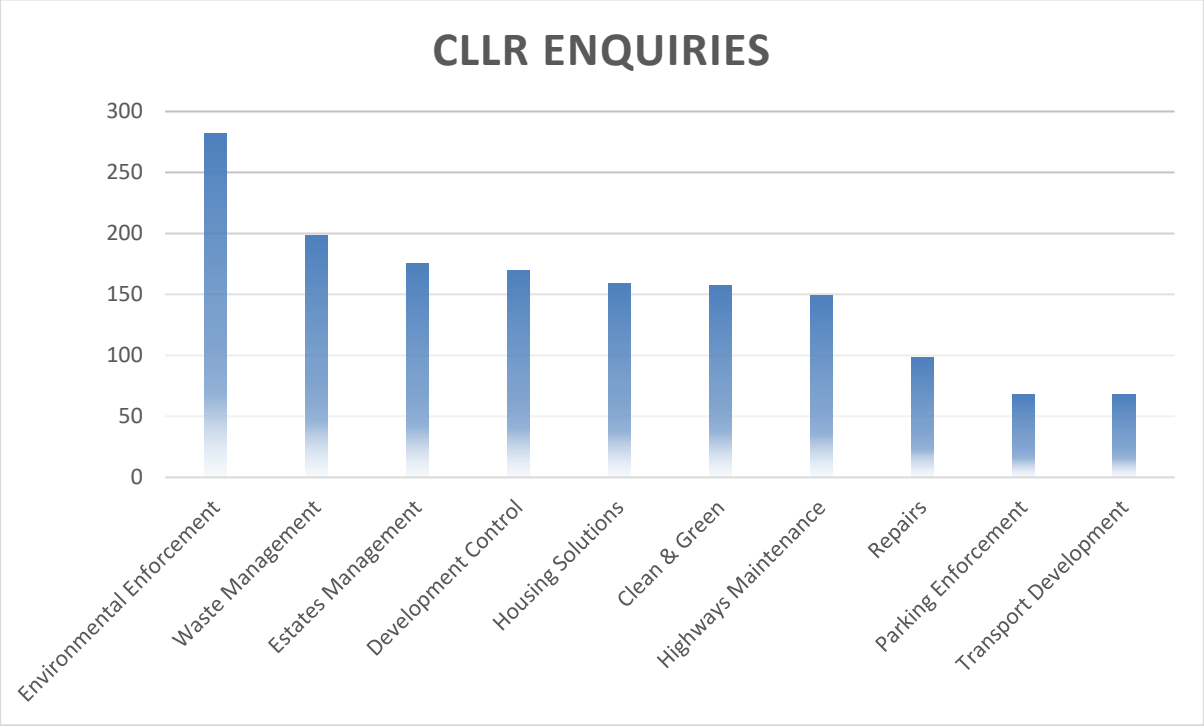
2.5.1 During the reporting period enquiries were received as follows:

- A total of 155 MP enquiries were received, of which 89% were responded to within the timeframe.
- A total of 2018 member enquiries were received, with 95% responded to within timeframe. The average time taken to respond to members enquiries across all Directorates was 4 days.

2.5.2 MP enquiry trends and common themes are outlined below:



2.5.3 Councillor enquiry trends and common themes are outlined below:



2.5.4 The volume of member enquiries received into the council remains high and is increasing. Many of our residents welcome the opportunity to report issues online, as it's more convenient and gives them greater control. If residents are able to log it online, then:

- They will receive notification of progress directly
- They should receive a quicker response from the council, as their issue is submitted into the service area (from the resident) and not passed between Members and Officers

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. Appendix 1 shows top 10 complaint themes.

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 £46, a stage 2 complaint costs £81 and a stage 3 complaint costs £130. 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	344	£15,824
Stage 2	148	£11,988
Stage 3	15	£1950

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 Complaints Team and appropriate recommendations being made. It can also include mediation with the complainant, the service or advising of onward referral to the appropriate Ombudsman.

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 there were 0 ADR's undertaken.

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	Learning
Housing – Homeless Team	Ombudsman	£400 Split between Housing and Children Services (After Care Team)	Detailed in 2.4 above

Housing – Repairs Team	Ombudsman	£250	Detailed in 2.4 above
Housing – Voids	Ombudsman	£350	Detailed in 2.4 above
HR – Complaints Team	Ombudsman	£100	Detailed in 2.4 above
Total		**£1100**	

2.10 **Social Care Annual Complaints & Representations**

- Appendix 2 provides a summary dashboard for Adult Social Care.
- Appendix 3 provides a summary dashboard for Children's Social Care.

2.11 **Complaint channels**

2.11.1 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)	99%
Telephone	1%

2.12 **Compliments**

2.12.1 The council received 402 external compliments within the reporting period compared to 281 from last year. A breakdown is shown below:

Area	Volume
Housing	39
Environment & Highways	60
Finance & IT	4
Strategy, Communications & Customer Service	203
HR, OD & Transformation	4
Legal	1
Place	11
Education	13
Adult Social Care	52
Children Social Care	15
Total	**402**

2.13 **Complaints that fall within the Housing Ombudsman Jurisdiction**

The Housing Ombudsman (HO) have recently produced a new Complaints Handling Code that the council must comply with by the 31 December 2020. Complaints in scope of this new code will be those complaints whereby the council has a Landlord responsibility, therefore will not include the following as they will continue to be picked up by the Local Government and Social Care Ombudsman:

- Allocations
- Homelessness
- Private sector housing

Below is a high level summary of work the council had to undertake and/or change as part of the new code:

- To complete a self-assessment against the code by 31 December 2020 and reporting the outcome of the self-assessment to Members/Committee - This is attached as Appendix 4.
- Publishing the outcome of the self-assessment - This is published on the council's website.
- Landlords should give residents the opportunity to have a representative/advocate deal with their complaint on their behalf - This is covered off as part of the complaints process.
- Publicise the complaints process to tenants – This has been delivered as part of a communications plan
- Reporting back on wider learning and improvements from complaints to our tenants and Members - Learning from Housing complaints is included within Appendix 1 either as a top 10 area, or shown separately within Appendix 1 for those areas that were not in the top 10 list. Reporting learning back to tenants will be covered off as part of the communications plan.
- Reducing the stages for Landlord complaints from 3 stages down to 2 stages – This change took place on 1 October 2020.

  Note - The council will also be considering moving to a 2 stage complaints process for all complaints (excluding Adult and Children Social Care Complaints). A pilot is planned to commence on 1 April 2021.

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: **Jonathan Wilson**

Assistant Director Finance

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

7.2 Legal

Implications verified by: **Ian Hunt**

Assistant Director of Law and Governance & 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 Smith**

Strategic Lead Community Development and Equalities

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 – Top 10 complaint themes
- Appendix 2 – ASC complaint dashboard
- Appendix 3 – CSC complaint dashboard
- Appendix 4 – Self-Assessment Housing Ombudsman

Report Author:

Lee Henley

Strategic Lead Information Management

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Appendix 1

High level summary:

2020/21 – Six Month COMPLAINTS REPORT

Top Ten Complaints Areas

The areas receiving the highest number of complaints are outlined below together with the individual learning for each area. Figures in brackets below represent 2019/20 data.

Directorate & Area	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
Environment - Waste Management	**62** (75)	**44%** (67%)	**10** (7)	**26** (19)	**54%** (68%)	**19%** (0%)	**0** (0)	**0** (0)	**0%** (0%)	**0%** (0%)
Housing – Estates Management	**32** (29)	**16%** (14%)	**12** (4)	**21** (14)	**29%** (14%)	**7%** (0%)	**2** (3)	**2** (3)	**0%** (0%)	**0%** (0%)
Housing – Housing Solutions	**39** (43)	**33%** (47%)	**4** (6)	**13** (15)	**23%** (40%)	**0%** (7%)	**1** (0)	**1** (0)	**0%** (0%)	**0%** (0%)
Housing -Repairs	**41** (57)	**39%** (37%)	**7** (2)	**8** (5)	**13%** (40%)	**0%** (20%)	**1** (2)	**1** (2)	**0%** (0%)	**0%** (0%)
Environment -	**7** (1)	**43%** (0%)	**0** (0)	**12** (0)	**17%** (0%)	**0%** (0%)	**1** (0)	**1** (0)	**0%** (0%)	**0%** (0%)

Environmental Enforcement										
Finance – Council Tax	17 (36)	18% (28%)	2 (5)	3 (7)	0% (14%)	0% (0%)	0 (1)	0 (1)	0% (0%)	0% (0%)
Environment – Clean & Green	14 (21)	36% (56%)	1 (1)	5 (3)	40% (100%)	0% (100%)	0 (0)	0 (0)	0% (0%)	0% (0%)
Place – Development Control	12 (18)	25% (17%)	2 (5)	2 (11)	0% (9%)	0% (0%)	2 (1)	2 (1)	100% (0%)	100 (0%)
Environment – Parking Enforcement	4 (5)	25% (40%)	0 (0)	9 (4)	11% (0%)	0% (0%)	0 (0)	0 (0)	0% (0%)	0% (0%)
Housing – Private Housing	2 (1)	0% (0%)	1 (0)	7 (0)	29% (0%)	0% (0%)	2 (0)	2 (0)	0% (0%)	0% (0%)

High Level Learning for Top 10 Areas:

Directorate and Area	High Level learning identified from complaints
Environment -Waste Management	• Ensure that residents are contacted following receipt of service requests to avoid escalation to formal complaint • Ensure information logged on Bartec is logged accurately • Processes for reallocating work from to crew to crew in the event of a missed collection have been reinforced
Housing – Estates Management	• Ensure that all emails received are actioned before being marked as completed • ASB staff reminded of providing residents with timely responses to communication and providing residents

	with updates on their case following any changes, such as a change of case officer. • ASB staff instructed to ensure that they do not request residents email them directly, but that they instead send them to the generic ASB email. This will allow emails to be actioned in the event of staff absence
Housing – Housing Solutions	• Staff reminded of the importance of providing residents and their support workers within expected timeframes for case management • In the event that prevention duty for any resident comes to an end this will be clearly communicated to the resident. • Online systems for mutual exchange applications must hold correct and up to date information
Housing - Repairs	• All staff have been reminded that when raising works orders, the job description must be clear and jargon free • All Mears staff have been reminded of ensuring that where there are issues with access, the case is referred to the council for further support • Mears staff reminded of the service standards expected of them when dealing with queries from residents. Further training also to be provided to support this
Environment - Environmental Enforcement	• Ensure residents are kept updated on the progress of their service request • Training has been provided to staff in order to ensure that they are aware of the guidance that should be provided to residents regarding any interim measures relating to the removal of damaged vehicles

Finance – Council Tax	• Staff have been reminded to ensure bills for empty properties are sent to the right person • Staff have been reminded to avoid dealing with cases single-handedly to provide impartiality to outcomes
Environment – Clean & Green	• Clean and Green team's Technical Support are now providing additional support to the Tree Officer to assist in managing and actioning service requests • Crew have been reminded of the importance of ensuring that the area is clear after completion of their work
Place – Development Control	• Introduced a two stage process so all comments on an application are checked twice prior to comments being available on-line. Process notes have also been updated and all staff have been re-trained on new process. • Case officers to check all relevant consultees have been consulted when an application is allocated to them • Emails will be acknowledged upon receipt and regular feedback provided until issues are resolved
Environment – Parking Enforcement	• Staff reminded of the importance of ensuring that any information used to log a PCN is correct.
Housing – Private Housing	• Staff reminded of the professional standards expected of them and new training measures have been implemented and provided where necessary to support this

High Level Learning for other Housing Areas that fall within the Housing Ombudsman Jurisdiction:

Note – It is a Housing Ombudsman requirement to report learning outcomes that fall within the Housing Ombudsman jurisdiction.

Area	High Level learning identified from complaints
Rents	• Staff reminded to ensure that residents receive a response to any queries, regardless if this relates to a matter than has already been actioned • Staff have also been reminded that the resident should be advised if their enquiry is being dealt with by a different team
Voids	• Wates staff reminded of the importance of ensuring that any measurements taken for suggested works are accurate and checked carefully to avoid any errors when installation works commence • Staff reminded of the importance of ensuring prompt responses are sent for enquiries from residents • Additional training provided to staff in regards to identifying and processing recharges with additional information, so that recipients are able to clearly determine the exact costs deemed as rechargeable to them, what they are for and the reasons for this
Lease holding	• Staff reminded to ensure that all information is forwarded to the relevant departments on time to prevent any unnecessary delays • In the event of delays in resolving an issue, all relevant parties should be provided with an update

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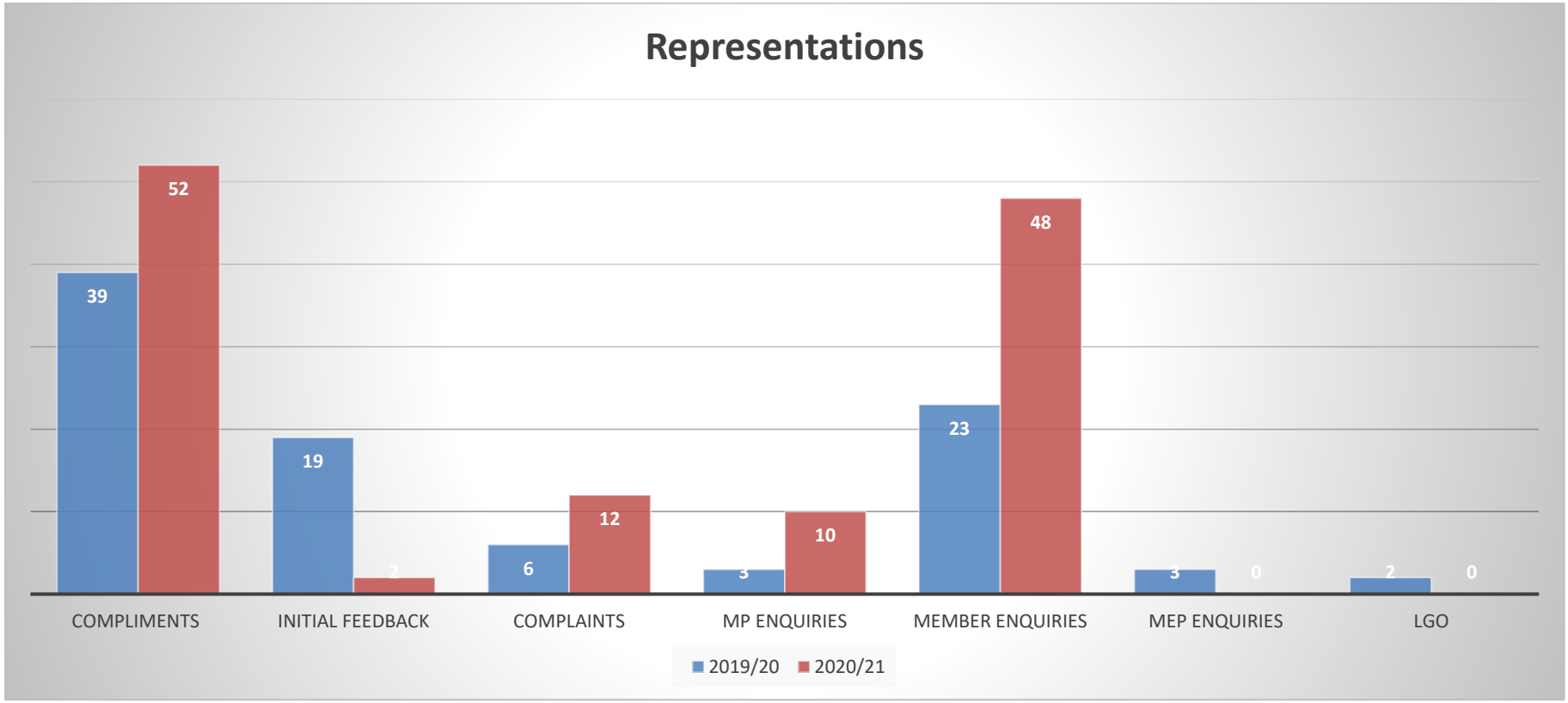
Appendix 2 – 2020/21 - Adult Social Care - Complaints & Representations Report

Volume of Representations – April – September 2020/21 vs 2019/20

Below is a comparison of representations received for both years. During April – September 2020/21 **124** representations were received, compared with **95** for **2019/20**



Complaints – 2020/21 vs 2019/20:

Below is the comparison between the two years broken down into more specific detail including those complaints involving both internal and external providers.

Feedback:	Initial Feedback	Low Intervention	Medium Intervention	High Intervention	No. withdrawn / Cancelled	Total to be investigated	Cases closed in period*	% of complaints upheld in period	% timeliness of response for those due in period
Apr –Sept 2020/21	2	12	0	0	0	12	11	45%	100%
Apr-Sept 2019/20	19	5	1	0	0	6	7	57%	86%
Difference	-17	+7	-1	0	0	+6	+4	-12%	+14%

*Notes:

- For 2020/21 all of the 11 closed complaints relate to the reporting period 2020/21. Of these 11 closed complaints 5 were upheld.
- For 2019/20, of the 7 closed complaints, 6 related to the period 2019/20 and 1 related to 2018/19 (but was closed in 2019/20).

Root cause analysis and associated learning:

Complaints are analysed and the top themes are identified below. Learning from upheld complaints is recognised by the service as part of complaint resolution.

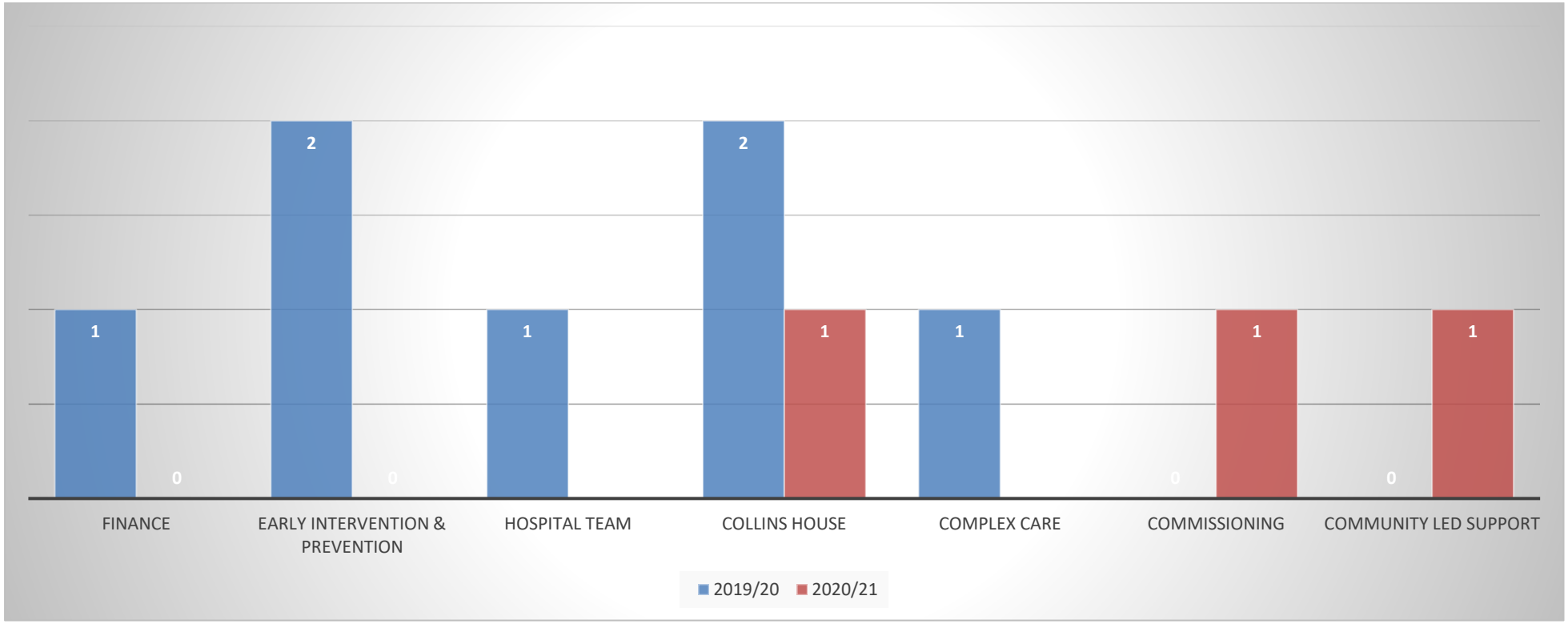
Root cause analysis and learning from upheld complaints:	Root Cause 1 and associated learning	Root Cause 2 and associated learning	Root Cause 3 and associated learning
2020/21	**Quality of Care**	**Homecare maintenance**	
Learning	**Complaints 1 and 2** – Conduct of staff (Homecare). Learning - Carers reminded of the professional standards that must be followed during all visits. **Complaint 3** – Use of recreational drugs by a service user (AK Supported Living). Learning – Staff will provide support to residents in this area along with written notices being issued to residents. **Complaint 4** – Conduct of staff relating to the issuing of antibiotics (Commissioning) Learning – All staff involved were reminded of the standards that are expected of them. The matter	**Complaint 5** – Decking area rotting and garden/grounds had not been maintained (Collins House). Learning – Actions were taken to ensure that grounds are maintained going forward and that the decking area is repaired.	N/A

	was also dealt with in-line with council process.		
2019/20	Quality of Care		
Learning	• Medication Audits changed from weekly to daily and Senior Carers will be undertaking further medication administration training • Staff member (carer) reminded of professional standards required during all visits • Staff reminded to provide additional support during meal times and ensure rooms are regularly cleaned	N/A	N/A

Complaints regarding internal teams and staff:

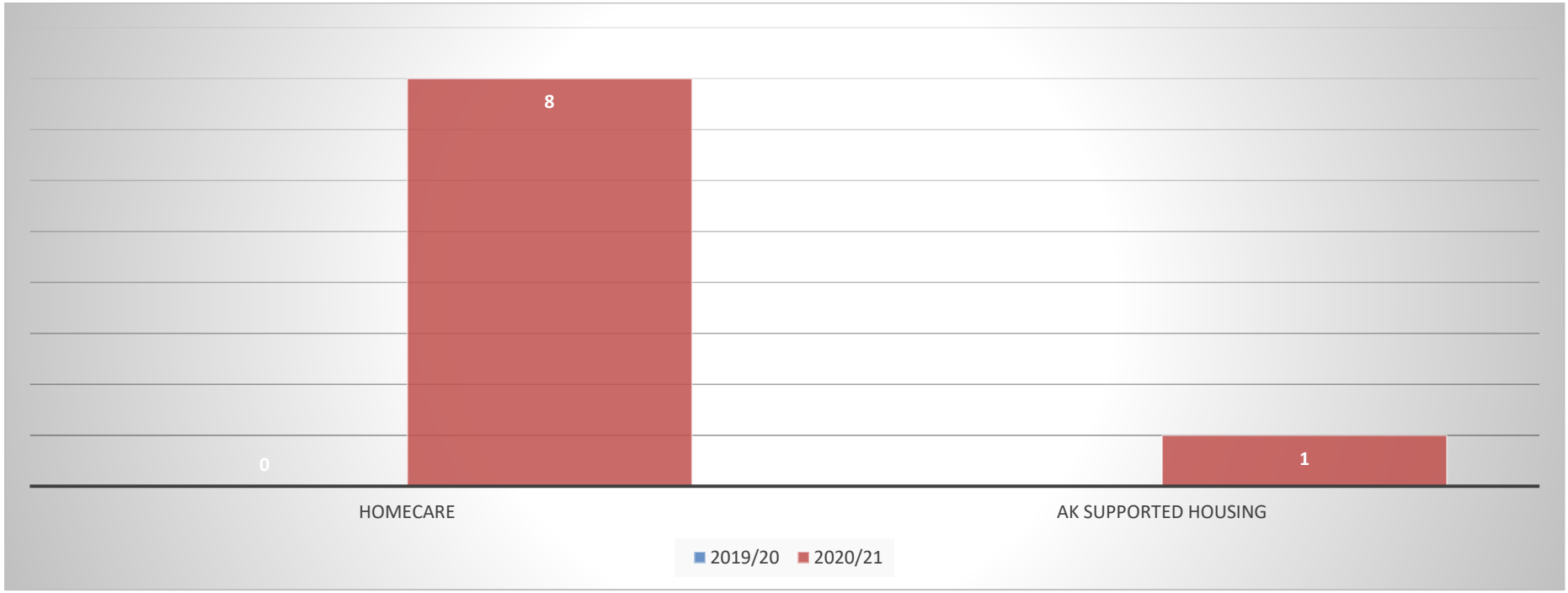
3 complaints of 12 within this period are for internal teams/services. This compares with **all 7** during 2019/20.

Note – There were zero/nil complaints received for the Essex Partnership University NHS Foundation Trust, for those areas where services are jointly managed with the council.



Commissioned Providers:

During the reporting period for 2020/21**,** there were **9** complaints for external commissioned providers. This compares with **nil from 7** during 2019/20.



Upheld Complaints:

Percentages for upheld complaints for the services below appears high. This is due to the low volume of complaints that are in-scope of this report. Figures in brackets below represent the numbers of upheld complaints.

Complaint Area	Volume 2020/21	% Upheld	Volume 2019/20	% Upheld
Homecare	8	25% (2)	0	NA
Commissioning	1	100% (1)	0	NA
A K Supported Living	1	100% (1)	0	NA
Collins House	1	100% (1)	2	100% (2)
Early Intervention & Prevention	0	NA	2	0% (0)
Complex Care	0	NA	1	100% (1)
Finance	0	N	1	100% (1)
Hospital Team	0	NA	1	0% (0)
Older People Mental Health	0	N/A	0	NA

Local Government Ombudsman (LGO) Complaints:

No complaints have been received from the LGO during this reporting period.

Alternative Dispute Resolution (ADR):

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. ADR is implemented as a mechanism to resolve complaints swiftly should the complainant request escalation. This involves assessment of the presenting issues by the Complaints Team**.** It can also include mediation with the complainant and the service area.

There have been no ADR cases in the reporting period.

Enquiries:

In the reporting period the following was received:

- **10** MP Enquiries
- **48** Member Enquiries

Members Enquiries	Count by team
Public Health	12
Thurrock First	9
Community Development	6
Blue Badges	4
Local Area Coordination	2
Community Led Support Team	2
Contract Compliance	2
Collins House	2
Thurrock Care at Home	2
Hospital Team	1
Leatherland Lodge	1
Early Intervention & Prevention	1
Oak House	1
Finance	1
Safeguarding	1
Bluebell Court	1

MP Enquiries	Count by team
Community Development	4
Thurrock Care at Home	1
Merrie Loots Farm	1
Collins House	1
Older People Mental Health	1
Thurrock First	1
Catering	1

External Compliments:

A total of **52** compliments have been received during this period.

This compares to **39** compliments received in the same period for 2019/20

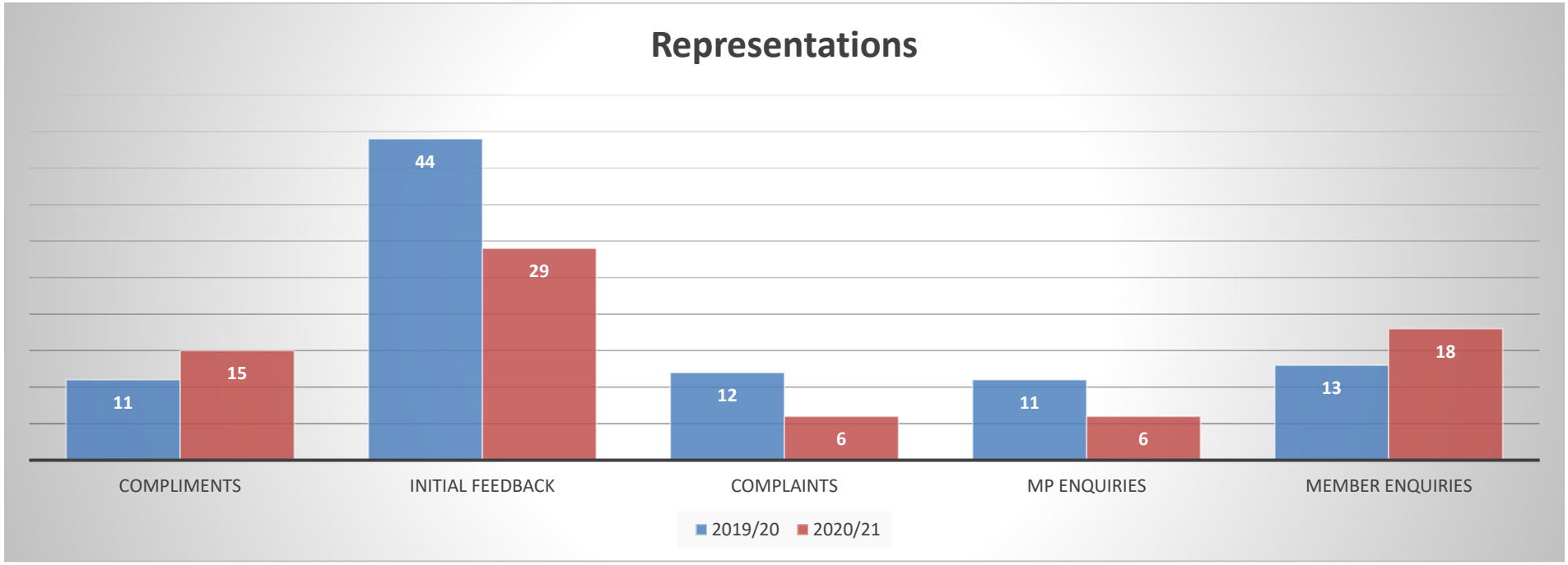
Compliments 2020/21	Number
Thurrock First	11
Hospital Team	6
Extra Care	5
Joint Reablement Team	5
Disabled Facilities Grant	5
Collins House	3
Local Area Coordination	3
Blue Badges	2
Community Led Support Team	2
Older People Mental Health	2
Rapid Response Assessment	2
Hollywood	1
Catering	1
Commissioning	1
Complex Care	1
Day Care	1
Barn & Coach House	1

Compliments 2019/20	Number
Reablement Team	12
Older People Mental Health	6
Local Area Coordination	5
Early Intervention & Prevention	4
Thurrock Care at Home	4
Hospital Team	3
Disabled Facilities Grant	2
Collins House	2
Extra Care	1

Appendix 3 - 2020/21 - Children's Social Care – Complaints & Representations

Volume of Representations – April - September 2020/21 vs 2019/20:

Below is a comparison of all representations received during both years. During April-September 2020/21 a total of **74** representations were received in 2020/21 compared to **91** in the same period of 2019/20.



Complaints – 2020/21 vs 2019/20:

Below is the comparison between the two years with additional details provided. There were no escalations beyond stage 1 for both periods:

Feedback:	Initial Feedback	Stage 1 complaints	Stage 2 complaints	Stage 3 complaints	Alternative Dispute Resolution Cases	Cases closed in period*	Cases Cancelled	% of complaints upheld in period	% timeliness of response for those due in period
Apr-Sept 2020/21	29	6	0	0	0	5	0	60%	100%
Apr-Sept 2019/20	44	12	0	0	2	9	4	44%	50%
Difference	-15	-6	0	0	-2	-4	-4	+16%	+50%

***For 2020/21 all of the 5 complaints closed relate to the reporting period 2020/21. Of these 5 closed complaint 3 were upheld.**

***For 2019/20, of the 9 closed complaints, 8 related to the period 2019/20 and 1 related to 2018/19 (but was closed during 2019/20). Of the 9 closed 4 were upheld.**

Root cause analysis and associated learning:

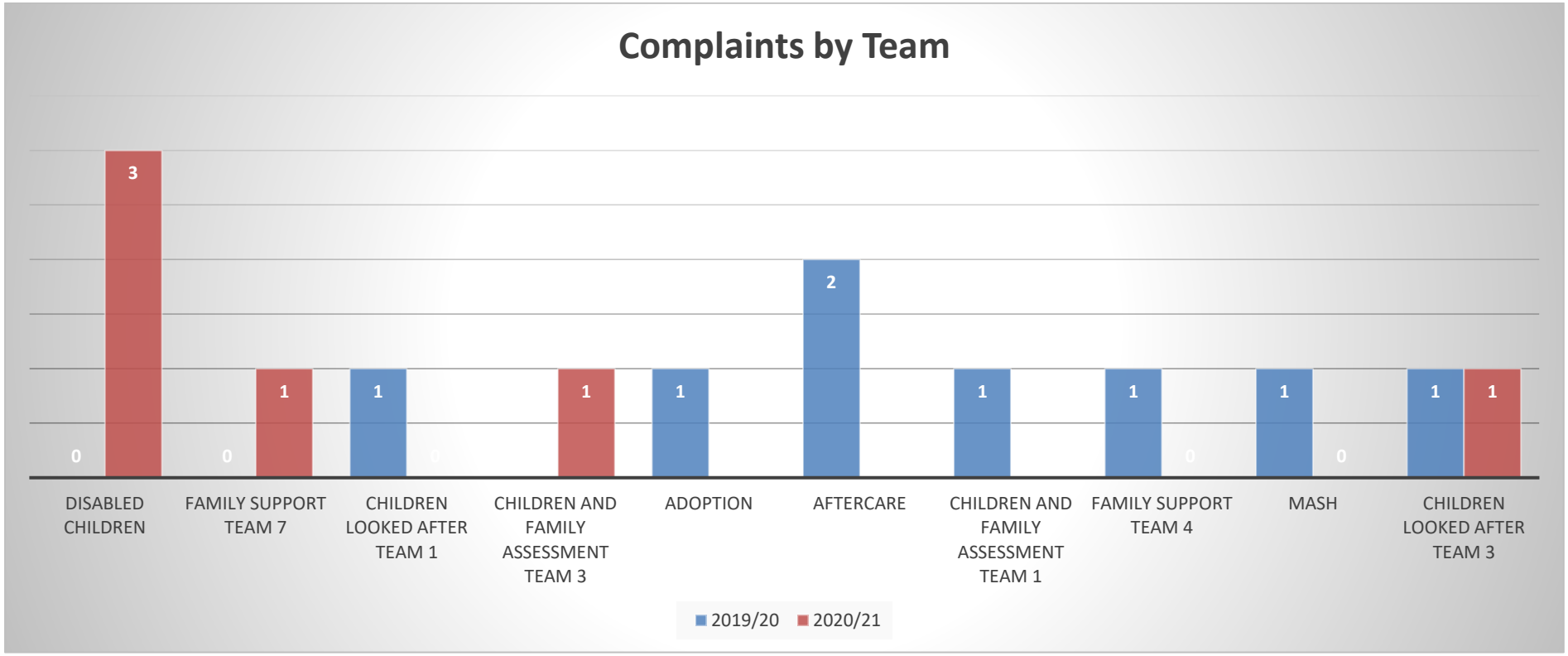
Key learning themes are identified below for the reporting period. Learning from upheld complaints is recognised by the service as part of complaint resolution.

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 2020/21	**Communication** **Complaint 1** – Lack of support and communication since lockdown began in March (Disabled Children). Learning - Ensuring that any communication from parents is responded to within timeframe to avoid unnecessary delays. **Complaint 2 –** Parents were not contacted on agreed contact date (Disabled Children) Learning - If there are any delays in handling a case the relevant contacts should be advised of the delay.	**Decision Making** **Complaint 3 –** Lack of clarity around decisions made to care plan. (Children Looked After Team 3) Learning: • Ensure that any amendments to care plans are shared with the looked after children (LAC) and all professionals involved in the LAC review. • Any decisions relating to placement move should be discussed as a part of the LAC review process.	N/A
Learning for Apr-Sept 2019/20	**Savings**	**Communication**	**Assessment**

	The team have developed a new process to: • Address inconsistencies in savings for looked after children • Ensure all young people receive regular savings going forward To review allowance payments annually and to ensure the system in place does not cause any disruption and/or inconvenience to the carer.	Discussions have taken place within the service in relation to: • The importance of sharing plans across the service on a need to know basis • The need to ensure that information given to children about their care plans is accurate and up to date	A formal review to be conducted to ensure standards are maintained in all cases involving unaccompanied asylum seekers.

Breakdown of complaints received:

This may be different to figures within the upheld complaints section as those figures are based on closed complaints (not complaints received). The figures below will also exclude cancelled complaints.



Upheld Complaints:

Percentages for upheld complaints across some areas are high as volumes of complaints are relatively low. Figures in brackets below represent the numbers of upheld complaints.

Complaint Area	Volume 2020/21	% Upheld	Volume 2019/20	% Upheld
Disabled Children	2	100% (2)	0	N/A
Children Looked After Team 3	1	100% (1)	1	100% (1)
Children and Families Assessment Team CFAT	1	0%(0)	1	0% (0)
Family Support Team 7	1	0%(0)	0	NA
Aftercare	0	N/A	2	50% (1)
Leaving Care Team	0	NA	1	100% (1)
Adoption	0	N/A	1	100% (1)

Family Support Team 4	0	NA	1	0% (0)
Children Looked After Team 1	0	NA	1	0% (0)
MASH	0	NA	1	0% (0)
Adolescent Team	0	N/A	0	N/A

LGO Complaints:

There were no Statutory LGO complaints during the reporting period.

Alternative Dispute Resolution (ADR) Cases:

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. ADR is implemented as a mechanism to resolve complaints swiftly should the complainant request escalation. This involves assessment of the presenting issues by the Complaints Team**.** It can also include mediation with the complainant and the service area.

For the reporting period, there have been 0 cases of ADR

Initial Feedback:

The Council receives feedback which following assessment does not constitute a formal complaint but still requires addressing. Those within scope of an 'Initial Feedback' are sent to the service with a request that swift action takes place to resolve the issue. This should negate the need for a formal complaint taking place. For the reporting period a total of **29** 'Initial Feedback' has been recorded:

Team	Feedback Total
Permanency/Court Team	6
Family Support Team 2	4
Child and Family Assessment Team 3	2
Family Support Team 4	2
Family Support Team 7	2
Child and Family Assessment Team 4	1
Child and Family Assessment Team 2	1

Children Looked After Team 1	1
Children Looked After Team 2	1
Children Looked After Team 3	1
Families First	1
Child Protection/LADO	1
Family Support Team 3	1
Prevention Support Service	1
Disabled Children	1
MASH	1
Oaktree	1
Aftercare	1

Enquiries

During the reporting period the following enquiries were received:

- 18 Members enquiries
- 6 MP

MP Enquiries	Number by Team
Children and Family Assessment Team 1	1
Permanency/Court Team	1
MASH	1
Child Protection/LADO	1
Children and Family Assessment Team 3	1
Disabled Children	1

Members enquiries	Number by Team
All Services	4
Children Looked After Team 1	2
Children Looked After Team 2	1
Prevention/Support Service	1
Fostering Team	1
Children and Family Assessment Team 1	1
Family Support Team 1	1
Family Support Team 4	1
MASH	1
Disabled Children	1
Adoption Team	1
Permanency/Court Team	1
Support for Childminders	1
Child Protection/LADO	1

External Compliments:

15 Compliments have been received during this period, breakdown of teams is below.

This compares to **11** compliments received in the same period for 2019/20

Compliments 2020/21	Total Received
Families Together	10
Family Support Team 6	2
Family Support Team 1	1
Children Looked After Team	1
Children and Family Assessment Team 1	1

Compliments 2019/20	Total Received
Prevention/Support Service	5
Aftercare	1
Children and Family Assessment Team 1	1
Children Looked After Team 2	1
Family Support Team 3	1
Family Support Team 4	1
Fostering Team	1

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Housing Ombudsman Complaint Handling Code Appendix 4

Thurrock Council self-assessment

Compliance with the Complaint Handling Code

1	Definition of a complaint	Yes	No	Comments
	Does the complaints process use the following definition of a complaint? "*An expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents.*"	**Yes**		
	Does the policy have exclusions where a complaint will not be considered?	**Yes**		
	Are these exclusions reasonable and fair to residents?	**Yes**		
	Evidence relied upon			Exclusions relied upon are: • something that happened more than 12 months ago although this is assessed by the council on a case by case basis • something that has already gone to court, or could have gone to court • a matter whereby the complainant has advised that they intend to, or have, initiated legal proceedings against the council in relation to the substance of the complaint • something that has its own appeal process, such as parking fines, school admissions

				• a matter that involves a potential insurance claim • something that is being, or has been, investigated by the relevant Ombudsman
2	**Accessibility**	**Yes**	**No**	**Comments**
	Are multiple accessibility routes available for residents to make a complaint?	**Yes**		
	Is the complaints policy and procedure available online?	**Yes**		
	Do we have a reasonable adjustments policy?	**Yes**		The following communication schedule is in place to inform tenants: 1. how to complain 2. of the complaints process 3. that if they require an advocate/help to assist them with their complaint then they can let the council know and the council will try to find an organisation to assist them Communication schedule: • website • housing online portal, where tenants access their rent information • Resident Engagement team • Tenants Excellence Panel • tenants newsletters (Housing News) • emails to tenants • letters to tenants

				• messages shared on Resident Engagement Facebook page It is also made clear to tenants via complaint acknowledgment letters that: • if they require assistance to take forward their complaint, they can appoint a representative to deal with their complaint on their behalf • any individual representing/assisting them can accompany them at any meeting with the council (if a meeting is required to consider their complaint) • if they require assistance with their complaint, but don't have anyone to help them, they can let us know and the council will do all it can to find them an advocate
	Do we regularly advise residents about our complaints process?	**Yes**		This is undertaken via: • website • housing online portal, where tenants access their rent information • Resident Engagement team • Tenants Excellence Panel • tenants newsletters (Housing News) • emails to tenants • letters to tenants • messages shared on Resident Engagement Facebook page
3	**Complaints team and process**	**Yes**	**No**	**Comments**

	Is there a complaint officer or equivalent in post?	**Yes**		
	Does the complaint officer have autonomy to resolve complaints?	**Yes**		
	Does the complaint officer have authority to compel engagement from other departments to resolve disputes?	**Yes**		
	If there is a third stage to the complaints procedure are residents involved in the decision making?	**Not applicable**		The council's process for Housing/landlord's complaints comprises of only two stages.
	Is any third stage optional for residents?		**No**	
	Does the final stage response set out residents' right to refer the matter to the Housing Ombudsman Service?	**Yes**		
	Do we keep a record of complaint correspondence including correspondence from the resident?	**Yes**		
	At what stage are most complaints resolved?			Stage 1 – this has been determined by using the analysis based on the top 10 complaint themes for Housing related services within our 2019/20 annual report.
	Communication	**Yes**	**No**	**Comments**
	Are residents kept informed and updated during the complaints process?	**Yes**		
	Are residents informed of the landlord's position and given a chance to respond and challenge any area of dispute before the final decision?	**Yes**		
	Are all complaints acknowledged and logged within five days?	**Yes**		
	Are residents advised of how to escalate at the end of each stage?	**Yes**		

	What proportion of complaints are resolved at stage one?			Using the analysis based on the top 10 complaint themes for Housing related services (within our 2019/20 annual report), this equates to 90%: • 284 received • 29 escalations • 255 resolved • % resolved at Stage 1 is 90%
	What proportion of complaints are resolved at stage two?			Using the analysis based on the top 10 complaint themes for Housing related services (within our 2019/20 annual report), this equates to 87%: • 71 received • 9 escalated • 62 resolved • % resolved at Stage 2 is 87%
	What proportion of complaint responses are sent within Code timescales? • Stage one • Stage one (with extension) • Stage two • Stage two (with extension)			Proportions are: • Stage one – 94% • Stage one (with extension) – not applicable as the council do not apply extensions (see below) • Stage two – 95 % • Stage two (with extension) – not applicable as the council do not apply extensions (see below)
	Where timescales have been extended did we have good reason?	**Not applicable**		The council does not apply extensions to complaints as this approach does not encourage the timely responding of complaints. If timeframes are exceeded, the council continues to link in with

				the complainant to keep them updated. The council's performance in responding to complaints with timeframe is strong as evidenced by the figures above.
	Where timescales have been extended did we keep the resident informed?	**Not applicable**		The council does not apply extensions to complaints as this approach does not encourage the timely responding of complaints. If timeframes are exceeded, the council continues to link in with the complainant to keep them updated.
	What proportion of complaints do we resolve to residents' satisfaction			Using the analysis based on the top 10 complaint themes for Housing related services (within our 2019/20 annual report), this equates to: • 90% for Stage 1 • 87% for Stage 2
5	**Cooperation with Housing Ombudsman Service**	**Yes**	**No**	**Comments**
	Were all requests for evidence responded to within 15 days?		**No**	4 cases were received from the Housing Ombudsman in the period 2019/2020. Of these cases, 2 were responded to within timeframe. This matter has been addressed within the council.
	Where the timescale was extended did we keep the Ombudsman informed?		**No**	Of the 2 cases that were not responded to within timeframe, the Housing Ombudsman were not kept informed until they chased a response. This matter has been addressed within the council.
6	**Fairness in complaint handling**	**Yes**	**No**	**Comments**
	Are residents able to complain via a representative throughout?	**Yes**		It is made clear to tenants via complaint acknowledgment letters that:

				• if they require assistance to take forward their complaint, they can appoint a representative to deal with their complaint on their behalf • any individual representing/assisting them can accompany them at any meeting with the council (if a meeting is required to consider their complaint) • if they require assistance with their complaint, but don't have anyone to help them, they can let us know and the council will do all it can to find them an advocate
	If advice was given, was this accurate and easy to understand?	**Yes**		This is checked via data quality checks prior to the complaint response being submitted. The council are also clear on complaints communications, that the Housing Ombudsman Service may be able to assist the complainant by allowing them the opportunity to engage with the Ombudsman's dispute support advisors. The Ombudsman contact details are provided to allow the complainant to make contact if required.
	How many cases did we refuse to escalate?			4
	What was the reason for the refusal?			All 4 cases were rejected at Stage 2 (when we had a 3-stage process): Reasons were: • 1 case was rejected as it did not constitute a complaint against the service • 3 cases were rejected as the issues raised were addressed in the stage 1 response so a further investigation would not arrive at a different outcome

				Going forward the council will not be refusing to escalate complaints, unless it's considered out of scope as detailed on our website.
	Did we explain our decision to the resident?	**Yes**		In all cases the resident was advised of the rejection.
7	**Outcomes and remedies**	**Yes**	**No**	**Comments**
	Where something has gone wrong are we taking appropriate steps to put things right?	**Yes**		Learning is logged, tracked and reported to senior management and members (via committee reports). Summary learning is also provided to tenants via tenants newsletters.
8	**Continuous learning and improvement**	**Yes**	**No**	**Comments**
	What improvements have we made as a result of learning from complaints?			The council's annual complaints report for 2019/20 has identified some key learning and positive outcomes for housing related services and a few examples of these are shown below: • there has been a noticeable reduction in the number of complaints received relating to the gas repairs and servicing contract – this is down to regular meetings held with the contractor, in order to monitor performance against set performance indicators • the Tenants Excellence Panel has continued to be involved in a number of developments which has provided a good level of feedback to the service – there are a number of subgroups that are progressing, such as Readers Panel, Estate Inspections, Void Inspections, Complaints and Fire Safety, and these subgroups focus on these areas and work with officers to develop their knowledge and challenge the practices to

				improve the level of service delivered to residents • repairs are one of the top 10 complaints themes and monthly meetings take place with the main repairs contractor to discuss leaning action plans from upheld complaints
	How do we share these lessons: (a) with residents (b) with the board/governing body (c) in the Annual Report			We share these lessons with: (a) residents – summary learning is shared via the communication schedule referred to within point 2 above, and in addition to this it is made clear within individual complaints responses what will done differently to learn from complaints (b) the board/governing body – learning from complaints and key learning themes form part of our regular reports to Senior Management and Standards and Audit Committee (c) in the Annual Report – learning from complaints and key learning themes form part of our Annual Complaints Report, which goes onto Standards and Audit Committee
	Has the Code made a difference to how we respond to complaints?	**Yes**		The code has proved a really useful tool allowing the council to assess and improve the way it manages complaints.
	What changes have we made?			A number of changes to standard complaints letters – for example, making it clear to complainants:

Page 120				• that if they need an advocate to assist them with their complaint, then they can let us know and we will try to find an organisation who can assist them • to firm-up their desired outcome from the outset • that they have a right to access the Housing Ombudsman Service, not only at the point when they have exhausted the council's complaints process – this is on the basis that the Housing Ombudsman Service can assist residents throughout the life of a complaint, and affords the resident the opportunity to engage with the Ombudsman's dispute support advisors Regular communications with tenants as outlined within the communication schedule in point 2 above, which includes: • setting out our complaints process and how they can complain • providing summary learning from complaints • making it clear that the council can assist them if they require an advocate Providing additional information to the Tenants Excellence panel: • a copy of this self-assessment with a request for comments • a copy of the annual complaints report (learning section for Housing) with a request for comments

				In addition to the above the council has: • reduced the complaints stages for Landlord complaints from three down to two stages • updated its website to provide additional information on complaint remedies

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11 March 2021	ITEM: 8
Standards and Audit Committee	
Counter Fraud & Investigation Quarterly Update (Q3)	
Wards and communities affected: All	**Key Decision:** N/A
Report of: Michael Dineen, Strategic Lead for Counter Fraud & Investigation	
Accountable Assistant Director: David Kleinberg, Assistant Director for Counter Fraud, Investigation & Enforcement	
Accountable Director: Julie Rogers, Director for Environment, Highways & Counter Fraud	
This report is Public	

Executive Summary

Counter Fraud & Investigation is responsible for the prevention, detection and deterrence of all instances of alleged economic crime committed against the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

The team also have developed working arrangements with other agencies to share the Council's counter-fraud culture providing specialist support and capabilities to those public bodies where necessary.

Despite the wider-activity the team deliver the primary focus of the service is the protection of public finance and our residents from the criminal misuse of frontline services.

This report outlines the performance of CFI over the last year to Quarter Three (Q3) for Thurrock Council, as well as the work the team have delivered nationally for other public bodies.

1. Recommendation(s)

1.1 The Standards and Audit Committee comments on the performance of the Counter Fraud & Investigation Department.

2. Introduction & Background

2.1 The council's CFI team is responsible for delivering the corporate counter fraud strategy supported by a programme of work which includes proactive

activity to enhance the council's controls as well as respond to intelligence developed through public and law enforcement reporting lines.

3. Performance

3.1 CFI receives reports about suspected fraud from the public, internal referral mechanisms and targeted proactive operations at high-risk areas. The figures show the performance of the department up to and including Quarter 3 of 2020/21:

- 84 reports of suspected fraud have been received in Q3
- 16 Investigations have been closed as 'No Fraud' in Q3
- 92 Investigations were closed in Q3
- 20 active investigations are currently being conducted
- The value of the currently open investigations is £478,000
- Detected Fraud (prosecuted or awaiting judicial outcomes[1]) can be seen in the table below:

Fraud Type	Number of cases	Value of Offences
Housing	6	£253,000
Social Care	1	£24,000
Money Laundering	1	£1,800,000
Right to Buy	1	£84,200
Grants	1	£80,000
Worker	5	£5,700
Total	**15**	**£2,246,900**

3.2 The work of the CFI continues to be affected by the C-19 restrictions. This is not uncommon across the public sector, however the team have continued to focus their work on the high risk/high impact areas. In the C-19 incident the highest risk to the council are derived from the Covid-19 Business Support Grants administered by the council on behalf of government.

3.3 Since entering the 'Emergency Management Phase' the CFI team have worked continually with the council's Revenues, Finance and Communications services to design-out fraud in the C-19 grant schemes.

3.4 CFI acquired a new automated intelligence system to overlay the grant applications process to identify suspected fraudulent applications. That system successfully processed 326 counter fraud 'pre assurance' investigative checks to ensure that only those eligible receive the grants.

3.5 That preventative counter fraud work saw 30 grant applications investigated and stopped, saving £300,000 of potential losses of public funds.

[1] The COVID-19 incident has severely affected the judicial system causing significant delays. This has seen criminal casework stop at the point of litigation being finalised. No information is yet provided by the Ministry of Justice on when that position will change.

3.6 This process is continuing with all grants process as well as 'post assurance' being completed on authorised grants, to ensure that monies paid went to the correct recipient. The success of this programme is being examined against other council application process, as part of the 2020/21 counter fraud work plan.

4. Work Plan for 2020/21

4.1 CFI has a programme of proactive work to ensure the council's posture against fraud is robust and effective. That plan was presented and accepted by the Standards and Audit Committee in July 2020. **Appendix 1** sets out the progress made in delivering the Counter Fraud Strategy & Plan 2020/21.

4.2 The work programme is a working document and if during the year changes or additions to the plan are proposed between the CFI and the Section 151 Officer, these will be brought back to the Committee for approval.

5. National Counter Fraud

5.1 The council's NATIS (National Investigation Service) function was commissioned by the Secretary for Business, Energy & Industry Strategy (BEIS) to use its capabilities to identify and apprehend the organised criminals behind the coordinated attacks in the C-19 finance schemes. That work is completely ring-fenced both financially and operationally from the council's core businesses

5.2 Since engaging in this project the NATIS team has developed further collaborative working with the Police Regional Organised Crime Units, National Crime Agency as well as HMRC, The Insolvency Service and other Government departments.

6. Reasons for Recommendation

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

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

7.1 All Directors and Heads of Service were consulted with the current strategy to be taken by the Council in its counter-fraud approach.

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

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

9. Implications

9.1 Financial

Implications verified by: **Jonathan Wilson**

Assistant Director, Finance

There are no financial implications in this report.

9.2 Legal

Implications verified by: **Ian Hunt**

Assistant Director of Law and Governance and Monitoring Officer

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.

9.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**

Community Engagement and Project Monitoring Officer, Adults, Housing & Health

There are no diversity or equality issues within this report

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

None.

10. 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):

Counter Fraud & Investigation Policy & Strategy – thurrock.gov.uk/fraud
Counter Money Laundering Policy & Strategy – thurrock.gov.uk/fraud
CroweClarkWhitehill Annual Fraud Indicator – crowe.co.uk

11. Appendices to the report

Appendix 1 – Counter Fraud Strategy & Plan 2020/21

Report Author: Michael Dineen, Strategic Lead for Counter Fraud & Investigation

APPENDIX 1

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
Council-wide	**Application of Counter Fraud Risk Analytics across the council's 10 threat areas.** This work will commence with sampling exercises, fraud loss measurement programmes and testing of analytic tools across those high-risk areas.	2021 – 2022	This system is now in place and the material can be uploaded to the system, which will in turn look for patterns of offending and any linked indices that will assist in identifying unknown fraud/criminality.	Michael Dineen	Dec 2021
Council-wide	**Install improved Anti-Money Laundering (AML) controls at all of the council's Customer Contact Points.** Fraud, Bribery, Corruption and Money Laundering are intrinsically linked by a common theme – persons and businesses being compromised by crime. That may be intentional or unintentional (e.g. stolen identities (unintentional) or fictitious businesses (intentional)	June 2022 To May 2021	This has been completed however there is a cost implication to the platforms it is added to. This will be discussed with the appropriate strategic leads for final confirmation on which platforms this will run.	David Kleinberg	Dec 2021
Revenues & Treasury	**COVID-19 Business Grants Counter Fraud Programme** The council has awarded £19m of government grants to businesses during the COVID-19 pandemic. The team will be using the Counter Fraud tools provided by the Cabinet Office and commercial sector to assure the payment already made and prevent future frauds.	June 2022 To May 2021	As reported in Q3 this is an ongoing piece of work but has currently saved approximately £300,000 in payments. The CFI will continue with this work when required.	Dave Nash	

Council-wide	Renewed Education & Marketing Campaign for Countering Fraud, Bribery, Corruption and Money Laundering	March 2021	This unfortunately has been moved due to the restrictions placed on the service due to COVID-19. CFI are delivering training to officers but this is not as extensive as the initial planning intended.	Nicholas Coker	

11 March 2021	ITEM 9
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, Corporate Risk & Insurance Manager	
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance & Property	
This report is a public	

Executive Summary

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

To enable 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. Recommendations

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 Model to test the Council's performance against good practice.

2.3 The ALARM/CIPFA Model breaks down risk management activity into seven strands with five focussed on enablers and two focussed on results:

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

2.4 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 good practice. The answers to the questions are weighted to reflect their relative impact on performance and collated into a final score for each strand.

2.5 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	74/100
1	✓	Culture	20/25
2	✓	Responsibility	14/20
3	✓	Skills and guidance - capability	24/35
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	5/5
6	✓	Service Continuity	5/10

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

Additional Questions	
-	Go to additional questions

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+

2.6 The Council has retained 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 2020:

Strand	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
A. Leadership & Management	62	62	72	73	75	75	75	75	75	75
B. Policy & Strategy	34	63	73	75	75	75	75	75	75	75
C. People	59	68	69	71	71	71	71	74	74	74
D. Partnership/Shared Resources	56	56	65	70	70	70	70	70	70	70
E. Processes	67	70	72	74	74	74	74	74	74	74
F. Risk Handling & Assurance	53	64	66	66	66	66	71	71	71	71
G. Outcome & Delivery	60	65	68	68	70	70	70	70	70	70

3.2 The review has revealed that:

- For all 7 strands the Council has retained Level 4 – embedded and integrated (70%+).
- For all 7 strands the Council's score is the same as the previous year's results. The current ROM activity to maintain the practice resembles that identified for last year. No significant changes were identified by the review and this has led to the same scores as the previous year.

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 annual review, outline of the current ROM activity and proposals to maintain and improve the practice across the organisation were be reported to Directors Board 15 February 2021, via Performance Board representatives 05 February 2021.

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**

Senior Management Accountant - Central Services

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: **Ian Hunt**

Assistant Director of Law and Governance & Monitoring Officer

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

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**

Team Manager, Community Development & Equalities

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

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

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

8. Background papers used in preparing the report:

- ALARM/CIPFA Risk Management Model - Review papers.

9. 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

Corporate Risk & Insurance Manager

Appendix 1

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 • 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.	• ROM Policy, Strategy & Framework updated and reported to Standards & Audit Committee 12 Mar 2020, via Directors Board 25 Feb 2020 and Performance Board representatives 03 Feb 2020. • The revised ROM Policy, Strategy & Framework presented to Department Management Teams Apr 2020 to maintain ROM awareness across the Council. • Review and reporting arrangements for the Strategic/Corporate Risk and Opportunity Register established and Performance Board and Department Management Teams made aware of the 2020/21 programme Apr 2020. • 2020/21 review and reporting programme for the Strategic/Corporate Risk and Opportunity Register revised (following outbreak of pandemic) and updated arrangements shared with Performance Board and Department Management Teams Jun 2020. • In Quarter 2 Refresh of the Strategic/Corporate Risk and Opportunity Register undertaken during Jun to Aug 2020 and reported to Standards & Audit Committee 10 Sept 2020, via Directors Board 17 Aug 2020 and Performance Board 13 Aug 2020. • In Quarter 3 Review of the Strategic/Corporate Risk and Opportunity Register items undertaken during Oct 2020 by Directorates and progress against plans monitored by Directorate Management Teams. • In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register commenced Jan 2021 and to be reported to Standards & Audit Committee 11 Mar 2021, via Directors Board 15 Feb 2021 via Performance Board 05 Feb 2021. • Support provided to Performance Board for the review of Service/Team Planning arrangements 2020/21. ROM section of Service Plan template/guidance for 2020/21 updated and Service Plans (including risk and opportunity registers) developed Mar 2020. • Guidance and templates for project level ROM reviewed and updated and provided via ROM page of the Council's Intranet. • ROM principles that should be applied by services when working with Partners or Third Parties included in the Finance Procedure Rules of the Constitution. • Department Management Teams and Performance Board made aware of the ROM arrangements/guidance available Mar 2020. • ROM information regularly updated and made available on the ROM page of the Council's Intranet Apr 2020 - Mar 2021 • 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 11 Mar 2021, via Directors Board 15 Feb 2021 and Performance Board 05 Feb 2021.

Appendix 1

ROM Priorities	Summary of Proposals to Maintain/Embed the Practice
• 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.	• Update ROM guidance in line with revised ROM Policy, Strategy & Framework - Mar 2021. • Update Department Management Teams of the revised ROM Policy, Strategy and Framework to maintain awareness of the ROM arrangements across the Council - Mar 2021. • Review the reporting timeframe/arrangements for Strategic/Corporate Risk and Opportunity Register - by Mar 2021. • Update Department Management Teams of the review and reporting arrangements for the Strategic/Corporate Risk and Opportunity Register - Mar 2021. • 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 2021. • Undertake In Quarter 2 Review of the Strategic/Corporate Risk and Opportunity Register. Items to be reviewed by Directorates and progress against action plans monitored by Directorate Management Teams - Jul to Aug 2021. • 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 2021 • Undertake In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register and report to Directors Board and Performance Board representatives - Jan to Mar 2022 • 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 & performance management review arrangements) - Feb 2021 to Mar 2022 • Continue to work with services and the Corporate Programme Team to develop/embed risk & opportunity management arrangements for key projects - Apr 2021 to Mar 2022. • Continue to raise ROM awareness with Department Management Teams - Apr 2021 to Mar 2022. • Maintain regular updates of ROM Information on the ROM page of the Council's Intranet - Apr 2021 to Mar 2022. • Annual review of ROM arrangements against good practice and reporting of developments/outcomes to Standards & Audit Committee via Directors Board and Performance Board - Dec 2021 to Mar 2022

Risk and Opportunity Management Policy and Strategy

December 2020

Title:	Risk and Opportunity Management Policy and Strategy.
Purpose:	Outlines the overarching ROM framework for Thurrock Council.
Owner:	Andy Owen, Corporate Risk & Insurance Manager
Approved by:	N/A
Date:	December 2020
Version:	1.9
Status:	Final
Review Frequency:	Annual
Next Review Date:	December 2021
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.

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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.

CR&OM 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 and support.

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 being 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 good practice.
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 and guidance to officers.
8. To monitor adherence to the Risk and Opportunity Management Framework and report on performance to Standards & 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 is based within the Finance, Governance & Property Directorate and is overseen by the Corporate Risk & Insurance 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 and support to officers across the Council on how to comply with it.

The guidance and templates that CR&OM has developed are available on the Risk and Opportunity Management page on the Council's Intranet, see: Risk and opportunity management - Thurrock Council intranet

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 & Transformation and the Director of Finance, Governance & Property promote risk and opportunity management across the Council in their respective roles of member and officer risk & opportunity 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 2020 - 22

The following priorities will be incorporated into Corporate Risk Management's plans for 2020-2022

- 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 Guidance and templates, that are available via the Risk and Opportunity Management page on the Council's Intranet, see link for details: Risk and opportunity management - Thurrock Council intranet

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.

Service Managers, Assistant Directors and Directors have responsibilities to ensure that staff adhere 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

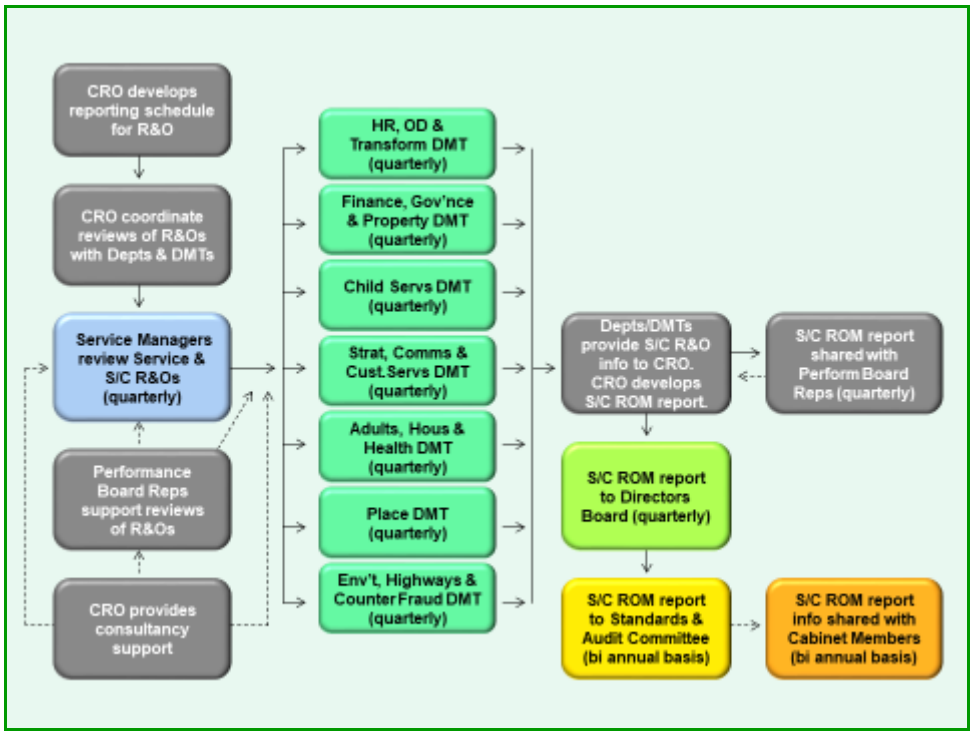
CR&OM continually monitors the management of risk/opportunity across the Council. This is done through regular reviews of each Directorates/Departments key risks and opportunities.

Each Directorates/Departments performance in relation to compliance to the risk and opportunity management framework and management of risk/opportunity is monitored on a regular 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 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 and Support

The latest version of the Risk and Opportunity Management Policy and Strategy and all other documents are available on the Risk and Opportunity Management page of the Council's Intranet, see: Risk and opportunity management - Thurrock Council intranet. Alternatively the details can be obtained from CR&OM via the following contact:

Andy Owen
Corporate Risk & Insurance Manager
Thurrock Council
Email: aowen@thurrock.gov.uk
Direct Dial: 01375 652174
Internal Extension: 63313

Appendix A

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; ROM Policy, Strategy and Framework report and other relevant reports.	Cabinet, Standards & Audit Committee.	Annually or as appropriate
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	• ROM Policy, Strategy & Framework and other relevant reports. • Receive updates on the Strategic/Corporate R&Os & action plans	Standards & Audit Committee and Directors Board	• Annually or as appropriate • Bi Annual
Standards & Audit Committee	• Oversee and challenge assurance and the ROM arrangements	• Review of ROM Policy, Strategy & Framework • Receive updates on the Strategic/Corporate R&Os & 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 ROM Policy, Strategy & Framework. • Reviews of Strategic/Corporate R&Os and action plans. • Annual Review of ROM	Director of Finance & IT	• Annually • Quarterly • Annually
Corporate Risk & Opportunity Management	• Establish the ROM Policy, Strategy & Framework & alignment of ROM with other key business frameworks & processes • 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. • Annual Review of ROM	Corporate Risk & Insurance Manager	• Annually • Quarterly • Annually
Directors & Assistant 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 & Assistant Directors	Quarterly or as required by Director or PH
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, Assistant Directors, Service Manager 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 ROM Policy, Strategy & Framework. • Reviews of Strategic/Corporate R&Os and action plans. • Annual Review of ROM	Corporate Risk & Insurance Manager	• Annually • Quarterly • Annually
Service Managers	• Identification, management and review of R&Os within their Service or area of responsibility. • Monitoring and escalation as appropriate of R&Os to either Director/Assistant Director or relevant DMT	• 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	Service Managers	Quarterly or as required by Director, Assistant 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 Director, Assist Director, DMT or Service Manager
Employees	To manage risk effectively in their job and report hazards, risks or opportunities to their Service Manager, Assistant Director or Director.	• Report incidents, risks and opportunities following the procedures laid down in corporate policies.	All Employees	As necessary or required.

11 March 2021	ITEM: 10
Standards and Audit Committee	
In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register	
Wards and communities affected: All	**Key Decision:** Non key
Report of: Andy Owen, Corporate Risk and Insurance Manager	
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance & Property	
This report is a public	

Executive Summary

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

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

The Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during January to February to review the Strategic/Corporate Risk and Opportunity Register.

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

A number of the risks and opportunities or management response arrangements have been impacted by the pandemic situation and the effects on the items are reflected in the report.

The register is due to be refreshed in the next review and this will enable the impacts from the pandemic situation to be fully considered and appropriate changes incorporated in the records (e.g. existing items updated, new items considered and old items removed or replaced).

1. Recommendation(s)

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

1.2 That Standards and Audit Committee note the 'In Focus' report (Appendix 2), which highlights the higher priority items identified by the review.

2. Introduction and Background

2.1 Risk and Opportunity Management (ROM) describes the planned and systematic approach used to identify, evaluate and manage the risks to and the opportunities for the achievement of the council's objectives.

2.2 ROM makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations and is an important part of the council's overall Performance Management Framework.

2.3 In accordance with the ROM Policy Strategy and Framework regular reviews of the Strategic/Corporate Risk and Opportunity register were undertaken during 2019/20 and reported to Directors Board and Standards & Audit Committee.

2.4 The annual review of the council's ROM arrangements was undertaken in the last quarter of 2019/20. As part of the review the ROM Policy, Strategy and Framework were updated and reported to Standards and Audit Committee 12 March 2020, via Directors Board 25 February 2020 and Performance Board 03 February 2020.

2.5 As the Council was focussed on responding to the impact of the Covid-19 outbreak the refresh of the Strategic/Corporate Risk and Opportunity Register which was scheduled to commence in April to 2020 was deferred to the second quarter.

2.6 The Strategic/Corporate Risk and Opportunity Register was refreshed during June to August 2020 and the details reported to Standards & Audit Committee 10 September 2020, via Directors Board 17 August 2020 and Performance Board 13 August 2020.

2.7 A further exercise was undertaken with Services and Department Management Teams during October to November 2020 to revise the register.

2.8 For the In Quarter 4 Review the Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during January and February 2021 to update the Strategic/Corporate Risk and Opportunity Register.

3. Issues, Options and Analysis of Options

3.1 The outcome of the review is shown in the Dashboard (Appendix 1), In Focus report (Appendix 2) and the following tables.

3.2 Appendix 1 – Dashboard
The dashboard provides a summary of the items in the register mapped against the council's priorities, shows the significance of the risks and opportunities, along with the developments to date and the management time frames.

3.3 Appendix 2 – Risks and Opportunities In Focus report
This document highlights the higher priority items identified by the review.

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

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

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

Adult Social Care Stability and Market Failure - Risk 2 (Rating: 16 Critical/Very Likely)

Adult Social Care has received additional funding in recent years – through a precept as part of the Council Tax and also through the Improved Better Care Fund. A significant proportion of this money has been used to stabilise the market place and deliver sustainability for care providers. This has included increasing the capacity of the contract and brokerage team to ensure contract compliance visits and monitoring to take place in a timely manner – reducing or aiding early identification of risks. The introduction of a Brokerage function has also meant that more realistic costs and fees are negotiated. In addition uplifts have been provided (as described in the risk description) to improve stability and domiciliary care has been retendered. Through the Better Care Fund, we have also been able to enhance capacity through investment in a Bridging Service and through enhancing existing services to ensure that people can come out of hospital when medically fit to do so – even when they are unable to return home. This has helped to reduce Delayed Transfers of Care and Waiting Lists.

The current Covid-19 Pandemic has significantly increased the strain on providers and the system as a whole. A number of residential care providers have had to close temporarily due to Covid-19 outbreaks and this has significantly reduced available capacity and also the ability of providers to fill vacancies. Whilst additional temporary measures are being put in place, e.g. the opening of Oak House, the situation is likely to continue throughout the pandemic. Staffing is also a major issue, with increasing staff absence across both residential and domiciliary care sectors. This is having a direct impact on the number of people admitted to care homes and the number of hours available to provide care within the domiciliary care sector. This has led to hard decisions having to be made about how and where hours are distributed, which whilst risk assessed, is leading to some people having less care. There is also a direct impact on family carers who are being relied upon more and are at increased risk of being unable to cope. The pausing of services such as Day Care will contribute to this situation. The Council has asked for volunteers who are prepared to assist – including with the delivery of care. To date, a small number of Council staff members have indicated that they would be prepared to deliver all aspects of care. Training has commenced for these members of staff.

The Council has provided additional funding recognising the financial impact placed on providers. This includes making available a 10% financial resilience payment which was made available to all providers for the first 16 weeks of the financial year. Since the end of March, the Council has enabled payments to providers to be monthly in advance for at least 16 weeks to help with cash flow. The Government has also made funding available to support care homes with infection

control subject to the homes meeting certain conditions and they have announced a second tranche of funding as a result of the ongoing pandemic. Whether the vacancies will continue following Covid cannot be foretold. In addition, there is an increased risk to the stability of the care market from new UK immigration rules which currently excludes social care staff from the Health and Care Visa. As the Council examines its financial position, this too may limit the extent to which the Council can ease pressures on providers.

At the same time as the pandemic, capacity issues across the system will be compounded by the usual winter pressures. Whilst Winter Pressures funding has been released, capacity depends upon the ability to be able to staff facilities and to cope with the additional demand placed on the system by Covid. Delayed Discharges remain low, which is a reflection of how well Thurrock works with its partners and providers, but the ability to maintain this position is extremely tenuous.

Transformation work is however progressing to attempt to overcome and control current challenges – although some elements of the work will take time to be realised. This includes developing a new model of care for domiciliary care and a regional Workforce Development strategy focusing on external provision. At the beginning of 2018, the new domiciliary care contract started with providers now well established within the Borough, although one of the organisations who were successful in the tender process have failed to deliver the capacity contracted for; this is further evidence of the fragility of this market. Work has also taking place on alternative approaches to traditional domiciliary care, with two Wellbeing Teams launched. Wellbeing Teams will enable us to identify the model required and will focus on enhancing Wellbeing and not just on meeting needs. It will also look at how to encourage people in to the care industry and to professionalise a caring role. In addition, Thurrock is allocated additional funding for the Winter Period which is traditionally a very difficult time for the health and care system and will be compounded this year by Covid-19.

Despite the work taking place, the risk of market failure remains extremely high. The sheer number of challenges faced by the care market at the current time has led to the risk level being increased from '12' to '16'. Risk and action plan to be refreshed in the next review (Quarter 1 2021/22)

Impact of Coronavirus - Risk 5

(Rating: 16 Critical/Very Likely)

Recognised that this is not a short term crisis and there is no easy or quick solution to the situation as the position/challenges faced change regularly. Regular monitoring of the position, issues, planned response and recovery undertaken through gold/silver command structure. Member Oversight and Engagement Board meet weekly as of the end of October in order to monitor the data frequently and respond to the processes now in place since the introduction of the three tier local COVID alert levels. Ongoing regular reports from June 2020 to boards and committees with regard to the response, recovery and the implications of pandemic (e.g. MTFS and General Fund Budget Implications report to Cabinet 14 Oct 2020). The Council continues to strive to meet the challenge of keeping up with and responding to the latest position and government guidance. Given the ERF declared a major incident in Essex we are still in the response rather than the recovery stage of the crisis. With the country still in lockdown and until infection rates start to stabilise, then reduce, it is not likely that the Risk Rating will change before year end. Risk and action plan to be refreshed in next review (Quarter 1 2021/22).

A13 Widening Project - Risk 9

(Rating: 16 Critical/Very Likely)

The A13 corridor is a vital part of the transport network in Thurrock and the south Essex area, enabling the economy to grow through expanding businesses, new housing and more jobs.

Major economic growth

Thurrock and the south Essex area has seen major investment in recent years, including the opening of DP World London Gateway Port and Logistics facility, and the continued development of intu Lakeside retail and entertainment complex. This is part of a planned £20 billion investment in jobs, homes and infrastructure in Thurrock, including developments led by the private companies at Thames Enterprise Park, Lakeside Basin and the Port of Tilbury. A widened A13 will help support these developments, and also the significant investment planned for other parts of south Essex, including £272 million at Airport Business Park in Southend.

Excellent transport links: Thurrock and the south Essex area already has many excellent transport links with London, the rest of the UK and Europe, by road, river and air. The London Gateway Harbour Empowerment Order 2008 gave legal backing for further improvements to the surrounding road network, including widening the A13. This will be a benefit to traffic flow as currently around 77,000 vehicles each day use the A13 between the A128 (Orsett Cock roundabout) and the A1014 (The Manorway, Stanford-le-Hope).

Funding and partners: DP World London Gateway have contributed to the costs and the rest from government funding, directed through the South East Local Enterprise Partnership (SELEP).

Ongoing review and monitoring of project and implementation of planned actions to manage identified issues, areas for improvement and potential risks. Risk to be refreshed in the next review (Quarter 1 2021/22).

Local Plan - Risk 12

(Rating: 16 Critical/Very Likely)

Any failure on the part of the Council to prepare a Local Plan in accordance with the timescale and programme set out the Council's Local Development Scheme will put it at risk of possible intervention by the Secretary of State. Should this occur the Council could lose the ability to plan for future development of Thurrock with its plan-making powers being taken away by the Secretary of State who has the option of directing another body to take over responsibility for preparing the Local Plan.

Further sanctions could also come in the form of the loss of the Council's New Homes Bonus and a reduced ability to bid for national funding support for new infrastructure.

A failure on the part of the Council to provide a rolling five year land supply would also increase the possibility that land owners and developers would be able to obtain planning permission upon appeal to the Secretary of State for speculative, uncoordinated and piece–meal development in the Green Belt.

Finally the reputational damage and harm to the Council could be substantial as would the abortive costs involved in promoting a Local Plan which will be found unsound at examination.

Regular updates on the development of the Local Plan and next steps provided to the Local Development Plan Task Force (a cross party Members working group) and the implications of the Covid-19 pandemic on the project and the plan to be considered throughout the process. Risk to be refreshed in the next review (Quarter 1 2021/22).

CSC, Service Standards & Inspection Outcome - Risk 6

(Rating: 12 Critical/Likely)

This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH.

The service is demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. Areas for improvement have been identified in the Ofsted (ILAC) 2019 and a Development Plan has been created to address this.

As a consequence of Covid19 since March 2020 there has been a significant impact on the way in which we deliver services within children's social care. There has been an impact on the budget which is subject to continuous scrutiny. Service continue to review and prepare for the next Ofsted Covid 19 reassurance visit/focus visit, and the full ILACS inspection. Key focus on Criminal Exploitation.

The level and complexity of some children and young people's needs and the lack of available national resources (specialist placements) to meet those needs is driving up cost pressures. As the Council continues to improve practice regarding the identification and tackling of Child

Exploitation there is an increase in demand for service provision in terms of intervention; prevention and victim support. Current and new duties in terms of radicalization also place pressures on the service in terms of workforce capacity. Trends can be predicted based on previous levels of demand but these are subject to variance.

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. It is anticipated that there will be an increase in volumes of contacts into the service, including court delays regarding management of cases, in addition to staff self-isolation due to the ongoing global pandemic.

Risk and action plan to be refreshed in the next review (Quarter 1 2021/22)

CSC, Safeguarding & Protecting Children & YP - Risk 7 (Rating: 12 Critical/Likely)

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

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

Embedding the Multi Agency Safeguarding Hub and Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases. The development and implementation of the Thurrock Local Safeguarding Children Partnership arrangements will further improve the inter-agency arrangements to safeguard and promote the welfare of children and young people living in Thurrock.

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

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

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. Effective demand and resource management remain a priority for the service within an overriding context of keeping children safe.

Risk will remain constant throughout the period covered. The emergence of Covid19 has resulted in a number of changes to service delivery. An Operational Procedures document during the Coronavirus outbreak has been implemented for some time and is reviewed on a regular basis. This document ensures business continuity is maintained following appropriate risk assessments and government guidelines. Risk and action plan to be refreshed in the next review (Quarter 1 2021/22).

Property Ownership Liability - Risk 15 (Rating: 12 Critical/Likely)

Council properties (except for HRA and parks) moved to corporate function for repair, maintenance planning and budgets transferred. There has been a significant increase of number of properties moving to the Corporate Landlord Function which has resulted in a sharp increase in work streams. Condition and compliance surveys completed and loaded on Concerto database. The Estates Module remains outstanding on Concerto. This is a significant module which will assist with the management of leases and other property related matters, it is resource intensive and currently does not have adequate resources allocated to be able to progress. Resource has been identified to move this module on once the Management module has gone live and is working as required. The Management module of Concerto has been tested and will be going live 1st Feb 2021. A draft Corporate Landlord Policy and a draft Corporate Landlord Procedure have been drafted, but can only be finalised once the resourcing requirements of the Corporate

Property Team are agreed. The Facilities management function was brought back in house in April 2020 and Corporate Property Team restructure needs to be finalised to strengthen the capacity of the service. There is particular concern that vital roles are being undertaken by contract staff with no contingency or succession planning possible. In addition there is a lack of resource where posts remain vacant and where new resource is required to undertake a greater workload both within the Corporate Property and FM teams. A lack of resource in the FM Team with much increased work load particularly within the security team is a major risk with additional shifts having to be covered by on call agency. FM Team would be further impacted in event of COVID outbreak within the teams, security at Civic Offices and Wardens at Thameside would be covered by contractor. Mailroom and reprographics would be major impact but would need to reduce service initially and call on wider team for assistance.

Proposals to refresh governance arrangements for property matters was submitted in March 2020, this included a revised TOR for Property Board, a new reporting structure and an itemised forward plan to support property management, governance and enhance visibility of Corporate Landlord matters. The constitution has been changed limiting requiring consent for all disposal from the Leader or Cabinet. As there are currently no exclusions to this requirement the Assets Team should be obtaining consent for even day to day deminimis transactions, all disposal are on hold until the Director has agreed a way forward, this is having a significant impact on the Property Team dealing with day to day business. The Covid-19 pandemic resulted in the rapid and unplanned closure of buildings for an unknown period of time and plans/protocols were established and arrangements put in place to ensure the safety of buildings and for critical staff that needed to work at the Civic Centre. The recommissioning of buildings was carefully planned to ensure health and safety hazards are managed thereby ensuring buildings were safe for re-occupation. The additional national lockdown however has reversed this process and added additional resource demand for decommissioning and re commissioning buildings and this has further been exacerbated by the ongoing national lockdown. Additionally, the pandemic has necessitated social distancing measures and new working practices to protect staff, visitors and customers from the virus. Risk Assessments and re-occupation plans in accordance with PHE and government guidance are drafted for the Civic Centre and further guidance for other corporate buildings and satellite sites are to be developed and rolled out as appropriate. Due to restriction of staff within Civic Offices no fire marshal system in place, signing in/out procedure, risk if staff do not adhere to system in event of fire evacuation. The Corporate Property Team has been asked to undertake a wider ranging Asset Review with a view to identifying buildings that can be re-tasked or disposed of to generate capital receipts in order to sport the overall Council budget. This piece of work has been a significate draw on the Team's resources and has impacted on the delivery of other pieces of work. The continuing impact is having a detrimental effect on our Commercial occupiers and will likely impact on the potential expected rental income for this year and next with the number of void properties also likely to increase. Risk to be refreshed in the next review (Quarter 1 2021/22).

Fraud - Risk 23 (Rating: 12 Critical/Likely)

The Counter Fraud & Investigation service has an organisational-wide strategy and proactive work plan to monitor and manage the identified risks. A persistent training and education regime is in place, where experts from the service work with staff, contractors, members and in the council's supply chain to identify and mitigate the risks, and increase awareness.

The council has current and effective policies on Counter Fraud, Bribery & Corruption and Money Laundering which are kept under constant review, with relevant updates being added or removed where appropriate. These policies acknowledge the threats and install an action plan in identified incidents including, civil & criminal litigation and redress to recover any identified losses. Any control weaknesses identified in investigations are rectified in collaboration with the affected services and Internal Audit through SMART Action Plans.

During this year the council has come under pressure from COVID-19 and due to this, many services have been affected in ways no-one could have envisaged. This includes the threat of fraud. All normal fraud risks remained, however LA's across the country were required to 'pay out' grants that HMG issued to small businesses and other areas of our communities to assist with their survival through C-19. This saw the council pay out millions in grants, with very little time to prepare for the possibility of fraud. During this time the council was the victim of excess fraud risk and due to a lack of systems to sit behind the applications for the grants, was targeted. The

revenues department (responsible for paying the grants) and Fraud have worked closely and have a system in place that allows for 'pre-payment' checks to take place and for the early grants to be 'post-payment' checked. This will result in possible fraud being identified. The Fraud team have also liaised with the Revenues Department and ensured that the Post Assurance documentation that had to be sent to HMG was comprehensive. The council will be part of the National Fraud Initiative project that has been launched by the Cabinet Office, which form part of a Post Assurance 'toolkit' being made available to Local Authorities. The Fraud team will own the risk concerning identified fraud.

These risks have sat alongside the 'normal' fraud risks that the council faces every day, namely Single Person Discount fraud, Tenancy Fraud, Right To Buy fraud as well as other forms of fraud such as Procurement/Contract fraud. The fraud awareness programmes that were put to all staff will assist with identifying this risk and early intervention is always key to an organisation combating the risk it faces. These have continued and working alongside our alert system, staff are made aware of fraud trends and or known risks.

Covid 19 has also enabled an easier avenue for 'mandate fraud' which has been highlighted to staff, as we are not in the office spaces we once shared, communication is largely placed within the email systems. This can create the opportunity for criminals to compromise email accounts and facilitate a fraud. Where staff would normally be able to speak directly to a colleague, this now does not happen and must be brought into the risk faced by the council. CFI have been approached by various council who have fallen victim to £1m+ mandate frauds.

The risk remains at 12, as new risks have emerged alongside old risks, the new risks have mitigated measures taken, however it is clear that those measures do not affect the 'attempts' we come across and thus it is felt that the risk to the council remains likely and critical. The council can ill afford a substantial loss of funds at this very critical time. Risk to be refreshed in the next review (Quarter 1 2021/22).

Major Projects (Place) - Risk 10 (Rating: 12 Substantial/Very Likely)

The Thurrock growth programme crosses many disciplines within the Council. It requires significant programme management capacity from the Regeneration team to lead the programme alongside a joined up approach with other areas of the authority to ensure that relevant specialisms are brought in as required and programmes and strategies are complementary. Investment needs to be committed to project development stages before outputs and benefits are realised, significant levels of funding are committed at risk to prove feasibility and investment then needs to continue to secure the benefits from the initial funding. External funding is committed to numerous projects, whilst this reduces the financial burden to the Council, compliance with funding agreements must be achieved to ensure the Council is not exposed financially via claw back mechanisms. Projects span numerous financial years and have to be able to respond to changing market, policy and financial conditions. Strong project and programme managers are essential to ensuring that delivery stays on track and investment secures value for money outputs. Increasing resource capacity in the team via Matrix has provided some additional support and approval has been received to secure 1 additional FTE. The project portfolio could benefit from significant external funding in 2020/21 which will put additional pressure on the existing staff resource as more projects are developed. Momentum needs to be maintained in the ongoing restructure to improve working approaches and secure additional resource. Risk to be refreshed in the next review (Quarter 1 2021/22)

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

Investment in Growth - Opportunity 13 (Rating: 12 Exceptional/Likely)

The Council has successfully secured approximately £100m in Local Growth Funding (LGF) to support development of infrastructure supporting growth in Thurrock in recent years

Opportunities to apply for Getting Building Fund and the LGF underspend have arisen over the summer. Thurrock has won more than £3m from the Getting Building Fund: £2.5m for a fibre broadband programme across Thurrock and £600k won by South Essex College for a transport and logistics academy. Both Grays and Tilbury have been identified as potential recipients of the Towns Fund which will bring a significant amount of investment into the local economy. Other opportunities to bid for funding are now being developed to help the economy recover from

COVID. In the longer term the Levelling Up Fund and the Shared Prosperity Fund should be introduced to replace the LGF and European Structural & Investment Fund (ESIF). Opportunity to be refreshed in the next review (Quarter 1 2021/22).
Treasury Management/Investment Strategy - Opportunity 16a (Rating: 12 Exceptional/Likely) Investments identified as having the greater ability to make significant income with the minimum of impact on service provision. Treasury Management and Investment Strategy established. Review undertaken and position reported to Council Feb 2020. Ongoing review, monitoring and presentation of investment briefings to Standards & Audit Committee, Cabinet, Council and Overview and Scrutiny Committee (e.g. Investment Briefing presented to July Council and Standards & Audit Committee; Investment briefing reported to S&AC Sept; MTFS Update & Revenue Budget Monitoring Quarter 1 presented to Cabinet Sept; MTFS Update & General Fund Budget Implications Cabinet Oct; Financial Update reported to Corporate Overview & Scrutiny Committee Nov and Investment Briefing scheduled to be presented to S&AC Nov, etc). Cross party Shadow Investment Committee established and meeting commenced in quarter three. The Council's investment strategy has been paused for new activity (while democratic oversight arrangements are reviewed/implemented). Performance on existing investments has been maintained and there are no significant impacts from the pandemic. The forecast income from existing investment is expected to be in line with the budgeted level but the pause in new activity will reduce the overall projected level for the year. Opportunity to be refreshed in the next review (Quarter 1 2021/22).

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

3.5 The whole register has been filed on Objective under the shared file for Risk and Opportunity Management

3.6 A number of the risks and opportunities or management response arrangements have been impacted by the pandemic situation and the effects on the items are reflected in the report.

3.7 The register is due to be refreshed in the next review and this will enable the impacts from the pandemic situation to be fully considered and appropriate changes incorporated in the records (e.g. existing items updated, new items considered and old items removed or replaced).

4. Reasons for Recommendation

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

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

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

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

5.2 The refreshed Strategic/Corporate Risk and Opportunity Register was presented to Directors Board 15 February 2021, via Performance Board representatives 01 February 2021.

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**

Senior Management Accountant – Central Services

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

7.2 Legal

Implications verified by: **Ian Hunt**

Assistant Director of Law and Governance & Monitoring Officer

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

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**

Team Manager, Community Development & Equalities

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

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

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

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

- Strategic/Corporate Risk and Opportunity Register, January 2021. The document can be accessed via the following shared Risk and Opportunity Management file on Objective: *https://edrms.thurrock.gov.uk:443/id:fA1213633*

9. Appendices to the report

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

Report Author:

Andy Owen

Corporate Risk and Insurance Manager

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Dashboard Table - Strategic/Corporate Risk & Opportunity Register July 2020

Appendix 1

Risks									
Risk Ref / Priority	Risk Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 4 (2019/20	In Qtr 2 (2020/21)	In Qtr 3 (2020/21)	In Qtr 4 (2020/21)		Rating	Date
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									
4	Fire Safety Housing Stock	Carol Hinvest	8	8	8	8	➔	8	*31/03/21
17	Cyber Security	Andy Best	6	6	6	6	➔	6	*31/03/21
20	Waste Strategy for Thurrock	Julie Rogers	12	12	8	8	➔	8	30/11/20
21	Emergency Planning	Cheryl Wells	6	6	6	6	➔	6	*31/03/21
22	Business Continuity Planning	Performance Board	12	9	9	9	➔	~~6~~ 9	*31/03/21
23	Fraud	David Kleinberg	12	12	12	12	➔	12	*31/03/21
29	Delivery of Medium Term Financial Strategy 20/21 - 21/22+	Sean Clark	-	-	12	8	↓	8	28/02/21
9	Pay Review Phase 2 (New)	Mykela Pratt	-	-	-	9	N/A	6	30/09/21
• Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing									
2	ASC Stability and Market Failure	Les Billingham	12	12	16	16	➔	~~12~~ 16	*31/03/21
3	Housing Needs and Homelessness	Carol Hinvest	9	9	9	9	➔	9	*31/03/21
6	CSC Service Standards & Inspection Outcome	Sheila Murphy	12	12	12	12	➔	12	*31/03/21
7	CSC Safeguarding & Protecting Children &Young People	Sheila Murphy	12	12	12	12	➔	12	*31/03/21
24	Failure to Comply With the Prevent Duty 2015	Michelle Cunningham	-	8	8	8	➔	8	*31/03/21
28	Welfare Reforms	Carol Hinvest	9	9	9	9	➔	9	*31/03/21
Place - A heritage-rich borough which is ambitious for its future									
• Roads, houses and public spaces that connect people and places									
8	Lower Thames Crossing	Anna Eastgate	9	9	9	9	➔	9	*31/03/21
9	A13 Widening Project	Anna Eastgate	16	16	16	16	➔	16	*31/03/21
19	Highway Funding and Standard	Julie Nelder	6	6	6	6	➔	6	*31/03/21
• Fewer public buildings with better services									
15	Property Ownership Liability	Michelle Thompson	12	12	12	12	➔	12	*31/03/21
Prosperity - A borough which enables everyone to achieve their aspirations									
• Attractive opportunities for businesses and investors to enhance the local economy									
10	Major Projects (Place)	Andy Millard	12	12	12	12	➔	12	*31/03/21
12	Local Plan	Andy Millard	9	9	9	16	↑	~~9~~ 16	*31/03/21
• Commercial, entrepreneurial and connected public services									
16b	Treasury Management & Investment Strategy	Sean Clark	8	8	8	8	➔	8	*31/03/21
All Priorities - People, Place & Prosperity									
5	Impact of Coronavirus	Directors Board	-	16	16	16	➔	16	*31/03/21
26	Political Environment	Karen Wheeler	-	8	8	8	➔	~~6~~ 8	31/03/21
27	Impact of UK Withdrawal from EU	Karen Wheeler	4	9	9	9	➔	~~4~~ 9	31/03/21

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

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

Dashboard Table - Strategic/Corporate Risk & Opportunity Register July 2020

Appendix 1

Opportunities									
Opp Ref / Priority	Opportunity Heading	Director / Head of Service	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 4 (2019/20)	In Qtr 2 (2020/21)	In Qtr 3 (2020/21)	In Qtr 4 (2020/21)		Rating	Date
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									
18	Digital Council Programme	Jackie Hinchliffe	9	9	9	9	➔	~~12~~ 9	*31/03/21
• Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing									
1	Health & Social Care Transformation	Les Billingham	6	6	6	6	➔	12	31/03/22
Place - A heritage-rich borough which is ambitious for its future									
• Roads, houses and public spaces that connect people and places									
11	Thurrock Regeneration Ltd	Helen McCabe	6	6	6	6	➔	~~9~~ 6	*31/03/21
Prosperity - A borough which enables everyone to achieve their aspirations									
• Attractive opportunities for businesses and investors to enhance the local economy									
13	Investment in Growth	Stephen Taylor	12	12	12	12	➔	12	*31/03/21
14	Thurrock Growth Programme	Stephen Taylor	6	8	8	8	➔	8	*31/03/21
25	Raising Thurrock's Profile & Image	Karen Wheeler	9	6	6	6	➔	~~12~~ 6	31/03/21
• Commercial, entrepreneurial and connected public services									
16a	Treasury Management & Investment Strategy	Sean Clark	12	12	12	12	➔	12	*31/03/21

Footnote:

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

Priority: **Gold** = High, **Silver** = Medium, **Bronze** = Low. | Ratings: Higher is best | DOT: Latest v Previous Rating (➔ Static, ↑ Increased, ↓ Decreased)

Appendix 2

Strategic/Corporate Risk & Opportunity Register
January 2021

In Focus Report

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

Risks In Focus

Corporate Risk No. 2 / Heading - Adult Social Care Stability and Market Failure 2020 / 21

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
The risk is that a combination of on-going pressures will result in lack of stability in the care market place resulting ultimately in market failure. Whilst the Council has given additional resource in the form of uplifts, they fall short of what is requested. The domiciliary care rate has been increased with the retender of the domiciliary care contract – this has resulted in greater stability, but difficulties remain. For example, issues concerning recruitment and retention. Hospital capacity is still an issue, but our ability to move people on more quickly has increased as a result of increased investment arising from additional adult social care monies – e.g. improved better care fund and social care precept. The additional funding is however limited which is likely to be an additional risk to stability. There is also a risk that additional capacity is used inappropriately as a backstop due to lack of capacity in domiciliary care. The recent and ongoing Covid-19 pandemic has highlighted the pressures on the adult social care market and the extent to which local authorities and the nation are dependent upon the market to provide care for the some of the Country's most vulnerable people. For providers, fees and rates are still an issue and as a result – compounded by the National Living Wage, and despite activity over the last 18 months, the risk of failure is still very real.	Les Billingham

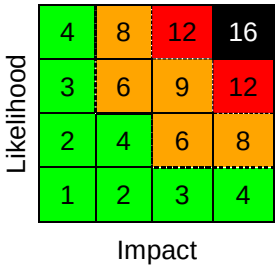
Link to Corporate Priority

People - A borough where people of all ages are proud to work and play, live and stay - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.

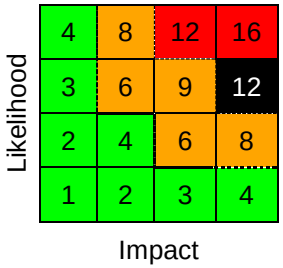
Inherent Risk Rating	Date:	13/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

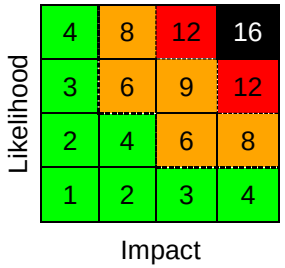
Inherent Risk Rating & Date: 13/07/2020



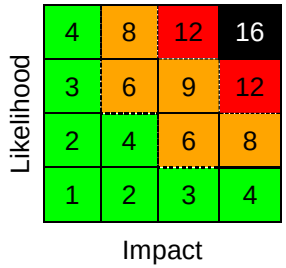
Residual Risk Rating as at: 13/07/2020



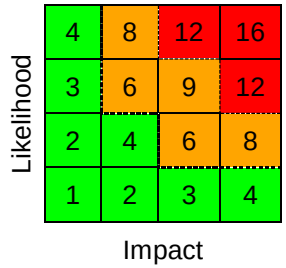
Residual Risk Rating as at: 26/10/2020



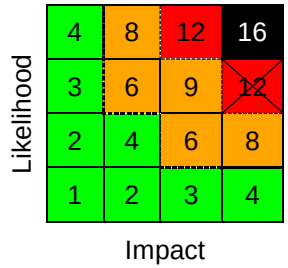
Residual Risk Rating as at: 05/01/2021



Residual Risk Rating as at:



Forecast Risk Rating & Date: 31/03/2021



Comments

Adult Social Care has received additional funding in recent years – through a precept as part of the Council Tax and also through the Improved Better Care Fund. A significant proportion of this money has been used to stabilise the market place and deliver sustainability for care providers. This has included increasing the capacity of the contract and brokerage team to ensure contract compliance visits and monitoring to take place in a timely manner – reducing or aiding early identification of risks. The introduction of a Brokerage function has also meant that more realistic costs and fees are negotiated. In addition uplifts have been provided (as described in the risk description) to improve stability and domiciliary care has been retendered. Through the Better Care Fund, we have also been able to enhance capacity through investment in a Bridging Service and through enhancing existing services to ensure that people can come out of hospital when medically fit to do so – even when they are unable to return home. This has helped to reduce Delayed Transfers of Care and Waiting Lists.

The current Covid-19 Pandemic has significantly increased the strain on providers and the system as a whole. A number of residential care providers have had to close temporarily due to Covid-19 outbreaks and this has significantly reduced available capacity and also the ability of providers to fill vacancies. Whilst additional temporary measures are being put in place, e.g. the opening of Oak House, the situation is likely to continue throughout the pandemic. Staffing is also a major issue, with increasing staff absence across both residential and domiciliary care sectors. This is having a direct impact on the number of people admitted to care homes and the number of hours available to provide care within the domiciliary care sector. This has led to hard decisions having to be made about how and where hours are distributed, which whilst risk assessed, is leading to some people having less care. There is also a direct impact on family carers who are being relied upon more and are at increased risk of being unable to cope. The pausing of services such as Day Care will contribute to this situation. The Council has asked for volunteers who are prepared to assist – including with the delivery of care. To date, a small number of Council staff members have indicated that they would be prepared to deliver all aspects of care. Training has commenced for these members of staff.

The Council has provided additional funding recognising the financial impact placed on providers. This includes making available a 10% financial resilience payment which was made available to all providers for the first 16 weeks of the financial year. Since the end of March, the Council has enabled payments to providers to be monthly in advance for at least 16 weeks to help with cash flow. The Government has also made funding available to support care homes with infection control subject to the homes meeting certain conditions and they have announced a second tranche of funding as a result of the ongoing pandemic. Whether the vacancies will continue following Covid cannot be foretold. In addition, there is an increased risk to the stability of the care market from new UK immigration rules which currently excludes social care staff from the Health and Care Visa. As the Council examines its financial position, this too may limit the extent to which the Council can ease pressures on providers.

At the same time as the pandemic, capacity issues across the system will be compounded by the usual winter pressures. Whilst Winter Pressures funding has been released, capacity depends upon the ability to be able to staff facilities and to cope with the additional demand placed on the system by Covid. Delayed Discharges remain low, which is a reflection of how well Thurrock works with its partners and providers, but the ability to maintain this position is extremely tenuous.

Transformation work is however progressing to attempt to overcome and control current challenges – although some elements of the work will take time to be realised. This includes developing a new model of care for domiciliary care and a regional Workforce Development strategy focusing on external provision. At the beginning of 2018, the new domiciliary care contract started with providers now well established within the Borough, although one of the organisations who were successful in the tender process have failed to deliver the capacity contracted for; this is further evidence of the fragility of this market. Work has also taking place on alternative approaches to traditional domiciliary care, with two Wellbeing Teams launched. Wellbeing Teams will enable us to identify the model required and will focus on enhancing Wellbeing and not just on meeting needs. It will also look at how to encourage people in to the care industry and to professionalise a caring role. In addition, Thurrock is allocated additional funding for the Winter Period which is traditionally a very difficult time for the health and care system and will be compounded this year by Covid-19.

Despite the work taking place, the risk of market failure remains extremely high. The sheer number of challenges faced by the care market at the current time has led to the risk level being increased from '12' to '16'. Risk and action plan to be refreshed in the next review (Quarter 1 2021/22)

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. New Domiciliary Care Contract 2. Uplifts for providers 3. Development of New Model of Care – Wellbeing Teams 4. Prevention agenda – e.g. Stronger Together, identification and management of Long Term Conditions, Enhanced Primary Care 5. Market Development Strategy 6. Market Diversification – e.g. through Micro Enterprises, Shared Lives 7. Better Care Together Health and Social Care Transformation Programme 8. Implementation and evaluation of Wellbeing Teams pilot 9. Review use of Better Care Fund for 2019-23. Programme for 2020/21 refreshed, submitted and approved 10. Review of Winter Planning (Refreshed as part of BCF review) 11. Market place diversification 12. Workforce Development Strategy – establishment and implementation of regional strategy 13. Additional Funding – Temporary resilience payments, arrangements to assist with cash flow and additional infection control allocated to providers	In place or ongoing

Residual Risk Rating	Date:	13/07/2020	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
14. Ongoing application and implementation of actions 1-13 above as appropriate	From July 2020	7. Work continues on the health and care transformation agenda – with a focus on strengths and on prevent, reduce and delay. 8. An evaluation of Wellbeing Teams has taken place which show the improved outcomes of people using the service and the value to the health and care system. 12. A regional workforce development strategy has been development with an implementation plan in development. 13. Significant infection control support is being provided to enable the market place to be as sustainable as possible during the current crisis.
15. Government funding for providers to help with the impact of Covid		The Government has released funding to help providers cope with the additional strain placed on them during the Covid pandemic. Whilst this helps to avoid provider collapse as a result of financial strain, it does not aid capacity caused by temporary home closures, staff absence, and increased demand.
16. Consider and implement appropriate additional capacity in the system to help maintain flow from Hospital to the Community		Additional capacity built in to the system as much as possible to maintain the flow from Hospital to the Community
17. Review and risk assessment of existing domiciliary care packages to free up additional hours in order to meet increased Covid demand		Assessed and ongoing review/monitoring.
18. Training of volunteers (Council Staff) to carry out domiciliary care tasks		Commenced and ongoing

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Critical (4)	Likelihood:	~~Likely (3)~~ Very Likely (4)	Rating:	~~12~~ 16
Revised Residual Risk Rating	Date:	05/01/2021	Impact	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

Corporate Risk No. 5 / Heading - Impact of Coronavirus

2020 / 21

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
The Council working with other agencies and the community have a critical role to play in the response to the crisis, shaping the transition and recovery for the borough, local residents and businesses. Failure to maintain plans and resources to deal with the situation will lead to uncoordinated, delayed or an ineffective response and recovery to the crisis and the Council not complying with the requirements of the Coronavirus and Civil Contingencies Acts.	Directors Board

Link to Corporate Priority

All priorities - People, Place & Prosperity, including:
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

Inherent Risk Rating	Date:	01/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 01/07/2020

Likelihood	Impact 1	Impact 2	Impact 3	Impact 4
4	8	12	16	
3	6	9	12	
2	4	6	8	
1	2	3	4	

Residual Risk Rating as at: 01/07/2020

Likelihood	Impact 1	Impact 2	Impact 3	Impact 4
4	8	12	16	
3	6	9	12	
2	4	6	8	
1	2	3	4	

Residual Risk Rating as at: 28/10/2020

Likelihood	Impact 1	Impact 2	Impact 3	Impact 4
4	8	12	16	
3	6	9	12	
2	4	6	8	
1	2	3	4	

Residual Risk Rating as at: 11/01/2021

Likelihood	Impact 1	Impact 2	Impact 3	Impact 4
4	8	12	16	
3	6	9	12	
2	4	6	8	
1	2	3	4	

Residual Risk Rating as at:

Likelihood	Impact 1	Impact 2	Impact 3	Impact 4
4	8	12	16	
3	6	9	12	
2	4	6	8	
1	2	3	4	

Forecast Risk Rating & Date: 31/03/2021

Likelihood	Impact 1	Impact 2	Impact 3	Impact 4
4	8	12	16	
3	6	9	12	
2	4	6	8	
1	2	3	4	

Comments

Recognised that this is not a short term crisis and there is no easy or quick solution to the situation as the position/challenges faced change regularly. Regular monitoring of the position, issues, planned response and recovery undertaken through gold/silver command structure. Member Oversight and Engagement Board meet weekly as of the end of October in order to monitor the data frequently and respond to the processes now in place since the introduction of the three tier local COVID alert levels. Ongoing regular reports from June 2020 to boards and committees with regard to the response, recovery and the implications of pandemic (e.g. MTFS and General Fund Budget Implications report to Cabinet 14 Oct 2020). The Council continues to strive to meet the challenge of keeping up with and responding to the latest position and government guidance. Given the ERF declared a major incident in Essex we are still in the response rather than the recovery stage of the crisis. With the country still in lockdown and until infection rates start to stabilise, then reduce, it is not likely that the Risk Rating will change before year end. Risk and action plan to be refreshed in next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Command structure established and regular meetings of gold and silver (Tactical Coordination Group) commands to monitor and review position, issues, plans, response and recovery.	From Mar 2020
2. Essex Resilience Forum (ERF) multi-agency Strategic Coordinating Group established (includes Thurrock Council) and meeting regularly to coordinate the plans and response for Essex.	March 2020
3. Working from home arrangements introduced and all staff advised that they will be required to work from home except for those who have been identified as delivering front line services or are required to be in Council buildings.	19 March 2020
4. Work undertaken with educational establishments to provide provision for priority group of children and young people (e.g. children who have a parent who is a critical worker, vulnerable children and young people).	March 2020
5. Internet Coronavirus information hub established covering latest Government and Health Information; Thurrock Council Services; Financial Support; Government advice for businesses & services; Fraud, Scams & staying safe online and Bereavement support.	April 2020
6. Intranet Coronavirus information hub established covering latest Government Information and Advice; Working Arrangements; Self-Isolation & Absences; Looking After Your Health & Wellbeing; FAQs and How To Help Prevent The Spread Of The Virus.	April 2020
7. COVID19 Working arrangements policy created as a direct response to the pandemic to support working arrangements and to ensure critical Council services continue during these unprecedented times.	23 Apr 2020
8. Community support network established with partners to provide help for the shielded group and other residents in most need during the outbreak	April 2020
9. Government initiatives and funding support provided to the Council, Businesses and the Community, including:- Funding to the CCG to enable the Council to support the hospital discharge process; Funding for care homes to cover the costs of implementing infection control measures to reduce transmission; Funds to develop tailored outbreak control plans; Hardship funds for those receiving Council Tax Support; Funds to support the re-opening of High Streets; Funding to address rough sleeping; Upfront payment of Business Rate Grant; Deferral of business rate payments to government; Payment of Social Care Grant and further direct support to Businesses (e.g. Business rate relief; Grant support to Rural and Small Businesses, Hospitality and Leisure sectors; Financial support to those businesses with ongoing premises costs but are not on the rating list).	From March
10. Regular monitoring and reporting of financial and budget implications (e.g. expenditure, income, council tax, business rates, housing revenue account and capital programme) to Boards and Committees, including regular engagement with Ministry of Housing, Communities and Local Government (MHCLG).	From June
11. Development and implementation of guidance/risk assessments for Display Screen Equipment and Making the Workplace Safe.	June 2020
12. Commence transition recovery phase in line with government plans and guidance, including introduction of contract tracing scheme; opening of schools, town and shopping centres; improvements to cycling/walking corridors. Including establishment of Recovery Sub Groups of Tactical Coordination Group established to focus on recovery (e,g, People, Assets and H&S; Children & YP; Business, Finance & Economy and Transport)	From May 2020

Residual Risk Rating	Date:	01/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

Further Management or Mitigating Action	Implementation Date	Progress
13. Ongoing implementation of actions 1 - 12 above	From 01/07/2020	1&12. Ongoing regular monitoring and review by gold (Directors Board) and silver (Tactical Coordination Group) commands, including recovery plans and any response to latest government initiatives/guidance. 2&14. Ongoing regular ERF meetings to coordinate plans for response/recovery for Essex 3. Working from home arrangements continue except for those identified who have been identified as delivering front line services or are required to be in Council buildings. 5&6. Internet & Intranet Coronavirus Information Hubs established and regularly updated to reflect latest government initiatives/guidance. 8. Ongoing help and support provided by community support network with partners. 9. Ongoing initiatives and support provided by Government considered, actioned and communicated via communication hubs. 10. Ongoing regular reporting of finance, budget and service implications to boards and committees from June 2020. Continued submission of returns to MHCLG to report the costs and income of the local authority. 11. Ongoing monitoring and review of risk assessments and workplace practice to comply with government guidance.
14. Establishment of ERF level Recovery Co-ordinating Group	From 03 Jul 2020	See 13 above for 14 update.
15. Development, release and ongoing review of Thurrock Covid-19 Outbreak Control Plan	From June	Plan developed and made available vi the internet information hub and to be adapted to keep in line with any information/guidance releases.
16. Health Protection Board established.	From 14 Jul 2020	The board brings partners from the NHS, Local Government, and Public Health together to have a strategic oversight to the COVID-19 response, to minimise the spread and to recover the economy as much as possible
17. Public Health contact tracer team and surveillance cell established.	Mid Jul 2020	Team and cell established mid Jul 2020 and to manage any cases that involve local high risk settings (e.g. schools, care homes) that are referred through the national/regional test and trace system.
18. Member Oversight and Engagement Board monitoring of data and response/recovery situation following introduction of the three tier local COVID alert levels	October 2020	Member Oversight and Engagement Board meeting weekly as of the end of Oct in order to monitor the data frequently and respond to the processes now in place following the introduction of the three tier local COVID alert levels.
19. Continue to respond to latest situation and guidance, including national restrictions, testing and vaccination programmes in place, with weekly briefings to all members & twice weekly minimum public communications	Ongoing	ERF declared Essex as a major incident therefore in response phase.

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
Revised Residual Risk Rating	Date:	11/01/2021	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

Corporate Risk No. 9 / Heading - A13 Widening Project

2020 / 21

UNMANAGED / INHERENT RISK

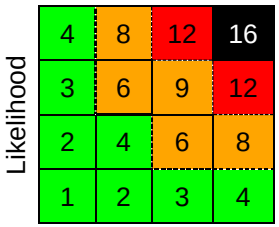
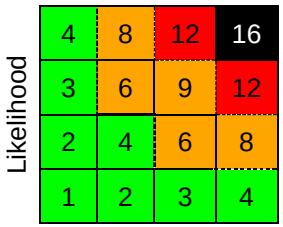
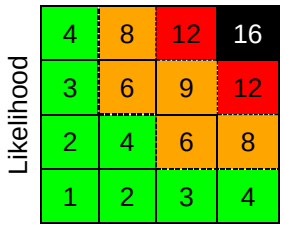
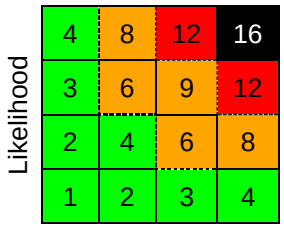
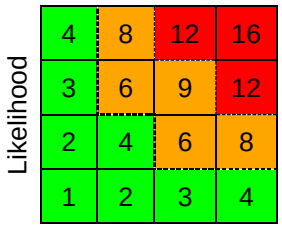
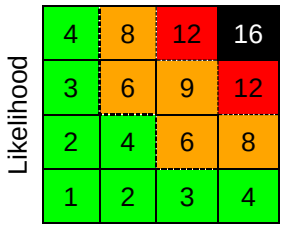
Risk Description	Risk Owner
Work is underway to widen the A13 from 2 to 3 lanes in both directions between the A128 (Orsett Cock roundabout) and the A1014 (The Manorway, Stanford-le-Hope). When complete, the widened section will join with the existing 3-lane section of the A13, west of the A128, providing a continuous 3-lane road in both directions between the M25 and Stanford-le-Hope. As part of the work, 4 bridges will be replaced, the Orsett Cock roundabout will be widened and new traffic lights will be installed to help manage vehicle flows. Public bridges will be built and opened before the old bridges are demolished. The Council is undertaking a number of major projects which place significant demands on the Council and failure to increase capacity to meet the demand could impact the successful delivery of the project.	Anna Eastgate

Link to Corporate Priority

Place – A heritage-rich borough which is ambitious for its future. Roads, houses and public spaces that connect people and places
Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy

Inherent Risk Rating	Date:	29/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 29/07/2020	Residual Risk Rating as at: 29/07/2020	Residual Risk Rating as at: 01/11/2020	Residual Risk Rating as at: 22/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021
					

Comments

The A13 corridor is a vital part of the transport network in Thurrock and the south Essex area, enabling the economy to grow through expanding businesses, new housing and more jobs.

Major economic growth
Thurrock and the south Essex area has seen major investment in recent years, including the opening of DP World London Gateway Port and Logistics facility, and the continued development of intu Lakeside retail and entertainment complex. This is part of a planned £20 billion investment in jobs, homes and infrastructure in Thurrock, including developments led by the private companies at Thames Enterprise Park, Lakeside Basin and the Port of Tilbury. A widened A13 will help support these developments, and also the significant investment planned for other parts of south Essex, including £272 million at Airport Business Park in Southend.

Excellent transport links: Thurrock and the south Essex area already has many excellent transport links with London, the rest of the UK and Europe, by road, river and air. The London Gateway Harbour Empowerment Order 2008 gave legal backing for further improvements to the surrounding road network, including widening the A13. This will be a benefit to traffic flow as currently around 77,000 vehicles each day use the A13 between the A128 (Orsett Cock roundabout) and the A1014 (The Manorway, Stanford-le-Hope).

Funding and partners: DP World London Gateway have contributed to the costs and the rest from government funding, directed through the South East Local Enterprise Partnership (SELEP).

Ongoing review and monitoring of project and implementation of planned actions to manage identified issues, areas for improvement and potential risks. Risk to be refreshed in the next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Usual project management tools are being used including risk registers, change logs, approvals, clear systems and processes and ways of working etc. 2. Appointment of external auditors – Thurrock Council appointed expert transport infrastructure auditors to undertake a detailed review of the scheme. As a consequence there is a clear action plan of project improvements that has been substantially implemented 3. Strengthened the project team – Thurrock Council has brought on board an additional project management resource to focus on commercial issues and retained the services of the external auditor. Together, they will work their way through the outstanding compensation events and quotations. Aecom has also brought on board a senior quantity surveyor, risk manager and programme manager. 4. Programme challenge workshop – a report identifying ways in which time and cost can be saved. This is already identifying efficiency savings in particular with regard to costs. 5. Collaborative planning – the parties are undertaking collaborative planning to understand the inter-dependencies on the project and how they can be effectively managed to avoid impacts on critical path 6. Ways of working – co-location of contractors on site to ensure efficient agreement on issues which can then be quickly resolved 7. A monthly dashboard reporting mechanism to track blockers and identify ways of relieving them 8. Elements of parallel working which can ensure the workforce and plant and equipment is being utilised to maximum effect 9. Early warnings and improvements to communication to ensure efficiency 10. Full review and monitoring of cost and programme for the project	November 2019

Residual Risk Rating	Date:	29/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
11. Ongoing application of actions 1-10 above as appropriate 12. Full review and monitoring of impact of COVID-19 on the costs and programme for the project 13. Delivery of action of project improvements following commercial audit	From July 2020	Ongoing

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
Revised Residual Risk Rating	Date:	22/01/2021	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

Corporate Risk No. 12 / Heading – Local Plan 2020 / 21

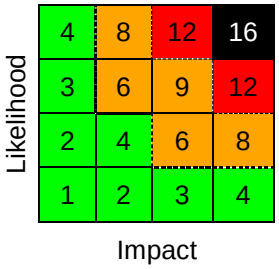
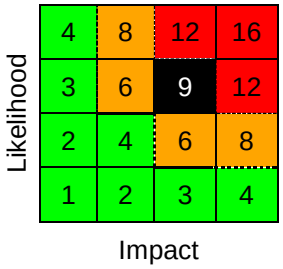
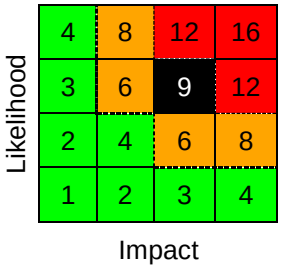
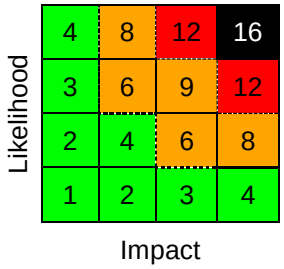
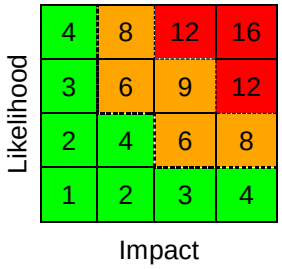
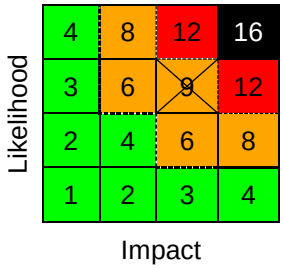
UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
There is a statutory requirement on the Council to produce an up-to-date Local Plan to guide the future development and growth of the Borough. Work began on the preparation of the new Local Plan in 2014. The Council's Issues and Options Stage 2 Consultation was undertaken in 2018 and a Report of Consultation published in October 2019. Thereafter a Draft Local Plan (Regulation 18) will be submitted for consultation before moving to the publication of the Local Plan (Regulation 19) and following examination by an independent inspector it is anticipated that the Local Plan will be adopted in 2024. The preparation of a Local Plan is a complex process and as such there are a number of risks which need to be mitigated and/or managed over the period of the plans preparation, all of which have the potential to significantly delay the efficient and effective development of the plan. The key risks which need to be managed in relation to the Thurrock Local Plan are: • Uncertainty surrounding the precise alignment, design and phasing of the Lower Thames Crossing (LTC) which could adversely impact on the availability of land for future development and impacts that any further delay in concluding the LTC DCO process will have in constraining the Councils ability to submit a Local Plan for examination. • The on-going impact of Covid-19 on the plan-making process including a significant reduction in the ability of the Council to effectively engage with Local Communities. • A lack of adequate and on-going funding to support the plan-making process. • The impact of ongoing delay in preparing the South Essex Joint Strategic Plan JSP which will provide the strategic context for the preparation of the Local Plan. • An ongoing failure to recruit and retain experienced policy planners to support and expedite the preparation of the Local Plan. • Proposed changes to the planning system which if implemented could involve the Council having halt production of the Local Plan to transition over to the preparation of a different type of Local Plan. • The impact of local and national political considerations on the plan-making process.	Andy Millard Sean Nethercott

Link to Corporate Priority
Place – A heritage-rich borough which is ambitious for its future. Roads, houses and public spaces that connect people and places Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy

Inherent Risk Rating	Date:	24/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 24/07/2020	Residual Risk Rating as at: 24/07/2020	Residual Risk Rating as at: 01/11/2020	Residual Risk Rating as at: 22/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021
					

Comments

Any failure on the part of the Council to prepare a Local Plan in accordance with the timescale and programme set out the Council's Local Development Scheme will put it at risk of possible intervention by the Secretary of State. Should this occur the Council could lose the ability to plan for future development of Thurrock with its plan-making powers being taken away by the Secretary of State who has the option of directing another body to take over responsibility for preparing the Local Plan.

Further sanctions could also come in the form of the loss of the Council's New Homes Bonus and a reduced ability to bid for national funding support for new infrastructure.

A failure on the part of the Council to provide a rolling five year land supply would also increase the possibility that land owners and developers would be able to obtain planning permission upon appeal to the Secretary of State for speculative, uncoordinated and piece–meal development in the Green Belt.

Finally the reputational damage and harm to the Council could be substantial as would the abortive costs involved in promoting a Local Plan which will be found unsound at examination.

Regular updates on the development of the Local Plan and next steps provided to the Local Development Plan Task Force (a cross party Members working group) and the implications of the Covid-19 pandemic on the project and the plan to be considered throughout the process. Risk to be refreshed in the next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	**Date Implemented**
In order to manage and/or mitigate the risk of delay to the plan-making process the Council's Local Development Scheme sets out a range of measures designed to reduce the overall risk of the plan production being de-railed due to the impact of a number of internal or external influences. These include 1. The adoption of a staged approach to the development of the local plan evidence base, and where appropriate, assessing a range of alternative scenarios (for example with/without LTC) to help better understand the options available for accommodating future development in a range of different locations. 2. The adoption of an evidence based approach to plan-making to ensure that both Members and the Local Community are made fully aware of the implications and impacts of adopting a range of different spatial options. 3. The setting up of Leaders and Members Briefing sessions to build up a better understanding of the issues to be addressed and cross party support for the emerging Local Plan. 4. Measures to both inform and manage land owner and developer expectations and knowledge of the plan-making process as an important first step in building up their confidence and support for the plan-making process and its ability to deliver positive outcomes for all the parties involved. 5. Innovative measures designed to support wider public and stakeholder engagement in the plan-making process Other measures developed and rolled out to manage and/or mitigate the impact of the risk of the local plan process being frustrated include: 6. Further and more proactive engagement with Highways England and other Government Departments to bring forward a scheme which promotes rather than hinders the potential for future economic and housing growth in Thurrock. 7. Greater use and an expanded role for PPA's in funding the development of the LP evidence base and the recruitment of additional staff resources to assist the plan-making process. 8. Increase the frequency and scope of Member and Community engagement in order to go beyond 'the numbers' and focus on the benefits that that further growth can bring to local communities. 9. Improved terms and conditions to help recruit and retain experienced planners and greater use of PPAs to expand the capacity of the service to prepare the Local Plan.	February 2014 - ongoing

Residual Risk Rating	Date:	24/07/2020	Impact:	Substantial (3)	Likelihood:	Likely (3)	Rating:	9

Further Management or Mitigating Action	Implementation Date	Progress
10. Ongoing application of items 1-9 above as appropriate	From Jul 2020	
Key items for 2020/21 include:		
11. Prepare draft Regulation 18 Local Plan for public consultation in summer 2022.	From July 2020	Work on preparing the Draft Local Plan is underway and The Planning Advisory Service PAS have been contacted to help secure additional project management assistance. A Project Steering Group including representatives from the Council's technical consultancy team will be set up to manage the timely delivery of the Local Plan evidence base.
12. Roll out of Thurrock Design Charrette process to commence in December 2020 and conclude June/July 2021.	Dec 2020 - July 2021	Work is underway in rolling out the Design Charrettes with weekly meetings of the DC Project Team to ensure that the process is completed on time and to budget.
13. Roll out of Thurrock Local Plan Planning Performance Agreements (PPA) with site promoters to help fund the preparation of the Local Plan in September 2020	From July 2020	Additional Project Management Support obtained via the Planning Advisory Service will assist in the roll out of the PPA process which will help generate additional funding to prepare the Local Plan.
14. Build capacity with Ministry of Housing Communities and Local Government (MHCLG), Homes England, Department for Transport, Highways England to help ensure the early delivery of homes and supporting infrastructure.	From July 2020	Regular meetings are being organised with MHCLG and external partners to build capacity and support for the Local Plan process. It is intended to use PPA funding to help support the proactive involvement of Duty To Cooperate bodies in the LP process to help minimise objections and delay to the Plan at a later date.
15. Subject to resources, the recruitment of additional professional and technical support to prepare the plan via direct appointments as full time staff, secondments from consultancies and short term fixed contracts with Public Practice.	From July 2020	The potential for additional staff resources will be considered dependent on the availability of PPA funding.
16. Ongoing development of the technical evidence base to inform the production of a sound and legally compliant draft Local Plan for publication and consultation in 2022.	From July 2020	A Project Steering Group including representatives from the Council's technical consultancy team will be set up to manage the timely and cost effective delivery of the Local Plan evidence base.
17. Development of new virtual public consultation platforms and approaches	From Dec 2020	Snapdragon have been commissioned to set up new digital consultation platforms to support the roll out of the Design Charrettes. Further consideration will be given to the scope for using these new approaches in support of the Local Plan.
18. Potential for significant changes to the planning system following the publication of the Planning White Paper – Planning for the Future.		The Council have informed MHCLG that it would be interested in piloting some of the proposed reforms in order to maintain momentum with the Local Plan and to maximise the opportunity to obtain additional Government funding support.

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	~~Substantial (3)~~ Critical (4)	Likelihood:	~~Likely (3)~~ Very Likely (4)	Rating:	~~9~~ 16
Revised Residual Risk Rating	Date:	22/01/2021	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

Corporate Risk No. 6 / Heading - Children's Social Care, Service Standards & Inspection Outcome 2020 / 21

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
Failure to manage the increases in demand and budget/resource pressures for Children's Social Care could lead to a breakdown in the quality or performance of the service provided to vulnerable children and results in less favourable outcomes from inspection and damage to reputation of the service does meet the required standards	Sheila Murphy

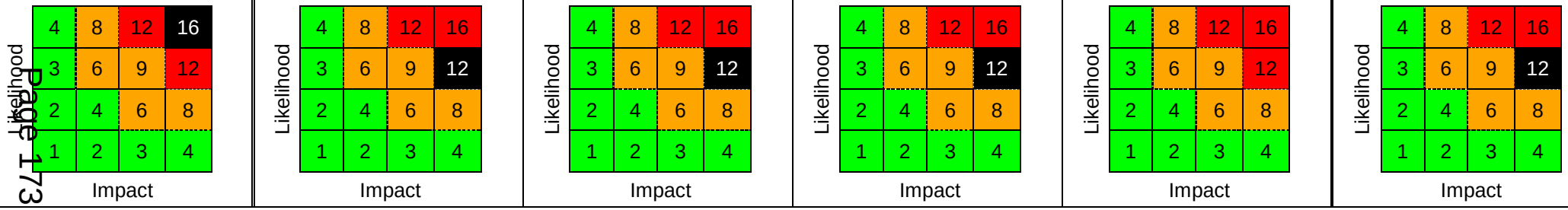
Link to Corporate Priority

People - A borough where people of all ages are proud to work and play, live and stay – Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.

Inherent Risk Rating	Date:	17/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 17/07/2020	Residual Risk Rating as at: 17/07/2020	Residual Risk Rating as at: 05/10/2020	Residual Risk Rating as at: 06/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021



Comments

This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH.

The service is demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. Areas for improvement have been identified in the Ofsted (ILAC) 2019 and a Development Plan has been created to address this.

As a consequence of Covid19 since March 2020 there has been a significant impact on the way in which we deliver services within children's social care. There has been an impact on the budget which is subject to continuous scrutiny. Service continue to review and prepare for the next Ofsted Covid 19 reassurance visit/focus visit, and the full ILACS inspection. Key focus on Criminal Exploitation.

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

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. It is anticipated that there will be an increase in volumes of contacts into the service, including court delays regarding management of cases, in addition to staff self-isolation due to the ongoing global pandemic.

Risk and action plan to be refreshed in the next review (Quarter 1 2021/22)

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Quality Assurance and Safeguarding functions are in place and robustly applied and a Development Board has been implemented and takes place on a monthly basis.	Ongoing
2. Trix Policies and Procedures have been introduced across Children's Social care. All procedures are subject to review and updating.	Ongoing
3. Joint delivery of the 'Early Offer of Help Strategy' and associated services are now embedded to meet the new the duty placed on Council's to coordinate an early offer of help to families who do not meet the criteria for social care services and ensure that the 'step down and step up' processes are robustly managed.	Ongoing
4. Internal quality assurance audits to evidence appropriate application of thresholds.	Ongoing
5. Ongoing data analysis to enable us to benchmark and target areas for improvement; complete redesign of KPI and trends analysis.	Ongoing
6. Ofsted inspections and action plans to address recommendations included in inspection reports are continually reviewed and updated.	Ongoing

Residual Risk Rating	Date:	17/07/2020	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
7. Ongoing implementation and/or application of actions 1 - 6 above.	From July 2020	Implementation of actions 1-6 are ongoing :- 1. Progress is being made via Development Board for evidencing QA and Safeguarding functions. 2 & 6. Policies are continually reviewed and actions remain ongoing to address recommendations from Ofsted inspection and are subject to regular scrutiny by senior management team. 4. Internal QA audits are evidenced and reported to senior management and are cascaded as part of continued professional development. 5. Ongoing data analysis enables targeted areas for improvement and stretch targets.

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	06/01/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

Corporate Risk No. 7 / Heading - Children's Social Care, Safeguarding & Protecting Children & Young People 2020 / 21

UNMANAGED / INHERENT RISK

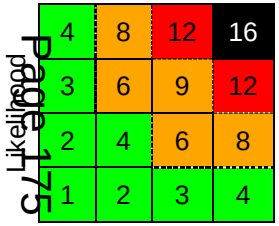
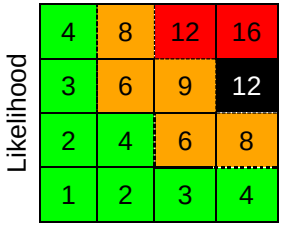
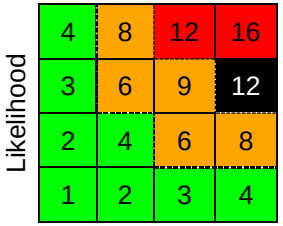
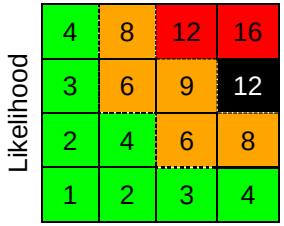
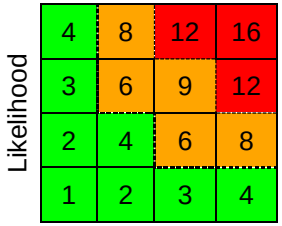
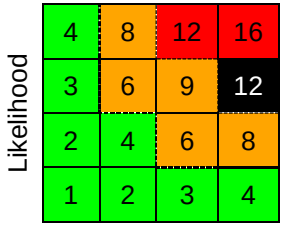
Risk Description	Risk Owner/
Failure to ensure that all children and young people in need of help or protection are safeguarded and supported could result in them not achieving their full potential and increasing the risk of a child death or serious injury.	Joe Tynan

Link to Corporate Priority

People – A borough where people of all ages are proud to work and play, live and stay – Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.

Inherent Risk Rating	Date:	17/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 17/07/2020	Residual Risk Rating as at: 17/07/2020	Residual Risk Rating as at: 05/10/2020	Residual Risk Rating as at: 06/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021
					

Comments

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

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

Embedding the Multi Agency Safeguarding Hub and Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases. The development and implementation of the Thurrock Local Safeguarding Children Partnership arrangements will further improve the inter-agency arrangements to safeguard and promote the welfare of children and young people living in Thurrock.

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

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

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. Effective demand and resource management remain a priority for the

service within an overriding context of keeping children safe.

Risk will remain constant throughout the period covered. The emergence of Covid19 has resulted in a number of changes to service delivery. An Operational Procedures document during the Coronavirus outbreak has been implemented for some time and is reviewed on a regular basis. This document ensures business continuity is maintained following appropriate risk assessments and government guidelines. Risk and action plan to be refreshed in the next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Development plan in line with Ofsted inspection	Nov 2019
2. Local Safeguarding Children's Partnership arrangements established. This has now been completed with action plan in place. This will be reviewed regularly.	July 2020
3 Application of the Southend, Essex & Thurrock Child Protection procedures	Ongoing
4. Quality assurance and safeguarding function of Children's Social Care.	Ongoing
5. Legal framework and court action	Ongoing
6. Continue to strengthen the Thurrock Multi Agency Safeguarding Hub and Early Offer of Help	Ongoing
7. Case Audits	Ongoing
8. Quality assurance framework	Ongoing
9. Continuous Development plan in line with Ofsted inspection 2019, which is regularly reviewed in the monthly Development Reports	Apr 2020

Residual Risk Rating	Date:	17/02/2020	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
10. Ongoing implementation and/or application of actions 4-9 above	From July 2020	Ongoing implementation of 4-9 above, with reporting framework cycles in place.
11. Development of safeguarding arrangements to meet statutory requirements	From July 2020	Completed, implemented in May 2019
12. Review of Thurrock Local Safeguarding Children Partnership arrangements.	From July 2020	The independent peer review has been completed and this has identified a number of actions and an action plan has been completed and this will be reviewed and agreed at O&S Committee on 2nd February 2021.
13. Covid19 protocol implemented and is under constant review	From April 2020	Continues to be reviewed in line with Government advice.

Forecast Risk Rating	Forecast Date:	Refresh 31/03//2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	06/01/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

Corporate Risk No. 15 - Property Ownership Liability 2020 / 21

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
The Council is a significant owner and user of operational property and ensuring that buildings comply with appropriate statutory, regulatory and corporate standards is a significant challenge. In addition to the direct consequences of any incident arising from buildings non-compliance, the Council could be faced with damage to its reputation, financial loss, and individual officers facing legal proceedings and in the worst case, the loss of lives of building users. It is therefore imperative that systems are in place to ensure compliance and manage these risks.	Sean Clark

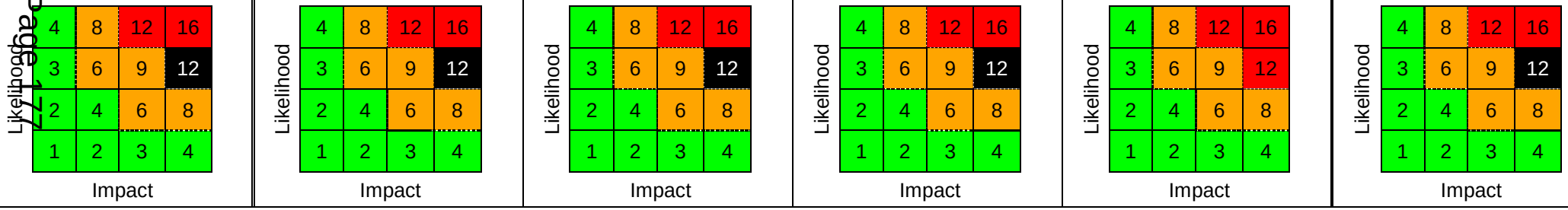
Link to Corporate Priority

Place – A heritage-rich borough which is ambitious for its future. Fewer public buildings with better services
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.

Inherent Risk Rating	Date:	01/07/2020	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 01/07/2020	Residual Risk Rating as at: 01/07/2020	Residual Risk Rating as at: 27/11/2020	Residual Risk Rating as at: 25/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021



Comments

Council properties (except for HRA and parks) moved to corporate function for repair, maintenance planning and budgets transferred. There has been a significant increase of number of properties moving to the Corporate Landlord Function which has resulted in a sharp increase in work streams. Condition and compliance surveys completed and loaded on Concerto database. The Estates Module remains outstanding on Concerto. This is a significant module which will assist with the management of leases and other property related matters, it is resource intensive and currently does not have adequate resources allocated to be able to progress. Resource has been identified to move this module on once the Management module has gone live and is working as required. The Management module of Concerto has been tested and will be going live 1st Feb 2021. A draft Corporate Landlord Policy and a draft Corporate Landlord Procedure have been drafted, but can only be finalised once the resourcing requirements of the Corporate Property Team are agreed. The Facilities management function was brought back in house in April 2020 and Corporate Property Team restructure needs to be finalised to strengthen the capacity of the service. There is particular concern that vital roles are being undertaken by contract staff with no contingency or succession planning possible. In addition there is a lack of resource where posts remain vacant and where new resource is required to undertake a greater workload both within the Corporate Property and FM teams. A lack of resource in the FM Team with much increased work load particularly within the security team is a major risk with additional shifts having to be covered by on call agency. FM Team would be further impacted in event of COVID outbreak within the teams, security at Civic Offices and Wardens at Thameside would be covered by contractor. Mailroom and reprographics would be major impact but would need to reduce service initially and call on wider team for assistance.

Proposals to refresh governance arrangements for property matters was submitted in March 2020, this included a revised TOR for Property Board, a new reporting structure and an itemised forward plan to support property management, governance and enhance visibility of Corporate Landlord matters. The constitution has been changed limiting requiring consent for all disposal from the Leader or Cabinet. As there are currently no exclusions to this requirement the Assets Team should be obtaining consent for even day to day deminimis transactions, all disposal are on hold until the Director has agreed a way forward, this is having a significant impact on the Property Team dealing with day to day business. The Covid-19 pandemic resulted in the rapid and unplanned closure of buildings for an unknown period of time and plans/protocols were established and arrangements put in place to ensure the safety of buildings and for critical staff that needed to work at the Civic Centre. The recommissioning of buildings was carefully planned to ensure health and safety hazards are managed thereby ensuring buildings were safe for re-occupation. The additional national lockdown however has reversed this process and added additional resource demand for decommissioning and re commissioning buildings and this has further been exacerbated by the ongoing national lockdown. Additionally, the pandemic has necessitated social distancing measures and new working practices to protect staff, visitors and customers from the virus. Risk Assessments and re-occupation plans in accordance with PHE and government guidance are drafted for the Civic Centre and further guidance for other corporate buildings and satellite sites are to be developed and rolled out as appropriate. Due to restriction of staff within Civic Offices no fire marshal system in place, signing in/out procedure, risk if staff do not adhere to system in event of fire evacuation. The Corporate Property Team has been asked to undertake a wider ranging Asset Review with a view to identifying buildings that can be re-tasked or disposed of to generate capital receipts in order to sport the overall Council budget. This piece of work has been a significate draw on the Team's resources and has impacted on the delivery of other pieces of work. The continuing impact is having a detrimental effect on our Commercial occupiers and will likely impact on the potential expected rental income for this year and next with the number of void properties also likely to increase. Risk to be refreshed in the next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Corporate Health and Safety Committee established.	Ongoing
2. Asset Management Strategy drafted, consultation with officers undertaken and final draft awaiting DB approval	2018 & ongoing
3. Comprehensive Asbestos Register in place – review being undertaken to ensure accurate building information in place	2018 & ongoing
4. Property Procedure Rules (PPRs) prepared, consulted with officers and key members, awaiting DB approval. Additional Disposals Procedure prepared and submitted for approval in March 2020.	Ongoing
5. Scheme of Delegations reviewed, amended and implemented.	Ongoing
6. Restructure of Regeneration and Assets Service completed in September 2019 and Corporate Property Team transferred to Finance. Apleona FM staff TUPE'd in April 2020.	Mar 2019 to Apr 2020
7. Transfer of all phases and budgets completed	From Jun 2018
8. Compliance and condition surveys for Corporate Landlord Buildings completed April 2020 and new stock condition baseline established and entered into Concerto (new asset management database system), in June 2020.	Jun 2018 to Jun 2020
9. Regular updates on progress and compliance presented to Property Board	From July 2018
10. Retain, Release, Reuse programme for assets implemented	From June 2018
11. Corporate Landlord Working Group developed and work undertaken until Aug 2019	2018 to Aug 2019
12. New Planned & Preventative Maintenance (PPM) programme and compliance module developed and proposal submitted in March 2020 to refresh Property Board with key reporting milestones set against a clearly defined annual forward plan.	Mar 2020
13. Closure of Corporate Buildings due to Covid-19 - Risk assessment, closure protocols & inspection regimes implemented and measures introduced for partial use of Civic Centre and Oliver Road Depot.	March 2020

Residual Risk Rating	Date:	01/07/2020	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
14. Ongoing implementation and/or application of actions 1 - 13 above, as appropriate.	From July 2020	Ongoing
15. Development of plans in accordance with government guidance for the recommissioning of corporate buildings due to Covid19	Dec 2020	Ongoing
16. An urgent review and restructure of the FM team to cover capacity, skills, technical knowledge and capability constraints.	From August 2020	Ongoing
17. Corporate Landlord Policy and Procedure approved following finalisation of resourcing and governance issue associated with PPRs and restructure approved.	From Oct 2020	Ongoing
18. Finalisation of Concerto Estates Management Module and training for staff	From Oct 2020	Ongoing
19. Review and restructure of the Corporate Property Team	From Dec 2020	Ongoing

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	25/01/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

Corporate Risk No. 23 / Heading - Fraud

2020 / 21

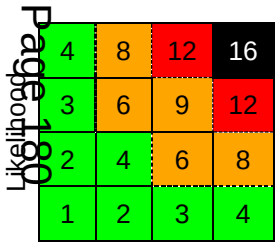
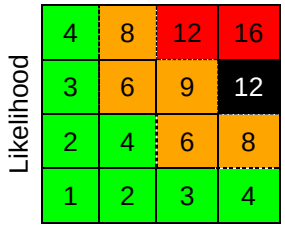
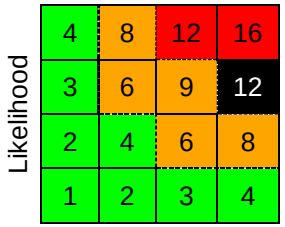
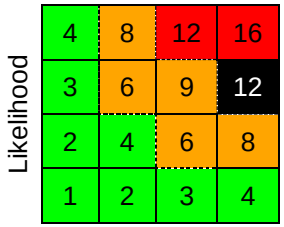
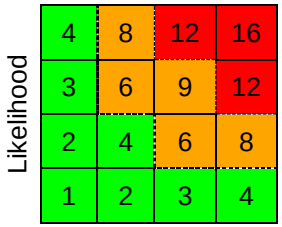
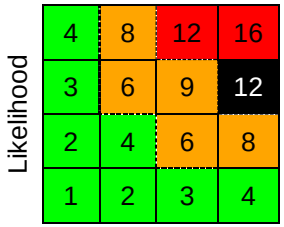
UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
The Council is responsible for and provides a wide range of functions and services. There is a risk that the Authority experiences significant incidents of fraud, bribery, corruption or other economic crime as well as cases of money laundering. This can subsequently result in losses from the delivery of Council functions and services.	David Kleinberg

Link to Corporate Priority
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.

Inherent Risk Rating	Date:	09/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 09/07/2020	Residual Risk Rating as at: 09/07/2020	Residual Risk Rating as at: 13/11/2020	Residual Risk Rating as at: 21/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021
					

Comments
The Counter Fraud & Investigation service has an organisational-wide strategy and proactive work plan to monitor and manage the identified risks. A persistent training and education regime is in place, where experts from the service work with staff, contractors, members and in the council's supply chain to identify and mitigate the risks, and increase awareness. The council has current and effective policies on Counter Fraud, Bribery & Corruption and Money Laundering which are kept under constant review, with relevant updates being added or removed where appropriate. These policies acknowledge the threats and install an action plan in identified incidents including, civil & criminal litigation and redress to recover any identified losses. Any control weaknesses identified in investigations are rectified in collaboration with the affected services and Internal Audit through SMART Action Plans. During this year the council has come under pressure from COVID-19 and due to this, many services have been affected in ways no-one could have envisaged. This includes the threat of fraud. All normal fraud risks remained, however LA's across the country were required to 'pay out' grants that HMG issued to small businesses and other areas of our communities to assist with their survival through C-19. This saw the council pay out millions in grants, with very little time to prepare for the possibility of fraud. During this time the council was the victim of excess fraud risk and due to a lack of systems to sit behind the applications for the grants, was targeted. The revenues department (responsible for paying the grants) and Fraud have worked closely and have a system in place that allows for 'pre-payment' checks to take place and for the early grants to be 'post-payment' checked. This will result in possible fraud being identified. The Fraud team have also liaised with the Revenues Department and ensured that the Post Assurance documentation that had to be sent to HMG was comprehensive. The council will be part of the National Fraud Initiative project that has been launched by the Cabinet Office, which form part of a

Post Assurance 'toolkit' being made available to Local Authorities. The Fraud team will own the risk concerning identified fraud.

These risks have sat alongside the 'normal' fraud risks that the council faces every day, namely Single Person Discount fraud, Tenancy Fraud, Right To Buy fraud as well as other forms of fraud such as Procurement/Contract fraud. The fraud awareness programmes that were put to all staff will assist with identifying this risk and early intervention is always key to an organisation combating the risk it faces. These have continued and working alongside our alert system, staff are made aware of fraud trends and or known risks.

Covid 19 has also enabled an easier avenue for 'mandate fraud' which has been highlighted to staff, as we are not in the office spaces we once shared, communication is largely placed within the email systems. This can create the opportunity for criminals to compromise email accounts and facilitate a fraud. Where staff would normally be able to speak directly to a colleague, this now does not happen and must be brought into the risk faced by the council. CFI have been approached by various council who have fallen victim to £1m+ mandate frauds.

The risk remains at 12, as new risks have emerged alongside old risks, the new risks have mitigated measures taken, however it is clear that those measures do not affect the 'attempts' we come across and thus it is felt that the risk to the council remains likely and critical. The council can ill afford a substantial loss of funds at this very critical time. Risk to be refreshed in the next review (Quarter 1 2021/22)

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Establishment & proactive enhancement of CFID	Nov 2014
2. Fraud and Corruption Policy established and maintained from 2014	From 2014
3. Counter Fraud Work Plan established and maintained	2017
4. Regular review of policies and procedures from within the council to ensure that it can prevent, detect and deter and fraud and other economic crime.	From Nov 2014
5. Counter Fraud and Money Laundering Policies Established and maintained.	2017
6. Corporate-wide Bribery & Corruption Risk Review	From Oct 2018
7. Corporate-wide Cyber Crime Risk Review	From Dec 2018
8. Fraud risk matrix/loss assessment development and roll out	From Jul 2018
9. Review of supply chain against identified national crime risks	Oct 2018
10. Ad-hoc services to prevent/detect fraud (e.g. operations to prevent/detect housing tenancy fraud, counter money laundering & social care fraud)	From Oct 2018
11. Enhanced intelligence programme	Feb 2019
12. Application of Counter Fraud Risk Analytics across the council's high risk/threat areas.	From May 2020
13. Install improved Anti-Money Laundering (AML) controls at all of the council's Customer Contact Points.	From May 2020
14. COVID-19 Business Grants Counter Fraud Programme.	From May 2020
15. Fraud e-learning training programme.	Jun 2020
16. Renewed Education & Marketing Campaign for Countering Fraud, Bribery, Corruption and Money Laundering	From Jul 2020

Residual Risk Rating	Date:	09/07/2020	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
17. Ongoing application of actions 1-16 above as appropriate.	From July 2020	1, 3-4, 6-11, 13-14 and 16. Ongoing or maintained. 2&5. All 'Fraud' based policies have been reviewed Oct 2020 and will be put before the next committee for approval and adoption. 12. Ongoing but cost implications are currently an issue surrounding this and under review. However this is not a fraud function issue. 14. Ongoing. Work undertaken with Revenues Department to develop pre and post arrangements for small business grants system to help identify potential fraud. 15. Training completed (required) by every member of staff at the council.
18. Mandate Fraud – Counter fraud/awareness	From July	18. Potential fraud identified/considered and to be managed through programmes.

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	21/01/2021	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

Corporate Risk No. 10 / Heading – Major Projects (Place) 2020 / 2021

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
The growth programme in Thurrock continues to be one of the largest and most exciting opportunities in the country. Thurrock's reputation as a place full of opportunity has helped attract a number of large scale projects including London Distribution Park at the Port of Tilbury, the continuing investment at DP World London Gateway, expansion of Lakeside, Purfleet Regeneration, etc. As a direct result of the scale of the growth agenda in Thurrock the Council will be involved in three National Infrastructure Projects over the coming years. Managing these projects alongside the other key regeneration projects will place significant demands on the Council and ensuring the authority have capacity in key areas is important in maintaining momentum and maximising opportunity for the borough. Failure to increase capacity to meet current, future or competing demands could impact the successful delivery of the major schemes and projects.	Andy Millard

Link to Corporate Priority

Prosperity – a borough which enables everyone to achieve their aspirations:

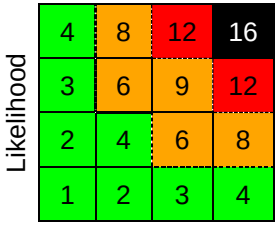
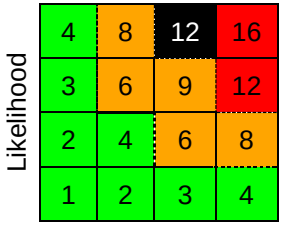
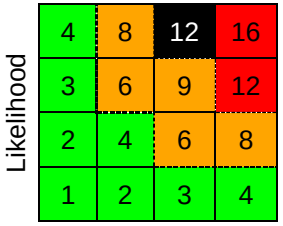
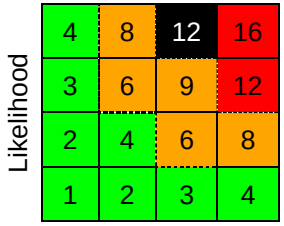
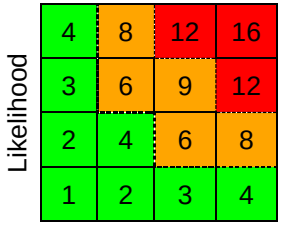
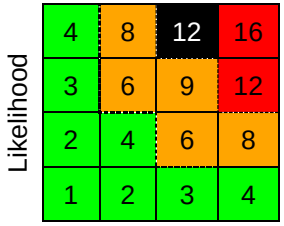
- Attractive opportunities for businesses and investors to enhance the local economy
- Vocational and academic education skills and job opportunities for all.

Place – a heritage rich borough which is ambitious for its future:

- Roads, houses and public spaces that connect people and places
- Fewer public buildings with better services

Inherent Risk Rating	Date:	13/07/2020	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 13/07/2020	Residual Risk Rating as at: 13/07/2020	Residual Risk Rating as at: 01/11/2020	Residual Risk Rating as at: 22/01/2021	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2021
					

Comments

The Thurrock growth programme crosses many disciplines within the Council. It requires significant programme management capacity from the Regeneration team to lead the programme alongside a joined up approach with other areas of the authority to ensure that relevant specialisms are brought in as required and programmes and strategies are complementary. Investment needs to be committed to project development stages before outputs and benefits are realised, significant levels of funding are committed at risk to prove feasibility and investment then needs to continue to secure the benefits from the initial funding. External funding is committed to numerous projects, whilst this reduces the financial burden to the Council, compliance with funding agreements must be achieved to ensure the Council is not exposed financially via claw back mechanisms. Projects span numerous financial years and have to be able to respond to changing market, policy and financial conditions. Strong project and programme managers are essential to ensuring that delivery stays on track and investment secures value for money outputs. Increasing resource capacity in the team via Matrix has provided some additional support and

approval has been received to secure 1 additional FTE. The project portfolio could benefit from significant external funding in 2020/21 which will put additional pressure on the existing staff resource as more projects are developed. Momentum needs to be maintained in the ongoing restructure to improve working approaches and secure additional resource. Risk to be refreshed in the next review (Quarter 1 2021/22)

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Overall	
1.1 Managing the impact of various outcomes relating to the UK's exit from the EU	Ongoing
1.2 Include Brexit contingency in all project budgets to cover the potential for increased construction costs due to potential increases in labour/material costs.	Since Oct 2018
1.3 Managing the impact of COVID-19 on projects and programmes, including assessment on the cost of the programme of all projects	Ongoing
1.4 Appropriately qualified team in place.	Ongoing
1.5 Specialist expertise brought in on a consultancy basis as required.	Ongoing
1.6 Programme Management methods in place with all projects having a project programme, budget and risk register set up from the outset.	Ongoing
1.7 Area based Programme Boards operational to ensure cross department buy in.	Ongoing
1.8 Funding agreements managed to ensure compliance and reduce risk of claw back	Ongoing
1.9 Increase of capacity required in team (additional FTEs)	Mar 2019
1.10 Standardised project management documentation implemented and consideration of standardised project management software solution.	Jun 2019
1.11 Continuously improve our ability to deliver projects and share the learnings from other	Ongoing
2. Grays Underpass	
2.1 Managing costs within GRIP stages with Network Rail	Ongoing
2.2 Information campaign to help prevent accident or incident at level crossing	Ongoing
2.3 Performance of Network Rail team monitored and managed through Senior Steering Group	Ongoing
3. Purfleet Primary School	
3.1 Facilitated discussions with all stakeholders on size of site, budget and programme	Ongoing
4. A13 / A126 East Facing Access Scheme	
4.1 Work on design options continuing to understand impact on surrounding area	Ongoing
4.2 Ongoing dialogue with DfT to negotiate funding arrangements and programme of delivery	Ongoing
5. Stanford le Hope Transport Interchange	
5.1 Steering Group Meetings established including strong engagement from all stakeholders	Ongoing
5.2 Detailed design work being undertaken ahead of appointing contractor for phase 1	Ongoing

Residual Risk Rating	Date:	13/07/2020	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date		Progress			
6. Ongoing application or implementation of actions 1-5 above			Ongoing		Ongoing as 1-5 above			
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12
Revised Residual Risk Rating	Date:	22/01/2021	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

Opportunities In Focus

Corporate Opportunity No. 13 / Heading - Investment In Growth 2020 / 21

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description	Opportunity Owner
Opportunity to promote the borough and secure investment in growth through SELEP, Thames Estuary Growth Commission and other Government funding sources	Stephen Taylor

Link to Corporate Priority

Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy.

Inherent Opportunity Rating	Date:	22/07/2020	Impact:	Moderate (2)	Likelihood:	Unlikely (2)	Rating:	4

DASHBOARD

Inherent Opp. Rating & Date: 22/07/2020	Residual Opp. Rating as at: 22/07/2020	Residual Opp. Rating as at: 25/10/2020	Residual Opp. Rating as at: 15/01/2021	Residual Opp. Rating as at:	Forecast Opp. Rating & Date: 31/03/2021

16	12	8	4	
12	9	6	3	Likelihood
8	6	4	2	
4	3	2	1	
Impact				

16	12	8	4	
12	9	6	3	Likelihood
8	6	4	2	
4	3	2	1	
Impact				

16	12	8	4	
12	9	6	3	Likelihood
8	6	4	2	
4	3	2	1	
Impact				

16	12	8	4	
12	9	6	3	Likelihood
8	6	4	2	
4	3	2	1	
Impact				

16	12	8	4	
12	9	6	3	Likelihood
8	6	4	2	
4	3	2	1	
Impact				

16	12	8	4	
12	9	6	3	Likelihood
8	6	4	2	
4	3	2	1	
Impact				

Comments

The Council has successfully secured approximately £100m in Local Growth Funding (LGF) to support development of infrastructure supporting growth in Thurrock in recent years

Opportunities to apply for Getting Building Fund and the LGF underspend have arisen over the summer. Thurrock has won more than £3m from the Getting Building Fund: £2.5m for a fibre broadband programme across Thurrock and £600k won by South Essex College for a transport and logistics academy. Both Grays and Tilbury have been identified as potential recipients of the Towns Fund which will bring a significant amount of investment into the local economy. Other opportunities to bid for funding are now being developed to help the economy recover from COVID. In the longer term the Levelling Up Fund and the Shared Prosperity Fund should be introduced to replace the LGF and European Structural & Investment Fund (ESIF). Opportunity to be refreshed in the next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place	Date Implemented
The Council has already taken a number of actions to secure funding:	
1. Developing a pipeline of strong proposals for future bidding opportunities as they arise	From 2014
2. Scanning external funding opportunities to bid for investment in Thurrock	"
3. Delivery of projects that have already won funding and more robust project management procedures in place to secure spend	"
4. Dedicating resource to secure funds through bidding opportunities like the Towns Fund	"
5. Active participation in promoting Thurrock and decision making at an ASELA, LEP, Thames Estuary Growth Board and Government level.	From Apr 2020
6. Promoting priorities for investment in Thurrock.	"
7. Horizon scanning for new funding opportunities.	"
8. Dedicating resource to development of bids for funding when appropriate	"

Residual Opportunity Rating	Date:	22/07/2020	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action	Implementation Date	Progress
9. Ongoing application of actions 1-8 above as appropriate	From July	Action against 1-8 continues. External Funding Board in place and opportunities shared; Development of Towns Fund proposals underway, PM systems improvement work continues; Bids continue to be developed and funds promoted;
10. Refresh of the project pipeline and preparation of business cases wherever appropriate for Council or third party schemes	Sept 2020	Capital programme refresh now underway and will lead into project pipeline refresh as a priority identified in the Economic Development Strategy

Forecast Opportunity Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Opportunity Rating	Date:	15/01/2021	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

Corporate Opportunity No. 16a / Heading - Treasury Management & Investment Strategy 2020 / 21

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description	Opportunity Owner
A mix of approaches (e.g. service reviews, expenditure efficiencies, general income increases, managing demand, transformation, investment, etc.) have been adopted to deliver future balanced budgets and enable services to continue to be provided to meet the needs of residents. All the approaches are important to maintain balanced budgets for the life of the Medium Term Financial Strategy (MTFS) and it is recognised that investments have the greater ability to make significant income with the minimum of impact on service provision (e.g. in recent years the treasury function and activities have contributed significant income to support the budget position). The development and implementation of the Treasury Management Strategy and Investment Programme continues to provide the Council with opportunities to generate significant additional income and contributions towards the delivery of Council services	Sean Clark

Link to Corporate Priority

Prosperity – a borough which enables everyone to achieve their aspirations. Commercial, entrepreneurial and connected public services.
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.

Inherent Opportunity Rating	Date:	15/07/2020	Impact:	Exceptional (4)	Likelihood:	Unlikely (2)	Rating:	8

DASHBOARD

Inherent Opp. Rating & Date: 15/07/2020	Residual Opp. Rating as at: 15/07/2020	Residual Opp. Rating as at: 12/11/2020	Residual Opp. Rating as at: 25/01/2021	Residual Opp. Rating as at:	Forecast Opp. Rating & Date: 31/03/2021
16 12 8 4 12 9 6 3 8 6 4 2 4 3 2 1 Likelihood Impact	16 12 8 4 12 9 6 3 8 6 4 2 4 3 2 1 Likelihood Impact	16 12 8 4 12 9 6 3 8 6 4 2 4 3 2 1 Likelihood Impact	16 12 8 4 12 9 6 3 8 6 4 2 4 3 2 1 Likelihood Impact	16 12 8 4 12 9 6 3 8 6 4 2 4 3 2 1 Likelihood Impact	16 12 8 4 12 9 6 3 8 6 4 2 4 3 2 1 Likelihood Impact

Comments

Investments identified as having the greater ability to make significant income with the minimum of impact on service provision. Treasury Management and Investment Strategy established. Review undertaken and position reported to Council Feb 2020. Ongoing review, monitoring and presentation of investment briefings to Standards & Audit Committee, Cabinet, Council and Overview and Scrutiny Committee (e.g. Investment Briefing presented to July Council and Standards & Audit Committee; Investment briefing reported to S&AC Sept; MTFS Update & Revenue Budget Monitoring Quarter 1 presented to Cabinet Sept; MTFS Update & General Fund Budget Implications Cabinet Oct; Financial Update reported to Corporate Overview & Scrutiny Committee Nov and Investment Briefing scheduled to be presented to S&AC Nov, etc). Cross party Shadow Investment Committee established and meeting commenced in quarter three.

The Council's investment strategy has been paused for new activity (while democratic oversight arrangements are reviewed/implemented). Performance on existing investments has been maintained and there are no significant impacts from the pandemic. The forecast income from existing investment is expected to be in line with the budgeted level but the pause in new activity will reduce the overall projected level for the year. Opportunity to be refreshed in the next review (Quarter 1 2021/22).

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place	Date Implemented
1. Update on the Medium Term Financial Strategy and proposed investment approach (including principles) reported to and agreed by Cabinet 11th Oct 2017.	Oct 2017
2. Follow up on the investment approach and the revisions required to the Treasury Management Strategy reported to and agreed by Council 25th Oct 2017, including increases to the parameters for how much the council can borrow/invest and changes required to bolster the investment programme (e.g. capital cash investments/expenditure, acquisition or development of revenue generating assets, bringing more sites forward for development through Thurrock Regeneration Ltd).	Oct 2017
3. Capital Strategy (incl Treasury Management Strategy), Annual Minimum Revenue Provision Statement, proposed Prudential Indicators and Treasury Management projections reported to and agreed by Council 27 February 2019, via Cabinet 12 February 2019 and Corporate Overview & Scrutiny Committee 31rd January 2019	Feb 2019
4. Continue to develop investment programme in line with codes of practice and guidance to Identify further investment opportunities and achieve a balanced portfolio.	From Feb 2019
5. Review of Treasury Management Strategy, Annual Minimum Revenue Provision Statement & Prudential Indicators undertaken and reported to Council Feb 2020.	Feb 2020
6. Manage current and explore, develop and implement new opportunities.	Ongoing
7. Regularly review/monitor and report on all investments, including new items.	Ongoing

Residual Opportunity Rating	Date:	15/07/2020	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action	Implementation Date	Progress
8. Ongoing implementation or application of actions 6 - 7 above	From July	6&7 New investment activity paused. Regular investment briefings presented to Standards & Audit Committee, Cabinet, Council and Overview and Scrutiny Committee
9. Pause on new activity under the Council's investment strategy.	From July	Ongoing
10. Review and implement democratic oversight arrangements for the Council's investment and capital strategy.	From July	Ongoing. Cross party Shadow Investment Committee established and meetings commenced in quarter three
11. Review and report Treasury Management Strategy, Annual Minimum Revenue Provision Statement & Prudential Indicators to Council Feb 2021.	Feb 2021	Draft Budget and Capital Strategy (including Treasury Management Strategy, Annual Minimum Revenue Provision Statement & Prudential Indicators) reported to Overview & Scrutiny Jan and to be presented to Cabinet and Council Feb.

Forecast Opportunity Rating	Forecast Date:	Refresh 31/03/2021	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Opportunity Rating	Date:	25/01/2021	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

Criteria Guide for Impact and Likelihood

Appendix 3

Criteria Guide for Impact Levels

Risk

Negative Impact	Description
4 Critical	• Inability to deliver a number of strategic objectives or a priority. • Major loss of service, including several important service areas • Major reputation damage - adverse central government response, involving threat of / removal of delegated powers or adverse and persistent national media coverage • Loss of Life • Major personal privacy infringement - All personal details compromised / revealed • Huge financial loss/cost - >£1M in a year. Up to 75% of budget. • Major disruption to project / huge impact on ability to achieve project objectives.
3 Substantial	• Inability to deliver an organisational priority or strategic objective. • Major disruption to important service or a number of service areas. • Significant reputation damage - adverse publicity in professional/municipal press or adverse local publicity of a major and persistent nature. • Major injury. • Many individual personal details compromised / revealed • Major financial loss/cost - >£500K - <£1M in a year. Up to 50% of budget • Significant disruption to project / significant impact on ability to achieve the project's objectives.
2 Marginal	• Significant disruption to important service or major disruption to non crucial service. • Moderate reputation damage - adverse local publicity / local public awareness • Serious injury • Some individual personal details compromised / revealed • High financial loss/cost – >£100K - <£500K in a year. Up to 25% of budget • Moderate disruption to project / moderate impact on ability to achieve the project's objectives.
1 Negligible	• Brief disruption to important service or significant disruption to non crucial service. • Minimal reputation damage - no external publicity and contained within Council • Minor injury or discomfort. • Isolated individual personal detail compromised/ revealed • Low or medium financial loss/cost <£100K in a year. Up to 10% of budget • Minor disruption to project / minor impact on ability to achieve the project's objectives.

Opportunity

Positive Impact	Description
4 Exceptional	• Exceptional improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objectives/priorities • National award or recognition/elevated status by national government • Positive national press/media coverage • Major improvement to the health, welfare & safety of stakeholders • Income/savings of >£500K in a year or exceptional saving of resource (e.g. time and labour)
3 Major	• Major improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Regional recognition for initiative, partnership or arrangement. • Positive publicity in professional/municipal press or sustained positive local publicity. • Significant improvement to the health, welfare & safety of stakeholders • Income and/or savings of >£250K - <£500K in a year or major savings of resource (e.g. time and labour).
2 Moderate	• Moderate improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Borough or County wide recognition for initiative, partnership or arrangement. • Positive local publicity / local public awareness • Moderate improvement to the health, welfare & safety of stakeholders. • Income and/or savings of >£100K - <£250K in a year or moderate savings of resource (e.g. time and labour).
1 Minor	• Minor improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Local level recognition for initiative, partnership or arrangement. • Minor positive local publicity • Minor improvement to the health, welfare & safety of stakeholders. • Income and/or savings of <£100K in a year or minor saving of resource (e.g. time and labour)

Criteria Guide for Likelihood Levels

Risk

Likelihood	Description
4 Very Likely	• More than 75% chance of occurrence • Will probably occur at some time or in most circumstances. • Circumstances frequently encountered - daily, weekly, monthly and quarterly.
3 Likely	• Between 40% and 75% chance of occurrence. • Fairly likely to occur at some time or in some circumstances. • Circumstances occasionally encountered - occurs once every 1 to 2 years.
2 Unlikely	• Between 10% and 40% chance of occurrence. • Fairly unlikely to occur, but could occur at some time. • Occurs once every 2 to 3 years
1 Very Unlikely	• Less than 10% chance of occurrence. • May occur only in exceptional circumstances. • Has never or very rarely happened before.

Opportunity

Likelihood	Description
4 Very Likely	• More than 75% chance of happening. • A clear opportunity already apparent, which can easily be achieved with a bit of further work or management. • Achievable in under 1 year (12 months)
3 Likely	• Between 40% and 75% chance of happening. • An opportunity that has been identified and/or explored and may be achievable but will require some further work or management. • Achievable between 1 to 2 years
2 Unlikely	• Between 10% and 40% chance of happening • Opportunity that is fairly unlikely to happen that will need full investigation and require considerable work or management. • Achievable between 2 to 3 years
1 Very Unlikely	• Less than 1% chance of happening. • Opportunity that is very unlikely to happen that will need full investigation and require considerable work or management. • Achievable in more than 3 years

Risk/Opportunity Matrix & Priority Table

Risk

		1 Negligible	2 Marginal	3 Substantial	4 Critical
Very Likely	4	4	8	12	16
Likely	3	3	6	9	12
Unlikely	2	2	4	6	8
Very Unlikely	1	1	2	3	4

Opportunity

	4 Exceptional	3 Major	2 Moderate	1 Minor		
High Priority	16	12	8	4	4	Very Likely
	12	9	6	3	3	Likely
Medium Priority	8	6	4	2	2	Unlikely
Low Priority	4	3	2	1	1	Very Unlikely

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

11 March 2021	ITEM: 11
Standards and Audit Committee	
Internal Audit Progress Report 2020/21	
Wards and communities affected: All	**Key Decision:** Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Director: Sean Clark – Corporate Director Finance, Governance & Property	
This report is public	

Executive Summary

The Internal Audit Plan 2020/21 was discussed by the Standards and Audit Committee at their meeting of 9 July 2020. This progress report covers final reports issued since the last progress report to the Standards and Audit Committee on 24 November 2020, draft reports issued and work in progress.

1. Recommendation(s)

1.1 That the Standards and Audit Committee:

Consider reports issued and the work being carried out by Internal Audit in relation to the 2020/21 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 and Audit Committee.

2.3 The Standards and 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 and Audit Committee about the operation of the internal control environment.

2.4 The audits contained in the Internal Audit Plan 2020/21 are based on an assessment of risk for each system or operational area. The assessment of risk includes elements such as the level of corporate importance, materiality, service delivery/importance and sensitivity.

3. Issues, Options and Analysis of Options

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

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

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

3.3 During the period being reported on, we have finalised 4 reports. 2 of these were assurance reports and received Green (positive) assurance opinions. These were Council Tax and Arboriculture, specifically the council's new Tree Management System software.

3.4 Of the remaining 2 reports, 1 was a consultancy report to check and confirm Environmental Services' compliance against the requirements to continue to receive the British Standards Institution (BSI) ISO 9001 accreditation which demonstrates an organisations ability to consistently provide products and services that meet customer and regulatory requirements. The area covered was the Quality Management Systems in place to meet the standard and 1 minor issue was highlighted. The final report issued was an advisory report around Project Management. Whilst we did not provide an assurance opinion, we did make recommendations which were agreed my management. Since this review took place, it has been confirmed with Strategy and Delivery Manager that progress has been made in addressing the recommendations.

3.5 As we come towards year-end, the focus has been on getting reports issued to draft stage and work completed. These reports will be issued as final and presented to the Standards and Audit Committee at the next meeting.

4. Reasons for Recommendation

4.1 To assist the Standards and 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 Assistant Directors before being reported to Directors Board and the Standards and Audit Committee.

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

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

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

6.1 The council's corporate priorities were used to inform the annual audit plan 2020/21. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director Finance

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

7.2 Legal

Implications verified by: **Tim Hallam**

Deputy Head of Legal and Deputy Monitoring Officer

The contents of this report and appendixes form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, including to at least annually undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards and Audit Committee. There are no legal implications directly arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer, Adults, Housing & Health

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 frameworks. The Internal Audit Plan is based on risk assessments that include a review of the council's risk and opportunity register.

8. Background papers used in preparing the report:

- Strategy for Internal Audit 2020/21 to 2022/23 and Internal Audit Plan 2020/21
- Internal Audit Reports issued in 2020/21.

9. Appendices to the report

- Appendix 1 – Internal Audit Progress Report.

Report Author:

Gary Clifford
Chief Internal Auditor
Thurrock Council Internal Audit Service, Finance, Governance & Property

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2020/21

Date of Committee: 11th March 2021

Introduction

The internal audit plan for 2020/21 was presented to the Standards & Audit Committee on 24th November 2020.

Table showing reports issued as Final, in Draft and Work in Progress (WIP)

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Council Tax	Final	Green	0	0	0
Arboriculture	Final	Green	0	0	1
Project Management	Final	Advisory	1	1	3
BSI ISO 9001 Quality Management System Review	Final	Advisory	0	0	1
Business User Allowance	Draft with client	N/A	N/A	N/A	N/A
DBS Checks	Draft with client	N/A	N/A	N/A	N/A
No Recourse to Public Funds	Draft with client	N/A	N/A	N/A	N/A
Adoption	Draft with client	N/A	N/A	N/A	N/A
Fostering	Draft with client	N/A	N/A	N/A	N/A
Houses in Multiple Occupation	Draft with client	N/A	N/A	N/A	N/A
Water Charges	Draft with client	N/A	N/A	N/A	N/A
Complaints	Draft	N/A	N/A	N/A	N/A
IR35	Draft	N/A	N/A	N/A	N/A
NNDR	WIP	N/A	N/A	N/A	N/A
Duplicate Payments	WIP	N/A	N/A	N/A	N/A

Work and other issues for which no reports are generated

The work around the payment by results funding provided as part of the troubled families programme continues.

Ad hoc pieces of work providing support, advice and guidance around A13 project, Extra Care, use of electronic signatures for authorisation purposes in Adult Social Care etc.

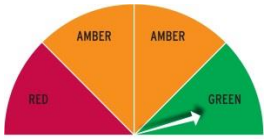
Changes to the Annual Plan

When the annual plan was originally discussed with senior management, the COVID-19 pandemic had not been identified within the UK. However, this all changed during March 20 and it is anticipated there will continue to be a significant impact on the plan due to

the pandemic, which has reduced access to front line council services and staff availability. As a result, it has been agreed with the Corporate Director of Finance, Governance and Property that moving forward, a 3 to 6 month plan will provide the additional flexibility to pro-actively address changing priorities. This plan is being presented as an agenda item at tonight's meeting.

In addition, 1 senior member of the team left in June 2020, 1 member of the team was relocated to the Thurrock Coronavirus Community Action team and 1 member of staff tested positive and was off sick for a short period of time which have all had an effect on the resources available to undertake the work in the plan. Whilst it was agreed with the Corporate Director of Finance, Governance and Property that the service required additional resources and budgets were put in place, there is currently a recruitment freeze unless the post is deemed to be critical to the operations of the council.

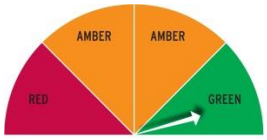
Key Findings from Internal Audit Work

Assignment: Council Tax	Opinion: Green	

Headline Findings: Our review of the **Council Tax** did not identify any significant issues around the adequacy or effectiveness of the control framework. The review looked at the following risks:

- Properties may not be charged the correct rate, leading to financial loss.
- Incomplete or inaccurate income may be received for properties.
- Uncollected direct debits may not be followed up.
- Invalid discounts and reductions may be given.
- Fraudulent discounts/exemptions might not be identified and addressed.
- Incorrect/inappropriate bills may be sent out.
- Refunds may not be appropriately authorised and paid in line with the Council's financial procedures.
- The recovery process for arrears may not be timely.
- Recoverable amounts could be written off.

Good controls were identified across all these areas. The 2 low recommendations from the previous audit had been implemented.

Assignment: Arboriculture	Opinion: Green	

Headline Findings: Our review of the **Arboriculture** identified 1 low recommendation around the adequacy of the control framework. The objective of the audit was, at the request of management, to look at the new asset management system being implemented to determine that it was operating as expected and its benefits were being realised. The review looked at the following risks:

- The new Tree Management system software may not be operational and meet the needs of the service.
- Staff may not have the equipment available to use the new software.
- Staff may not be trained in using the software due to the COVID pandemic.
- Data may not be secure, accurate and reliable in compliance with relevant data protection regulations.

Controls were good across the areas reviewed. The 1 low recommendation was related to issues with the interface between the new system software and Oracle. This resulted in orders having to be raised on Oracle and duplicated onto the new software. This had already been identified and the service, Council IT department and software supplier were working towards a solution.

Assignment: Project Management	Advisory	Opinion not provided

Headline Findings: Our review of the **Project Management** focused on the project management control framework and processes in development within the Place Directorate to ensure consistency across all projects managed by the directorate. Performance issues with some recent projects undertaken by the council confirmed the need for an improved project management framework and practices. Place intends to use this initiative as a pilot scheme to develop an overarching Project Management Control Framework for Thurrock Council. As this was an advisory review, we have not provided an opinion around the adequacy and effectiveness of the internal control framework. However, we did make 1 high, 1 medium and 3 low level recommendations.

Action and Response	Responsible Officer	Date
Action – It is recommended that a corporate project management policy be developed setting the council's position on project management to provide guidance and a foundation for developing control frameworks across directorates to ensure alignment of practices with the council's vision and priorities. This will help the council and individual directorates to achieve consistency and harmonisation of project management practices, and improve efficiency and effectiveness in project delivery. **Response** - The Corporate Programme Team have produced a corporate project management policy and framework, which was agreed at Directors Board on 18th November. The Place Project Framework will be reviewed in light of this 'parent' documentation to ensure it is aligned and harmonised, as well as making any changes to the Place framework which may result from that review. **Internal Audit Comment** - Since the audit was completed, it has been confirmed by the Strategy & Delivery Manager in Place that there is now an agreed corporate Project Management Policy and Framework, produced by the Project Management Office within the Transformation Team. Work is ongoing to align the Place Projects Framework to that, which was the highest rated recommendation of the audit.	PMO Manager/ Strategy & Delivery Manager	March 2021
Action – The framework should be updated to include a clear narrative description of the processes and controls required to mitigate risks identified in each stage of the project lifecycle. The number of stages or phases being considered for the directorate's project lifecycle, should take into consideration best practice available and recommendations from industry standard setters. **Response** - Industry-specific projects phases (such as RIBA, PCF etc) to be applied to the projects on a case by case basis over and above what has been set out in the overarching framework to ensure industry best practice is applied. Variations on the projects phases to be captured in the respective Project Management Plan. List of potential variations to be included as an appendix to the Framework.	Strategy & Delivery Manager	March 2021

Assignment: BSI ISO 9001 – Quality Management System	**Consultancy**	**Opinion not provided**
Headline Findings: Headline Findings: Top management should review, at planned intervals, the Quality Management System (QMS) components including: • Policy and Objectives; • Internal Audits (including control of non-conformities, corrective and preventative actions);		

- Customer Feedback/satisfaction and communication;
- Infrastructure and work environment;
- Management Review (including Analysis of information); and
- Senior Management;

This helps the organisation to ensure that the QMS continues to be suitable, adequate and effective and is aligned with the strategic direction of the organisation.

Corrective Action: Management Reviews will be incorporated in the Service planning process, with a specific meeting scheduled and minuted during that cycle to ensure that the quality management system alignment, suitability, adequacy and effectiveness is considered and appropriate adjustments implemented.

11 March 2021	ITEM: 12
Standards and Audit Committee	
Internal Audit Strategy 2020/21 to 2022/23 and Annual Internal Audit Plan 2021/22	
Wards and communities affected: All	**Key Decision:** Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Director: Sean Clark – Corporate Director of Finance, Governance & Property	
This report is Public	

Executive Summary

Between December 2019 and March 2020, 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, Assistant Directors and other senior management. As a result, a 3 year Strategy for Internal Audit 2020/21 to 2022/23 was developed.

During the latter part of this process, the implications from the Coronavirus COVID-19 pandemic started to emerge with changes to working practices, and in some cases, changes to job roles. Due to the continually emerging issues, this was not reflected in the plan but as a result, the scope of some reviews changed during the year to ensure the Internal Audit Service was utilising its resources to best meet the needs of the council.

However, it was agreed with the Corporate Director of Finance, Governance & Property that the pandemic is likely to have a continuing impact during 2021/22 so a 3 to 6 month rolling plan would be beneficial to allow the service to react pro-actively to changing risks and priorities.

1. Recommendation(s)

1.1 That the Standards and Audit Committee:

Receive and agree the Internal Audit Plan 2021/22.

2. Introduction and Background

2.1 Following a comprehensive Audit Needs Assessment (ANA) process between December 2019 and March 2020, a new 3 year Internal Audit Strategy 2020/21 to 2022/23 was developed. In preparing the strategy and the annual

internal audit plan, we shared them with all members of Director's Board for comment and changes were made as appropriate. In addition, we met with, and attended meetings with the following:

- HR, OD and Transformation Directorate Management Team;
- Children's Services Senior Management Team;
- Performance Board.
- Director of Adult Services;
- Assistant Director - Housing;
- Assistant Director – Street Scene & Leisure;
- Assistant Director – Highways, Fleet & Logistics;
- Assistant Director - Lower Thames Crossing & Transport Infrastructure;
- Assistant Director - Place;
- Assistant Director – Planning & Growth;
- Strategic Lead – Legal;
- Strategic Lead – IT;
- Strategic Lead – Procurement;
- Emergency Planning Manager; and
- Corporate Risk and Insurance Manager

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 2020/21 and concerns raised by the Standards and Audit Committee.

It is important to note that the strategy and plan are designed, in part, to test the control environment surrounding potential risks and key controls. Whilst the strategy remains largely unchanged, we have adopted a 3 to 6 month rolling plan for 2020/21 to enable us to react positively to the changing environment and working practices resulting from the COVID-19 pandemic.

We will continually revisit the plan and report any changes will be agreed by the Chief Internal Auditor and/or Corporate Director of Finance, Governance & Property and presented to members of the Standards and Audit Committee as part of the progress reporting arrangements.

3. Issues, Options and Analysis of Options

3.1 Whilst the previous plan developed by the Chief Internal Auditor was ambitious, the unanticipated retirement of one of the Senior Internal Auditors from June 2020, redeployment of a member of the team to assist on the Thurrock Coronavirus Community Action team and a member of the team being off sick after a positive test have had an impact on resources. As a

result, a number of reviews from 2020/21 have had to be carried forward into 2021/22. In addition, additional work arising as a direct and indirect result of the pandemic has emerged and been added to the plan for 2021/22. Resources had already been identified as an issue by the Corporate Director of Finance, Governance & Property and the Chief Internal Auditor and budgets put in place to address this. However, due to the current climate, these posts still currently remain unfilled.

4. Reasons for Recommendation

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

- The detailed Internal Audit Plan for the coming financial year reflects the areas that the Standards and Audit Committee believe should be covered as a priority and recognises the additional flexibility of the plan during the next year to address issues arising from the COVID-19 pandemic.

- 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 As part of the planning process, changes to the plan have been discussed with relevant members of Directors Board before being brought before the Standards and Audit Committee.

6. Impact on Corporate Policies, Priorities, Performance and Community Impact

6.1 The achievement of corporate priorities is a key consideration of 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**

Assistant Director Finance

The Internal Audit Plan is planned to be delivered within the annually agreed budget for 2021/22.

7.2 Legal

Implications verified by: **Tim Hallam**

Deputy Head of Legal and Deputy Monitoring Officer

There do not appear to be any direct legal implications arising from this report and appendices. 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 and Audit Committee. The report recommends that the Standards and Audit Committee receives and agrees the Internal Audit Plan 2021/22. The plan identifies how the Section 151 Officer will deliver an effective internal auditing service for the Council during the year.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**

Community Engagement and Project Monitoring Officer, Adults, Housing & Health

There are no direct diversity implications arising from this report.

7.4 **Other implications**

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 this 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 this report

Appendix 1 - Draft Internal Audit Strategy 2020/21 to 2022/23 and Annual Internal Audit Plan 2021/22

Report Author:

Gary Clifford
Chief Internal Auditor
Thurrock Council Internal Audit Service, Finance, Governance & Property

APPENDIX 1

Standards & Audit Committee

Internal Audit Strategy 2020/21 to 2022/23 and Annual Plan 2021/22

Date: 11th March 2021

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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 2020/21 – 2022/23 and the annual plan for 2021/22.

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.

During 2020/21 we undertook a detailed audit needs assessment across the council to determine the key priorities for services and develop a new 3 year strategy covering the period 2020/21 to 2022/23. This included a specific detailed audit needs assessment of the IT audit plan. IT audit work is undertaken by Mazars, through a framework agreement with Croydon Council. However, a number of factors including the COVID-19 pandemic, retirement of a senior member of the team and recruitment freeze had a significant impact on the 2020/21 plan. As a result, a number of reviews from 2020/21 have had to be deferred to 2021/22.

The pandemic has had a significant impact on how the council and its staff operate with the council offices being closed and staff working from home wherever possible. As a result, some audit scopes were changed during the audits to pick up on additional risks that surfaced as a result of the council's response to the pandemic. To provide this additional flexibility, it has been agreed with the Corporate Director of Finance, Governance and Property that for 2021/22, we will develop a 3 to 6 month plan so we can pick up the changing priorities of services as a result of the pandemic and undertake work to identify changes that have resulted in improved efficiency and effectiveness.

In preparing the strategy and the annual internal audit plan for 2020/21 to 2022/23, we met with, and attended the meetings for the following:

- HR, OD and Transformation Directorate Management Team;
- Children's Services Senior Management Team;
- Performance Board.

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

- Director of Adult Services;
- Assistant Director - Housing;
- Assistant Director – Street Scene & Leisure;
- Assistant Director – Highways, Fleet & Logistics;
- Assistant Director - Lower Thames Crossing & Transport Infrastructure;
- Assistant Director - Place;
- Assistant Director – Planning & Growth;
- Strategic Lead – Legal;
- Strategic Lead – IT;
- Strategic Lead – Procurement;
- Emergency Planning Manager; and
- Corporate Risk & Insurance Manager

The draft plan was presented to all members of Directors Board.

As with previous plans, the plan for 2021/22 needs to be fluid and is constantly being reviewed, particularly during the current circumstances to ensure any changes to policy, process, legislation or priorities are reflected in the current annual plan. On-going discussions are held with senior management during the year and ad hoc reviews are undertaken where significant risks or control deficiencies are identified.

Changes to the plan can be approved by the Chief Internal Auditor and/or the Corporate Director of Finance, Governance & Property. All changes will be reported to the Standards & Audit Committee as part of the internal audit progress reporting arrangements.

The key areas / factors are summarised below.

Key areas discussed and their impact on the 2021/22 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 2020/21.
2	The continued emphasis on achieving savings has been exacerbated by the pandemic which has had a significant impact on income generation and placed additional pressure on the resources available to fund core services.

The strategy is set out at Appendix B, with the detailed internal audit plan for 2021/22 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 Corporate Director of Finance, Governance & Property 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

From 2019/20, the council's external auditors changed to BDO. We intend to continue to meet with the external auditors to avoid duplication of coverage between internal and external audit.

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 Plan for 2021/22 (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?

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.

External Factors	Known	Emerging
BREXIT		✓
Climate Change		✓
Financial Sustainability		✓
Welfare reform	✓	
Business Rates Retention		✓
Public Health (incl Pandemic)	✓	
Regeneration	✓	
House building and financing schemes	✓	
Major Projects		✓
Homelessness	✓	
Immigration & Asylum		✓
Cyber Security	✓	
Digital Transformation (including the use of Artificial Intelligence)		✓
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	✓	
Commercialisation (including income generation and investments)		✓
Personal Budgets/Direct Payments	✓	
Financial Resilience	✓	
Financial Reporting	✓	
Transformation Programme	✓	

Appendix B: Internal Audit Strategy 2020/21 – 2022/23

Auditable Area	Risks	2020/21	2021/22	2022/23
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.	✔	✔	✔
Budget Management	The new reporting system may not provide the information required by budget holders to manage their budgets effectively and appropriate training might not be provided.	✔		
Contract Management	Failure to have robust governance and monitoring arrangements around contracts that have been awarded could result in escalating costs. Contract managers may not have the skills to manage the contracts effectively.	✔		
Project Management and Governance	Failure to effectively manage projects and have robust governance arrangements in place may result in a failure to deliver the required outcomes and costs escalating.	✔	✔	✔
Corporate Health & Safety	Inadequate health and safety policies and procedures could result in an increase in incidents and accidents.		✔	
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.	✔		
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	2020/21	2021/22	2022/23
No Recourse to Public Funds (NRPF)	Failure to correctly assess, manage and monitor funds paid to families with NRPF could result in payment for accommodation and subsistence being made to persons who do not qualify.	✔		
Homelessness	The council may not be meeting its obligations under the Children's Act 1989 if it does not accommodate homeless children in need who appear to require accommodation.	✔		
Troubled Families Programme	Funding claims may be rejected if there is insufficient evidence to support the services provided.	✔	✔	✔
After Care Service	The council might not continue to provide continuing support, planning and guidance for a young person who has left care or a supported living environment.		✔	
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.		✔	
Children's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.			✔
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.		✔	
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.			✔
Adults, Housing & Health				
Liberty Protection Safeguarding	Failure to meet the requirements of the Liberty Protection Safeguards, contained in the Mental Capacity (Amendment) Act 2019 may result in vulnerable adults not receiving the help and care they require,		✔	
Collins House	If the financial and operational arrangements at Collins House are not robust, they may not protect the vulnerable adults who reside there and the staff who work there.	✔		
External Providers	If the financial and governance arrangements with external providers are not robust, the council may not be getting the quality of service they commissioned at the agreed cost putting the vulnerable adults who reside there at risk. In addition, poor controls around collection of income from clients' contributions to their care could result in financial loss to the Council.	✔		
Day Care Centres	If the financial and operational arrangements at Day Care Centres are not robust, they may not maximise the available funds to improve the lives of those residents who use their services.	✔		

Auditable Area	Risks	2020/21	2021/22	2022/23
Adult Social Care Placements	If there are not appropriate financial checks in place around placements of people requiring care, resources may not be used efficiently resulting in additional costs.	✔		
Migration Costs to Adult Social Care	The council may not be identifying adults with existing care needs who move into the area resulting in additional pressure on budgets.			✔
Children's and Adults Commissioning Service	If commissioning of services is not effective, the council may not be obtaining value for money.		✔	
Children's and Adults Finance Function	If processes and procedures are not operating effectively, there may be duplication and inconsistent decision making.		✔	
Workforce Planning Project – Caring as a Career	Opportunities may be missed to promote a regional joint commissioning model with Public Health to help in developing the care profession.			✔
Adult's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.		✔	
Extra Care Follow-up	If the recommendations from the review undertaken in 2019/20 are not implemented, cash may continue to be used which could result in funds being misappropriated.	✔		
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.		✔	
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.			✔
Housing Tenancy Audits	Failure to identify current tenants in council properties could result in increases in properties being sublet when there are residents on the housing waiting list who are eligible to be housed in those properties.		✔	
Right to Buy	If correct procedures are not followed, incorrect discounts may be applied resulting in loss of income to the Council.		✔	
Temporary Accommodation	The framework procurement agreed by Cabinet in March 2020 may not result in sufficient letting agents and private landlords being contracted with, resulting in increasing costs being spent on temporary accommodation.	✔		
Houses in Multiple Occupation (HMO's)	If there are not robust arrangements in place around licencing, If there are not robust arrangements in place around licencing, residents may be residing in properties that are not fit for purpose.	✔		
Homelessness	The council's Homelessness Reduction Strategy may not be effective resulting in an increase in homeless families and rough sleepers across the borough. New arrangements and changes to legislation could result in the Council not being able to discharge its duties in respect of homelessness.	✔		

Auditable Area	Risks	2020/21	2021/22	2022/23
Leaseholders	Charges made to leaseholders for services provided may not be reasonable or in line with guidance.	✔		
Safeguarding	If there are not robust contracts around partnerships for supported living, residents may not be properly safeguarded.		✔	
Building Safety	The council may not be compliant with the recommendations from the Hackitt Review of Building Regulations and Fire Safety following the tragedy at Grenfell Towers thereby putting residents at risk.		✔	
Housing Voids	If the correct policies and procedures are not in place, void properties may not be returned to the council housing stock in a timely manner resulting in lost income and potential increased costs for temporary accommodation.	✔		
Water Charges to Tenants	If the council fail to charge tenants who pay their water rates as part of their rent the incorrect amount, they may have to refund the overpayments resulting in unexpected financial implications on other services.	✔		
Library Visits	The operational and financial management arrangements in Libraries may be inadequate which could result in poor budgetary control and misappropriation of funds.		✔	
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.		✔	
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.		✔	
Adult Social Care Expenditure	To provide assurance to external audit around key financial systems.		✔	
Adult Social Care Income				✔
Housing Rents		✔	✔	✔
Finance, Governance & Property				
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.		✔	
VAT	The council may not be complying with the issues raised following the Inspection by HMRC in 2019/20 which could result in a loss of VAT reclaimed.	✔		
Treasury Management	If appropriate checks and balances are not in place, the council could expose itself to additional financial risk and may not maximise income from its investments and borrowing.	✔		

Auditable Area	Risks	2020/21	2021/22	2022/23
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.	✔	✔	✔
Locum Charges	The use of Locums to supplement existing staff can be an expensive use of resources if they are not monitored as they could charge for work that has not been carried out.		✔	
Section 113 Agreement charging mechanism (Barking & Dagenham)	If the charging system for staff who work across both LBBD and Thurrock under a section 113 agreement are not monitored, the council may be paying for services that have not been provided.	✔		
Committee Services Function and Resources	As the role of local authorities expands and more committees are introduced, the Democratic Services team may not have the resources to effectively service these new committees.	✔		
Election Expenses	Service budgets could be used to supplement the costs of running the election when these costs should be met from the elections funds provided by central government for all elections except for local elections which are funded by the council.		✔	
Local Government Ethical Standards – Action Plan	The council and members may not be meeting their responsibilities and be compliant with the Local Government Standards resulting in potential criminal offences being committed	✔		
Bye Laws – Highways, Play Areas and Parks	If there are not processes in place to monitor existing, and identify new and emerging bye-laws, the council may not be compliant which could result in fines and penalties.		✔	
Charities' Land Ownership	Charities may be using their land and premises to generate additional income resulting in a change of use which could have legal and insurance implications.			✔
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.		✔	
Asset Management – Disposals & Acquisitions	Disposals and acquisitions may not be effectively managed resulting in loss of opportunities, funding and reputation.	✔		
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.		✔	
IT – Network Security	These reviews were identified as part of an audit needs assessment undertaken between Mazars and IT and for which a separate plan has been produced.		✔	
IT – Firewalls			✔	
IT – Cyber Security				✔
IT – Email & Exchange Server			✔	

Auditable Area	Risks	2020/21	2021/22	2022/23
IT - Business Continuity & Disaster Recovery		✔		
IT – Data Back-up		✔		
IT – Data Applications - Oracle		✔		
IT – Data Applications - Northgate				✔
IT – Data Applications – Liquidlogic Adults & Children's Systems (LAS, LCS)				✔
Oracle – General Ledger	To provide assurance to external audit around key financial systems.		✔	✔
Accounts Payable		✔	✔	✔
Accounts Receivable		✔	✔	✔
Council Tax		✔	✔	✔
National Non Domestic Rates		✔	✔	✔
Housing Benefits		✔	✔	✔
Treasury Management			✔	
Asset Register			✔	
Environment, Highways & Counter Fraud				
Bridge Maintenance	Ineffective Bridge Maintenance may result in expensive unplanned costs being incurred.		✔	
Emergency Planning	The Council may not be able to react appropriately in the event of a disaster.			✔
Arboricultural Services	If the new asset management software is not fit for purpose, the council will not be able to monitor and maintain its species in accordance with its strategy which could result in some species of trees and plants being lost.	✔		
Burials Service	The council may not manage its assets appropriately resulting in additional costs to residents and poor use of resources.		✔	
Waste Strategy	The council might not incorporate and action new legislative changes into its strategy resulting in non-compliance and potential financial implications.			✔
Waste Contracts	If contracts are not procured and managed in a robust way, the council may find itself incurring additional costs and not meeting its targets in terms of recycling and its impact upon the environment.			✔

Auditable Area	Risks	2020/21	2021/22	2022/23
Stores Follow up Review	Follow up review to ensure the recommendations made during the audit review undertaken in 2018/19 have been implemented.	✔		
Fleet Follow up Review	Follow up review to ensure the recommendations made during the audit review undertaken in 2018/19 have been implemented.	✔		
Home to School Transport	If the new software is not fit for purpose, the council may not manage its school contracts effectively and efficiently resulting in additional 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.		✔	
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.			✔
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.		✔	
Fraud Team – Income Generation	Failure to achieve income targets may result in the service not meeting its objectives and plans and resources may have to be diverted from other services to support the team.		✔	
Enforcement Team	If processes are not robust and fair, the council may not issue penalties and fines in line with legislation resulting in appeals and damage to the council's reputation.			✔
ISO 9001 – Environmental Services	If the council does not meet the requirements set out in the standard, it will lose its accreditation which could result in a reduction in controls around management, processes and procedures.	✔	✔	✔
Place				
Project Control Framework	The council is working with a consultant to develop a project control framework. Failure to adopt the framework could result in projects not meeting their outcomes within agreed budgets.	✔		
A13 Kier issues and compensation claims	If compensation claims are not robustly monitored and managed, the council may be paying the contractor for claims which are not reasonable or within the scope of the project resulting in escalating costs.	✔		
Stanford Le Hope Contracts	If the design stage of the project is not properly managed and challenged, the consultants may not work with the council to identify the key risks resulting in additional build costs.		✔	
Project Health Checks	If projects do not have the proper governance, risk management and control processes in place, they are more likely to fail. Internal Audit to undertake "gateway checks" at	✔	✔	✔

Auditable Area	Risks	2020/21	2021/22	2022/23
	key stages of the project for assurance and challenge.			
Economic Development Purfleet Centre Regeneration Ltd	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.	✔		
Economic Development Grays Town Centre	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.		✔	
Economic Development Tilbury Town	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.		✔	
Housing Development	If the process for identifying new sites for housing developments is not transparent to the public, objections may result in the development being delayed or not happening at all.	✔		
Belmont Road contract review	There have been problems with this site which have resulted in delays in completing the work. This includes one of the contractors walking off site and putting in a compensation claim and the fact the contract was not novated to TRL so remains with the council.	✔		
Thurrock Regeneration Limited (TRL) Governance Arrangements	If governance arrangements are not robust and the Board do not have the necessary skills, decisions may be made which cannot realistically be delivered resulting in less properties being built than are required.	✔		
Environmental Health (Air Quality) Follow up	Follow up of the review carried out by Internal Audit in 2018/19 to ensure actions have been implemented and improvements made and the council are meeting their statutory obligations for air quality management.		✔	
Licencing - Premises	If premises are trading without the required licence, they may be operating from premises that are not legal and do not meet applicable health and safety requirements.	✔		
Licencing - Taxis	If taxi drivers are working without a relevant licence, they may not have been subjected to appropriate safeguarding checks or be operating in unregistered vehicles.	✔		
Building Control	If the service do not respond in a timely manner and their rates are excessive, they may lose business and income to competitors resulting in a loss of income to the council.	✔		
Local Plan	Due to issues around the Lower Thames Crossing, the council are developing a new Local Plan. Failure to adopt a Local Plan could result in sites not being identified and developed to benefit the local community.		✔	
Strategic Transport Plan	If the council do not have a Strategic Transport Plan, it may not take into account the effects of development and		✔	

Auditable Area	Risks	2020/21	2021/22	2022/23
	regeneration within Thurrock resulting in increased congestion and a negative impact on the environment.			
Trading Standards	Non-compliance with statutory requirements in respect of Trading Standards might result in dissatisfaction amongst local residents.			✔
Shop Premises	Arrangements' around the management of shop premises may not be robust leading to loss of income to the Council.			✔
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.	✔	✔	✔
Thurrock Registrar's Office	The Council may not comply with legislation resulting in increased external scrutiny by the Cabinet Office.			✔
Cash & Banking	To provide assurance to external audit around key financial systems.		✔	
HR, OD & Transformation				
Complaints	If complaints from members of the public and members are not responded to correctly and within timeframes, the reputation of the council may be damaged and there could be fines and penalties levied by the Ombudsman.	✔		
Data Protection	Failure to comply with the Data Protection Act 2018 could result in sensitive information being shared, resulting in significant fines and penalties being levied against the council.	✔		
Geographic Information System	If the Council does not have an up to date GIS system, including the Local Land & Property Gazetteer and Local Street Gazetteer, it may not be utilising the system efficiently or meeting its statutory responsibilities.			✔
Disclosure and Barring Service (DBS)	DBS checks that are due for renewal may not be identified resulting in changes to their circumstances not being reflected which could result in inappropriate persons being employed/used.	✔	✔	✔
Payroll	If payroll processes and procedures are not robust and accurate, staff may not get paid correctly, or at all.	✔	✔	✔
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 resulting in the council being responsible for paying any back tax and NI due.	✔	✔	✔
Health and Care Professions Council Social Work England Registration	If health and social care staff are not registered, they may not have the necessary skills and knowledge to perform the tasks required of them.		✔	
Recruitment	Poor recruitment policies, procedures and practices could result in the council employing staff who are not suitable for the role.		✔	

Auditable Area	Risks	2020/21	2021/22	2022/23
Probation/Induction (On Boarding)	If staff are not properly on-boarded to the council, they may not be able to properly undertake their job and not complete their probation satisfactorily resulting in the need to incur additional expenditure recruiting someone more suitable.	✔		
Annual Leave	If annual leave is not correctly calculated, input or authorised, staff may take more, or less, leave than they are entitled to.		✔	
Sickness Management	Failure to effectively manage sickness could result in absences increasing, costs for cover staff escalating and the council not meeting its duty of care towards its employees			✔
Mileage Claims	With the move to self-service and automated approval of mileage claims, there is a greater risk that inaccurate claims could be submitted resulting in additional cost to the council.			✔
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.			✔

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 2020/21

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Internal Audit plan 2020/21			
Corporate/Thematic Reviews			
Contract Procedures	To ensure the 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
Budget Management	To review the new reporting system "Beyond" which supports Oracle and ensure it has been rolled out appropriately, staff have been trained and reports are understood by budget holders.	System	TBA
Contract Management	To ensure there are robust monitoring and governance arrangements around key contracts so the council can be confident that they are being managed properly.	Assurance	On-going
Financial Sustainability	To review the resilience of the council's financial arrangements in the short to medium term following the additional financial pressures resulting from the COVID-19 pandemic.	Assurance	April 21
Climate Change	To determine the council's processes and procedures to ensure it meets Central Government targets to be carbon neutral by 2050.	Advisory	August 21
COVID-19 Grant Claim Certification	To review income and expenditure relating to COVID-19 and ensure it has been used in accordance with the grant conditions.	Compliance	On-going
Project Management & Governance	To review the terms of reference and effectiveness of project boards and the arrangements around the project control framework.	Assurance	As and when required
Children's Services			
Homelessness	The council has a duty of care to ensure children in need are provided with suitable accommodation (combine with review for adults).	Assurance	May 21
After Care Service	The council has a statutory obligation to provide continuing support, planning and guidance for a young person who has left care or a supported living environment to help them to be able to live independently.	Assurance	August 21
Children & Adults Commissioning	The commissioning and procurement of services around adult and children's social care	Assurance	September 21

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Service	has a significant impact on the councils resources so it is vital that the council is obtaining value for money.		
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.
Adults, Housing & Health			
Extra Care Follow-up	A review to ensure that the financial arrangements at the Extra Care facilities are robust and protect the vulnerable adults who reside there and the staff who work there.	Follow up	TBA
Collins House	To undertake a review of the financial arrangements at Collins House to ensure they are robust and protect the vulnerable adults who reside there and the staff who work there.	Assurance	September 21
External Providers	To undertake a review of the governance, monitoring and financial arrangements with external providers to ensure they are robust and protect the vulnerable adults who reside there.	Assurance	TBA
Placements – financial checks and use of resources	To review how management monitor and check placements including controls around financial limits and the use of resources.	Assurance	TBA
Temporary Accommodation	To review the processes and procedures in place around the mandatory licencing scheme and additional licences and determine if non-compliance is resulting in robust enforcement.	Assurance	July 21
Homelessness	To review the arrangements of the council in meeting its statutory obligations under homelessness legislation (combine with review for children's services).	Compliance	May 21
Leaseholders	New Northgate module for revenue service charges being implemented so there is a need to review that it meets the council's requirements.	System	TBA
Housing Voids	To review the policies and procedures surrounding the voids process, including the identification of void properties and turnaround targets against actual performance.	Assurance	TBA
Responsive & Planned Maintenance (Housing)	To review the processes around repairs and maintenance, and planned maintenance, to ensure repairs are identified and carried out in a timely manner so residents have quality housing available to them and the council are getting value for money.	Assurance	June 21

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Finance, Governance & Property			
Treasury Management	A review to look at new processes and procedures introduced as a result of the use of a consultancy to scope a design pack for interest received and the amount of borrowing.	Assurance	TBA
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	September 21
Section 113 Agreement charging mechanism (Barking & Dagenham)	To ensure that the mechanism for charging for staff who are paid by B&D but also work in Thurrock is operating effectively.	Assurance	TBA
Committee Services Function and Resources	With an increasing number of committees and member boards, there is a need to ensure that the Democratic Services team have sufficient capacity to deliver.	Assurance	TBA
Local Government Ethical Standards – Action Plan	The Committee on Standards in Public Life published their latest report in January 2019 which made a number of recommendations to enhance ethical governance for members. There is a need to ensure the council adopts these recommendations.	Assurance	TBA
Register of Interests, Gifts & Hospitality	Annual review to ensure members and senior officers review and update the register in line with guidance. This may be incorporated into the Local Government Standards Action Plan review.	Assurance	July 21
Asset Management – Disposals & Acquisitions	Changes introduced to encourage local authorities to identify and potentially dispose of surplus assets to generate income need to be reviewed. In addition, assets may be acquired for investment purposes including land purchases for housing developments.	Assurance	TBA
IT - Business Continuity & Disaster Recovery	Identified as a high risk area when completing an audit needs assessment of IT coverage.	Assurance	TBA (provider not yet sure due to COVID 19)
IT – Data Back-up	Identified as a high risk area when completing an audit needs assessment of IT coverage.	Assurance	TBA (provider not yet sure due to COVID 19)
IT – Data Applications - Oracle	Identified as a high risk area when completing an audit needs assessment of IT coverage.	Assurance	TBA (provider not yet sure due to COVID 19)

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Environment, Highways & Corporate Fraud			
Home to School Transport	A new transport system is being introduced and management requested a review to determine that it is operating as expected and benefits are being realised.	System	TBA
ISO 9001 – Environmental Services	Previous Auditor had to pull out of contract so internal team now provide this service which covers a number of areas in Environment.	Compliance	On-going as and when inspections are due.
Place			
Project Health Checks	Random sample testing of projects to ensure they are being managed in line with the new methodology.	Assurance	On-going
Economic Development Purfleet Centre Regeneration Ltd	To review the project management, funding and governance arrangements to ensure the project is meeting its objectives and will be completed in line with agreed timeframes.	Assurance	TBA
Housing Development	Management request to review the process around identifying and reporting new sites for housing, including transparency around consultation with the public.	Assurance	TBA
Belmont Road contract review	Management request to review the contract with Engie and determine why the contract was not novated increasing the risk to the council.	Advisory	TBA
Thurrock Regeneration Limited (TRL) Governance Arrangements	A review to determine the robustness of the corporate governance including the skill set of the Board, decision making and monitoring processes around the Council's wholly owned housing company.	Assurance	TBA
Licencing - Premises	Not audited for some time. There need to be robust arrangements in place to ensure only those premises that fully meet requirements are awarded a licence and there are regular inspections to ensure they are still compliant.	Assurance	May 21
Licencing - Taxis	A number of authorities have identified concerns around taxi firms and safeguarding of local residents. Having robust checking processes around the licencing of drivers can reduce this risk.	Assurance	TBA
Building Control	This is a self-financing service which competes with the private sector. Management have requested a review to provide assurance that it is competitive and is retaining its market share (stated as 80%).	Assurance	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
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. This may be done through a one-off audit around a sample of KPI's or checks undertaken on individual audit reviews.	Advisory	On-going
HR, OD & Transformation			
Data Protection	The Data Protection Act 2018, which compliments GDPR, has changed the requirements on local authorities and increased the penalties for non-compliance.	Assurance	TBA
Probation/Induction (On Boarding)	New strategy has been introduced in early 2020 and need to ensure there is compliance across the council so all new staff are treated fairly.	Assurance	April 21

Auditable Area	Internal Audit Coverage	Audit Approach	Proposed Timing
Core financial reviews to provide assurance to External Audit			
Accounts Payable	• Ordering & authorisation • Invoice matching • Separation of duties • Payment processing • BACS transfers • Reconciliation	System	April 21
Accounts Receivable	• Processes and procedures • Reconciliation • Write-offs • Recovery • Analysis	System	April 21
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 • Raising Debts • Year-end balancing	System	May/Jun 21
HR/Payroll	• Starters/Leavers • Authorisation • System access • Amendments • Exception reporting • Reconciliation • Suspense accounts	System	TBA
Housing Rents	• Tenant checks • System access controls • Reconciliation • Calculations of payments	System	July 21

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	On-going
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	On-going
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	On-going

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11 March 2021	ITEM: 13
Standards and Audit Committee	
Investment Briefing	
Wards and communities affected: All	**Key Decision:** No
Report of: Sean Clark, Corporate Director of Finance, Governance and Property	
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance	
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property	
This report is Public	

Executive Summary

The Standards and Audit Committee has received a number of updates on the council's investments and borrowings with the most recent being at their meeting on 24 November 2020. As requested by the committee this report provides the latest update to Members.

This report sets out the actual level of investments and borrowings as at 28 February 2021.

1. Recommendation(s)

1.1 That the Standards and Audit Committee note the report.

2. Introduction and Background

2.1 As previously noted, the Medium Term Financial Strategy (MTFS) forecasts only presented a one year balanced budget up until the Investment Strategy was agreed. Future years were shown with significant deficits projected for the remaining years. This short term approach meant the Council had to focus on efficiencies and service reductions to deliver the budget in the relevant financial year without the ability to think longer term to transform services more effectively.

2.2 While there has been a greater focus on commercial investment in the public sector in the last five years, it is important to note that councils have always carried out investments – traditionally through money markets but also including commercial property such as industrial units.

2.3 In 2014, the council changed its approach with its first investment in the Churches, Charities and Local Authorities (CCLA) property fund with further investments in CCLA and the first investments in the renewable energy market taking place in the subsequent two years. Following the success of the initial investments, the council unanimously agreed a new, formal Investment Strategy at its meeting in October 2017.

2.4 Whilst there has also been significant focus on the council's level of debt, it is important to remember that the amounts relating to these investments will all be repaid at the end of the term or, at the wish of the bond issuer, earlier.

2.5 Set out below is key financial information on the council's investment performance and position as at 28 February 2021. The overall debt position is £75m higher than it would normally be as the Council, like a number of authorities, increased its cash balances as the COVID restrictions commenced.

Source	**£m**	**£m**
PWLB – GF	400	
PWLB – HRA (2012)	161	
LOBOS (Various Pre May 2005)	29	
Other Public Bodies – Short Term (rolling debt built since start of council)	721	
Other Public Bodies – Long Term (rolling debt built since start of council)	95	
Gross Debt		**1,406**
Less:		
COVID Related Borrowing	75	
Investments – Bonds, CCLA, etc	1,031	
Total Repayable		**1,106**
Net Debt		**300**

2.6 The net hard-debt shown above largely relates to the historic and current capital programme expenditure. Gross debt has reduced by £87m since the first reported position as at the end of June 2020 and net debt by £106m.

The overall surplus from investments in 2019/20 was a net position, after borrowing costs and fees where applicable, of £35.7m, annually (or circa

£90m since October 2017), which is delivering services beyond statutory minimum. The estimate for 2020/21 is in excess of £30m.

2.7 The spread of the investments are as follows:

- Renewable Energy Sector 79.8% (spread over approx 60 interests)
- CCLA 10.5%
- Other, including TRL 9.7%

2.8 The impact of COVID restrictions highlighted the likely loss of income for those authorities who purchased, for example, shopping centres, airports or retail parks. Some councils are reporting up to 25% loss of income in property-related investments.

2.9 The administration have always maintained that owning a shopping centre or retail park leaves any council with long term borrowing costs – fixed costs – but variable income streams, as has been evidenced in recent months.

2.10 This potential risk is not the case for Thurrock where the investments have been in bonds and where the drive to increase investment in renewable energy schemes is well documented at a national level.

2.11 There has still been no material adverse impact from the start of the COVID pandemic on the council's investments and income streams have remained stable.

3 Issues, Options and Analysis of Options

3.1 There are no options related to this report as it is simply a briefing on the council's investment position.

4 Reasons for Recommendation

4.1 The recommendation is simply to note the report as it is a report for information only.

5 Consultation (including Overview and Scrutiny, if applicable)

5.1 Whilst there has been scrutiny through the Corporate Overview and Scrutiny, Council Spending Review and Council annually, there has been no consultation on this information report.

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

6.1 The council made a unanimous decision in October 2017 to supplement the council's budget through an investment approach. This has allowed investment across all of the council's front line services and includes

additional services such as increasing the police presence across the borough.

6.2 There are other obvious benefits such as supporting renewable energy, a key approach against the impact of climate change.

7 Implications

7.1 Financial

Implications verified by: **Sean Clark**

Corporate Director of Finance, Governance and Property

The benefit of the investment approach has been set out in the report.

It is clear that the approach has significantly contributed to the provision of services to Thurrock's residents against a national norm of service reductions and closures.

It had always been intended that the level of investment would reduce over time and the nature of the bond periods facilitated this.

Members need to be aware that there are significant commercial considerations when discussing investments and Local Authority inter-lending.

7.2 Legal

Implications verified by: **Ian Hunt**

Assistant Director of Legal & Governance/ Monitoring Officer

The Council has a requirement to finance its operation in order to deliver services to residents and to have a balanced budget.

The legislative framework underpinning local government financing permits Councils to undertake borrowing and lending activities as part of their routine treasury management.

In considering the approach to scrutinising the Councils activities Members should have regard to the commercial sensitivities which can arise from detailed discussions of the Councils investment and borrowing portfolio. Members are reminded that the Councils own commercial interests can be considered as a ground for excluding the press and public from a meeting under schedule 12A Local Government Act 1972, however in assessing the need for this Members should also consider the public interest and need for transparency in the Councils operations. The information contained in this report is provided in a public form balancing the competing interests.

7.3 **Diversity and Equality**

Implications verified by: **Natalie Smith**

Community Development and Equalities Manager

There are no specific diversity and equalities implications as part of this report.

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

The Council's financial position has allowed for additional investment across all services with additional funding, specifically, for services to the vulnerable, fighting Anti-Social Behaviour and Climate issues including allocations for tree planting and air quality measures.

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:

Sean Clark

Corporate Director of Finance, Governance and Property

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11 March 2021	ITEM: 14
Standards and Audit Committee	
A13 Widening Project	
Wards and communities affected: All	**Key Decision:** N/A
Report of: Anna Eastgate, Assistant Director Lower Thames Crossing and Project Delivery	
Accountable Assistant Director: Anna Eastgate, Assistant Director Lower Thames Crossing and Project Delivery	
Accountable Director: Andy Millard, Director of Place	
This report is Public	

Executive Summary

This report is provided at the Committee's request to have a quarterly update on the A13 project. This report and future reports will focus on the latest progress in delivery of the scheme, any changes in the agreed programme and any changes in the out turn forecast.

1. Recommendation(s)

1.1 That the Standards and Audit Committee notes and comments on the report content.

2. Introduction and Background

2.1 This project involves widening the A13 Stanford le Hope by-pass from 2 to 3 lanes in both directions, from the junction with the A128 (Orsett Cock roundabout) in the west to the A1014 (The Manorway) in the east and replacing four bridges. Once the project is completed, there will be a continuous three-lane carriageway from the M25 to Stanford le Hope, reducing congestion and resultant pollution, improving journey times and supporting further economic growth not only in Thurrock but across the whole south Essex corridor.

2.2 There have been a number of issues with the project which has resulted in delays in the delivery and an increase in costs, the detail of which has been discussed and considered in previous reports to both this Committee and PTR O&S.

2.3 This report and future reports to this committee will focus on progress in delivery and provide an update on out turn forecast and programme.

3. Issues, Options and Analysis of Options

Progress

3.1 Up until December 2020, work had continued throughout the Covid 19 pandemic with the team working hard to ensure all guidance and Covid safe procedures were followed. Consistent with the emergence of the new more transmissible strain of Covid, the site was impacted in mid-December with the report of three cases in a drainage team. It was thought that this outbreak was contained however a week later, further cases were reported in the site office and within the supervision teams on site.

3.2 The team took advice from the Council's public health and environmental health teams and a decision was made based upon that advice and the need to operate the site safely, that it would be sensible to close the construction site early for the Christmas break. Consequently the site was closed on 17th December 2020.

3.3 The site has opened back up gradually to safeguard against another outbreak and to ensure all relevant guidance and precautions are taken to protect workers and the public.

3.4 Further progress includes the completion of all major earthworks, surfacing on both sides of the carriageway and the concrete bridge decks on the structures. Demolition of the former bridge structures will commence in spring and it is anticipated the new Horndon bridge will be open to the public in the coming weeks.

3.5 More than £8.7 million has been invested locally, by using regional suppliers and businesses based within 10 miles of the project – supporting the local economy at a time when this is needed more than ever.

3.6 There has now been more than 500,000 hours since the last RIDDOR and more than 1 million hours worked on the project in total. The Project Accident Incident Rate is currently 0 which is a significant achievement.

Programme

3.7 The current accepted programme has an anticipated planned completion date of March 2022. This does not include any additional delays as a direct consequence of the Covid impact. That will be reported at a future meeting when a revised programme has been submitted for approval.

3.8 The team continues to challenge the construction programme to look at efficiencies to see if completion can be brought forward. Work is underway to

identify ways in which the programme will deliver a road open to traffic in December 2021.

3.9 Under the terms of the NEC 3 contract in place, there are four limited provisions which would enable the Council to reject changes to the programme. In rejecting the contractors programme, the Council has to give the justification and reasons why.

3.10 The four provisions are:

- The Contractors plans are not practicable
- It does not show information required by the contract
- It does not represent the Contractors plans realistically
- It does not comply with the works information.

Budget

3.11 With the project within the last 12 months of construction activity, the team is undertaking a full review of the anticipated remaining costs on the project and the commercial terms of the contracts in place. These negotiations cannot be reported at this time due to commercial sensitivity and until the negotiations are advanced, however the objective for the Council is to secure a greater level of certainty as to cost and programme through the commercial arrangements. This has been considered previously but was not an available option given the risk profile of the project at that time in terms of structures, utilities and drainage.

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4. Reasons for Recommendation

4.1 To respond to the Committee's request for quarterly updates on the A13 project.

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

5.1 A communication plan has been prepared and agreed.

5.2 Member briefing sessions are held periodically at the A13 Site Offices and provide an opportunity for Members to receive a presentation from the contractor and raise issues on behalf of local residents.

5.3 Meet the team sessions are held monthly at the A13 Site Office and are a popular way for residents and road users to find out more about the works and ask any questions, although as a result of Covid-19 these (and the Member briefing sessions) are currently postponed

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

6.1 The A13 Widening scheme supports the corporate priorities by encouraging and promoting economic prosperity.

6.2 The A13 Widening scheme also supports the Thurrock Transport Strategy (2013 – 2026) and in particular policy TTS18: Strategic road network improvements by creating additional capacity to reduce congestion, improve journey times, facilitate growth and improve access to key strategic economic hubs.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**

Assistant Director - Finance

The forecast position on the project remains under review as set out in section 3.11.

7.2 Legal

Implications verified by: **Tim Hallam**

Deputy Head of Law and Deputy Monitoring Officer

This is an update report and there are no specific direct legal implications arising.

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**

Team Manager - Community Development and Equalities

There are no implications arising from this update report.

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

The contractor is required to risk assess all aspects of this project and put in place appropriate procedures and measures to safeguard lives as well as the environment.

The contractor is also required to prepare a sustainability plan that reduces carbon emissions and reduces the project's carbon footprint.

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:

Anna Eastgate
Assistant Director Lower Thames Crossing and Project Delivery

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11 March 2021	ITEM: 15
Standards and Audit Committee	
Stanford Le Hope Transport Project	
Wards and communities affected: All	**Key Decision:** N/A
Report of: Anna Eastgate, Lower Thames Crossing and Project Delivery	
Accountable Assistant Director: Anna Eastgate, Lower Thames Crossing and Project Delivery	
Accountable Director: Andy Millard, Director of Place	
This report is Public	

Executive Summary

This report is provided at the Committee's request to have a quarterly update on the SLH project. This report and future reports will focus on the latest progress in delivery of the scheme, any changes in the agreed programme and any changes in the out turn forecast

1. Recommendation(s)

1.1 That the Standards and Audit Committee notes and comments on the report content.

2. Introduction and Background

2.1 This scheme involves the construction of new station buildings with footbridge and lifts, passenger information system, bus turnaround facility, passenger drop-off points and cycle parking.

2.2 There are a number of stakeholders involved in the scheme including UK Power Networks, C2C, Network Rail and the Port of London Authority and it will be delivered under a Development Agreement with C2C, who are the principal land owner.

2.3 A similar report was considered by Planning, Transport and Regeneration Overview and Scrutiny Committee on 9 February 2021

3. Issues, Options and Analysis of Options

Progress

3.1 The Concept Design for both the station and the transport hub have been completed and passed Inter Disciplinary Review with very positive feedback. The planning application for the phase 1 station was considered at Planning Committee on 11 February and deferred for the following reasons:

- Members wanted to see the supporting facilities for the train station, in particular, they wanted to see what provision would be made for car parking, cycle storage, EV charging and bus turnaround facilities;

- Members wanted to see the plans for the phase 2 supporting facilities alongside the current application for the station *after* it had gone out for tender so Members could be comfortable that both schemes could be delivered as one complete project.

3.2 In response to matters raised at the Planning Committee, there were many reasons for splitting the project into phases including enabling the scheme to come forward within the current programme for the station site, to phase construction making it cheaper and simpler for the contractor to deliver given the constraints of the station site and to manage budget and costs.

3.3 The concept design for the Phase 2 Transport Hub has been through final development discussions and was subject to a workshop in November to select a preferred configuration acceptable to the key Stakeholders including London Gateway DPW and c2c. A submission for pre-application planning review was made on 10 February and feedback on that is awaited prior to working up a detailed application for planning permission for the Phase 2 site in the coming months.

3.4 Information was sent out to 11 potential Principal Contractors within an existing Thurrock Council Framework Agreement. Of the 11, only 4 held the appropriate Network rail accreditation and 3 of those submitted Expressions of Interest, sufficient to carry out a meaningful tender. The tender documentation was progressed and ready to be issued the week commencing 22 February 2021. As a consequence of the deferral of the planning application for Phase 1, this has to be reconsidered. The intention was to let a design and build contract on a fixed price basis to ensure costs are effectively controlled and managed. As a consequence of the deferral, the risk and options of going to tender without the certainty of planning needs to be fully considered. From the lessons learned on the A13 there are concerns about going to market without the right level of detail as this affects risk and cost certainty. Further there are potential delays to the programme as a consequence of the decision to defer.

3.5 The project steering group is continuing to meet on a monthly basis, to share information and ideas and obtain feedback on progress to ensure this

infrastructure is coming forward with the agreement of stakeholders and local residents. So far, all the feedback has been very positive.

Programme

3.6 A detailed programme is currently being maintained to track the time required to deliver the scheme including a fully compliant tender process. As a consequence of the decision to defer the application for Phase 1 at Planning Committee, the programme is now under review with the likelihood that the completion of the station site will be delayed beyond the August 2022 date set out in the original business case.

3.7 Covid continues to be an issue in project delivery and any impacts are being monitored and mitigated but as there is not a significant presence on site at the moment, any impacts have been kept to a minimum. This will be monitored and kept under review.

Budget

3.8 It has been agreed with the designers that a high level “estimated project” cost evaluation exercise be carried out at two “checkpoints” through the design process, once when the full concept is agreed and a further check at final design approval, to give further certainty and to give some indicative numbers in support of the tender evaluation process. It is proposed to carry out a further check, using independent estimators to carry out a pricing exercise in parallel with the tender, to provide a benchmark against which to evaluate the tender submissions

3.9 The decision to defer the planning application for Phase 1 will have an impact on the budget and potentially on the quality of the scheme. This is because the costs of employing the technical team will be required for longer than was anticipated had programme been met. Further if the programme cannot be met, this also has an impact on the profile of other costs such as construction costs.

4. Reasons for Recommendation

4.1 To respond to the Committee’s request for a quarterly update on the Stanford-le-Hope Interchange project.

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

5.1 Consultation was undertaken as part of planning process and further stakeholder engagement is continuing. This includes meetings with the residents of Chantry Crescent and local Councillors.

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

6.1 The Stanford-le-Hope scheme supports the Place corporate priority, in particular:

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

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**

Assistant Director, Finance

The revisions to the design and the revised programme for the delivery of the works remain under consideration alongside the associated costs. As set out in the report there are checkpoints to review the costs of the scheme during the detailed design process. The final projected costs will then be reviewed against the overall project funding.

7.2 Legal

Implications verified by: **Tim Hallam**

Deputy Head of Law and Deputy Monitoring Officer

Since this is an update report, there are no specific direct legal implications. Legal Services will provide any legal advice in relation to this project as and when required.

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**

Team Leader - Community Development and Equalities

There are no direct implications arising specifically from this update report. If the scheme progresses it will offer a greater level of accessibility at the station.

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

Not applicable.

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

None

9. Appendices to the report

None

Report Author

Anna Eastgate

Assistant Director Lower Thames Crossing and Project Delivery

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Standards & Audit Committee
Work Programme
2020/21

Dates of Meetings: 9 July 2020, 10 September 2020, 24 November 2020 and 11 March 2021

Topic	Lead Officer
9 July 2020	
Regulation of Investigatory Powers Act (RIPA) 2000 - 2019/20 Activity Report	Lee Henley
Chief Internal Auditor's Annual Report – Year ended 31 March 2020	Gary Clifford
Counter Fraud & Investigation Annual Report & Strategy	David Kleinberg
Annual Information Governance Report	Lee Henley
Internal Audit Strategy 2020/21 to 2022/23 and Annual Internal Audit Plan 2020/21	Gary Clifford
Investment Briefing	Sean Clark
A13 Widening Project	Sean Clark
Stanford Le Hope Transport Projects	Sean Clark
Red Reports (as required)	

10 September 2020	
Annual Complaints & Enquiries Report 2019/20	Lee Henley
Counter Fraud & Investigation Quarterly Update (Q1)	David Kleinberg
Internal Audit Charter 2020	Gary Clifford
Refresh of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Investment Briefing	Sean Clark
A13 Widening Project	Andy Millard / Anna Eastgate
Stanford Le Hope Transport Projects	Andy Millard / Anna Eastgate
Red Reports (as required)	
24 November 2020	
Regulation of Investigatory Powers Act (RIPA) – Activity Report April 2020 – September 2020	Lee Henley
Internal Audit Progress Report 2020/21	Gary Clifford
Counter Fraud & Investigation Quarterly Update (Q2)	David Kleinberg
Investment Briefing	Sean Clark
A13 Widening Project	Andy Millard / Anna Eastgate

Stanford Le Hope Transport Projects	Andy Millard / Anna Eastgate
Audit Completion Report for the Year Ended 31 March 2020	BDO / Sean Clark / Jonathan Wilson
Financial Statements and Annual Governance Statement 2019/20	BDO / Sean Clark / Jonathan Wilson
Red Reports (as required)	
11 March 2021	
External Audit Plan 2020/21	Lisa Clampin (BDO)/Jonathan Wilson
Mid-Year Complaints & Enquiries Report – April 2020 – September 2020	Lee Henley
Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework	Andy Owen
In Quarter 4 Review of the Strategic/Corporate Risk & Opportunity Register	Andy Owen
Internal Audit Progress Report 2020/21	Gary Clifford
Counter Fraud & Investigation Quarterly Update	David Kleinberg
Thurrock Annual Audit Letter 2019/20	BDO / Sean Clark
3 Year Strategy 2020/21 to 2022/23 and Annual Plan 2021/22	Gary Clifford
Investment Briefing	Sean Clark
A13 Widening Project	Andy Millard / Anna Eastgate

Stanford Le Hope Transport Projects	Andy Millard / Anna Eastgate
Red Reports (as required)	

Clerk: Jenny Shade
Last Updated: July 2020