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Ann C. Horgan
Head of Governance
Proper Officer

AGENDA

Committee: AUDIT

Date and Time: Tuesday 16th November 2021 at 7.00p.m (NB Time)

Venue: Council Chamber

Membership: Councillors Riley (Chairman), Blackwell, Ms Drogman, May and A Thornton

Substitutes: Councillors Acott, Mrs Blissett, MacLean and Thomas

Officers attending:

Lance Wosko, Financial Services Manager

Ben Brook, Strategy Policy and Performance Manager

Andrew Barnes, Head of Internal Audit

Michael Dineen, Senior Manager, Counter Fraud & Investigation Directorate

Also attending

Debbie Hanson, Associate Partner, EY

Councillor Johnson – Cabinet Member Resources

Enquiries:

Ann Horgan, Ext. 2413

PART I

(Business to be taken in public)

1. Apologies:

2. Members' Interests:

3. Minutes:

A copy of the Minutes of the meeting held on 22nd July 2021 is attached.

4. Quarterly Monitoring Report of the Council's Governance Arrangements

Report of the Strategy, Policy & Performance Manager is attached.

5. Corporate Risk Register Update

Report of the Strategy, Policy & Performance Manager is attached.

6. Treasury Management Activity Mid-Year Report

Report of the Financial Services Manager is attached.

- 7. Counter Fraud & Investigation Directorate: Quarterly Performance Report**
Report of the Senior Manager, Counter Fraud & Investigation Directorate is attached.
- 8. Internal Audit Service, Head of Internal Audit Annual Report 2020/21**
Report of the Head of Internal Audit is attached.
- 9. Internal Audit Service, Quarterly Performance Report**
Report of the Head of Internal Audit is attached.
- 10. EY External Audit Status Report for the year ended 31 March 2021**
Report of the External Auditor is attached.

Information Item for Committee not forming part of the Agenda
CIPFA Audit Committee Update 35

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AUDIT COMMITTEE

VIRTUAL MEETING VIA MS TEAMS

22ND JULY 2021

PRESENT: Councillors MacLean (Chairman) (substitute for Councillor Riley), Acott (substitute for Councillor Blackwell), Drogman, Thomas (substitute for Councillor May) and A Thornton.

ALSO PRESENT: Councillors Blissett and Councillor Johnson, Cabinet Member Resources.

Head of Internal Audit, Andrew Barnes, Ben Brook, Strategy Policy and Performance Manager, Lance Wosko, Financial Services Manager and Michael Dineen. Senior Manager Counter Fraud & Investigation Directorate, and Cheryl Salmon, Committee Officer were also present.

APOLOGIES: Councillors Blackwell, May and Riley

1. MEMBERS' INTERESTS

There were none.

2. MINUTES

The Minutes of the meeting held on 22nd April 2021, were taken as read and signed as a correct record.

3. INTERNAL AUDIT: QUARTERLY PERFORMANCE REPORT 202/21

The Committee considered a report outlining the progress that had been made in delivering the Internal Audit Strategy for 2020/21. This report was used to inform consideration of the Annual Governance Statement 2020/21 to be considered later on in the agenda. The Internal Audit Plan 2020/21 which set out the progress of work was attached at Appendix A. Appendix B set out the work that had been completed since the last meeting of the Audit Committee.

It was reported that the Covid pandemic had impacted on the progression of some of the audits however the team continued to work closely with services to ensure the 2020/21 work was completed.

The key performance indicators were set out in the report. At the previous meeting of the Committee disappointing levels of sickness absence had been reported. This had now improved and no sickness absence had been reported during 2021/22.

It was stated that recent efforts to recruit a senior officer within the Audit Team had been unsuccessful. This had now been referred to the specialist finance recruitment section of the recruitment contractor in order to obtain some more specialist support to fulfil this role.

In response to questions from the Committee it was stated that letting of the ICT contract which had been suspended during the pandemic would be reported to the Committee when the work was completed. Difficulties in recruitment of the Senior Auditor position was an industry wide problem both in external and internal audit. If this attempt to recruit was unsuccessful then the service would look to recruit school or college leavers to train to the required standard. The private sector housing project which had been removed from the Plan would be re-visited at a later date. The report on the contract management arrangements of the Knightswick Centre would be reported back to the Audit Committee.

Following consideration of the report it was:

Resolved - To note the progress made in delivering the 2020/21 Internal Audit Strategy.

4. INTERNAL AUDIT: CHARTER STRATEGY AND PLAN 2021/22

The Internal Audit Charter and supporting Strategy and Audit Plan for 2021/22 was considered by the Committee.

The Charter defined the purpose, authority and responsibility of the service and was attached to the report at Appendix 1. The Strategy, at Appendix 2, outlined how the service would be delivered in line with the Charter and included the Internal Audit Plan for 2021/22 (Appendix 2a), a statement showing how audit work completed during the year would provide assurance regarding the mitigation of the council's strategic risks (Appendix 2b) and the "How We Will Work with You Statement" (Appendix 2c).

In response to questions from the Committee it was stated that the audit in relation to the Corporate Estate and Asset Manager (Property) would look at the data regarding land and assets available on the Council's website and ensure this was up to date and complied with the Council's obligations under the recommended codes of practice with regard to data transparency. The work would be undertaken in late 2021 / early 2022. The work on the Community Infrastructure Levy and S106 Agreements was to assess the robustness of arrangements in place to ensure income from contributions was maximised. It was not planned to provide a definitive list of contributions made however this could be arranged. The results of the audit would be reported back to the Committee in January.

Following consideration of the report it was:

Resolved - To approve the Charter, Strategy and Audit Plan for 2021/22.

5. ANNUAL GOVERNANCE STATEMENT 2020/21

The Annual Governance Statement for 2020/21 was presented to the Committee. It was reported that the Council was required to ensure that there was a sound approach to governance, risk management and control. It was required to report annually via the Governance Statement published with the Financial Statements. In order to do this the Council sought regular assurance that its systems were functioning effectively and that the controls that were in place were effective in managing significant risks. Responsibility for monitoring and reporting on this had been delegated to the Audit Committee.

The key business process elements of the Council's Governance Framework was set out in the report. During consideration of this part of the report the Strategy, Policy and Performance Manager highlighted that despite the recent disruptive year due to the Covid pandemic the assessment of all key governance business processes were mainly satisfactory or high with only Project Management recorded as partial compliance. The reasons for this were set out in the report. The audit had identified varying levels of knowledge about the project framework, recommending a programme of training to those in the Council who work on projects to ensure consistency of approach and effective project management. This would feature as a key piece of work in 2021/22.

Also highlighted was the action plan on progress identified in last year's Annual Governance Statement. Some actions had been completed whilst others were still in progress and this was due to officers being seconded into other areas of work as a result of the pandemic. Those outstanding would be included in the action plan for 2021/22.

In response to questions from the Committee it was explained that the previous framework had been based on PRINCE2 however it was deemed that this needed to be simplified further and the use of alternative project management methodology would be investigated. "Lessons learnt" reports were created at the end of every project. The Council did not employ full time project managers, this responsibility fell under the remit of the Strategy, Policy and Performance Manager. A project board would assign key projects at Corporate Management Team level with a gold, silver and bronze approach. A Procurement hub in Braintree was used for the Council's procurement projects. The importance of carrying out staff appraisals regularly was recognised and whilst these were being undertaken a review of the PPDP process would be carried out to ensure it brought value to individual performance management and was complied with by all service areas.

Following consideration of the report it was:

Resolved – That the Annual Governance Statement 2020/21 be adopted subject to any further amendments by external audit, and its adoption be recommended to Council.

6. COUNTER FRAUD & INVESTIGATION ANNUAL REPORT AND STRATEGY & WORK PLAN FOR 2021/22

The Counter Fraud and Investigation Team was responsible for the prevention, detection and deterrence of all instances of alleged fraud and economic crime affecting the authority including allegations of fraud, theft, corruption, bribery and money laundering.

The work of the service was led by the annual Counter Fraud Strategy which had been approved following consultation with the council's services and intelligence from partners in government and policing.

This report outlined the performance of the team over the last year as well as the proposed new Counter Fraud Strategy to tackle fraud for the Council in 2021/22.

In order to support the Strategy, the Committee was requested to approve the following policies which had been amended as reported at the last meeting to take account of Britain's exit from the EU:

- Money Laundering Policy
- Whistle-blowing Policy
- Counter Fraud Bribery & Corruption Policy

The Senior Manager, Counter Fraud & Investigation, reported that this had been a difficult year for counter fraud and enforcement officers as due to the pandemic they had been unable to carry out many of their normal roles such as visiting properties. However 34 investigations had still been carried out. 13 active investigations were currently open with a value of £153,000. This work included investigation of the business support grant schemes that local authorities had been asked to manage on behalf of the government. The team had worked closely with the Council's Revenues Department conducting financial checks on grant applicants to ensure that the money received was going to the appropriate places.

The Counter Fraud Annual Report 2020/21 and Strategy and Work Plan for 2021/22, attached at Appendix A was considered by the Committee.

In response to questions from the Committee it was stated that new ways of working introduced during the pandemic would continue. Visits to properties were usually undertaken without advance notice to the property. During the pandemic cases were unable to be heard by the courts but it was anticipated that these would reach the courts later in 2021 or in 2022 as the courts were currently behind in hearing cases.

Following consideration of the report it was:

Resolved –

- 1) That the performance of the Counter Fraud & Investigation Team over the last year be noted.

- 2) That the Counter Fraud & Investigation Strategy and work programme for 2021/22 be approved.
- 3) That the following policies be approved:
 - Money Laundering Policy
 - Whistle-blowing Policy
 - Counter Fraud Bribery & Corruption Policy

7. ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2020/21

The annual treasury report was a requirement of the Council's reporting procedures. It covered both the treasury activity and the actual Prudential Indicators for 2020/21.

The report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council was required to comply with both Codes through Regulations issued under the Local Government Act 2003.

The Committee considered the Treasury Management Activity Report at Annex A and the Summary of Loan Transactions and Interest Payable (accrued daily) for the year to 31st March 2021 at Annexe B. It was noted that there had been one change to the Council's borrowing during the year of £900,000 repayment on the general fund loan which was the first instalment of the loan the Council had taken in respect of the Knightswick Shopping Centre. There had been no new borrowing during the year and therefore the year ended with total borrowing of £49.8 million. Interest paid on those loans was exactly in line with the budget at £1.384 million.

With regard to investments, set out Annexe C to the report, the average balance increased during the year from £34.7m to £37.6 million this year. The main reason for the increase was due to government grants the Council had received for businesses within the borough. On 1st April 2020 the Council had investments of £31.3 million and as at 31st March 2021 investments of £40.7 million. At year end the Council was holding balances of some of the government grants which had now been repaid to government. The interest earned throughout the year on those investments was £122,000, which was £1,000 more than budgeted.

In relation to benchmarking it was reported that with regard to security, the credit rating score for the year was 6.4, exceeding the target of 4.0 meaning the majority of the Council's investments were in high security institutions with a low risk of losing funding. The liquidity of that funding was an average of 72 days up from 42 days in the previous year, this was primarily as result of longer term investments which had achieved better interest rates. With regard to Yield, the interest received on investments, the average interest rate achieved was 0.32% down from 0.74% the previous year. This was a significant drop however it was still higher than the benchmark rate.

Annexe D of the report set out the prudential indicators for the Committee to consider. Indicator 2 on Capital Expenditure was the only indicator which was

lower than expected, this was due to various projects on the Housing Revenue Account and General Fund being delayed.

During consideration of the report a Member praised the amount of interest earned on investments throughout the year particularly considering the volatility of the previous year.

In response to questions from the Committee the Financial Services Manager explained that typically there was no protection for money held in the majority of investments as there would be for a personal bank account however there might be on the Council's main bank account. The investments consisted of some loans to other local authorities but the majority of funds were held in money market funds which were highly liquid but highly secure. The Council did not directly invest in worldwide funds; however, the funds were highly diversified and inevitably a portion of what fund managers invested in would be spread across a wider geography. There were no specific considerations set out by CIPFA in relation to ethical investments however the Council when looking into new investment schemes had considered ethical and social governance arrangements and given this a weighting/scoring.

Following consideration of the report it was:

Resolved – That the Treasury Management Activity Report for 2020/21, including the prudential indicators reported in Annexe D be approved for onward submission to Cabinet

Chairman

Committee: AUDIT COMMITTEE

Date: 16th November 2021

Subject: Monitoring Report of the Council's Governance Arrangements

1. Purpose of Report

- 1.1 To present the findings from the ongoing monitoring of the Council's governance arrangements.
- 1.2 To report on progress against the action plan to address governance issues as identified in the Annual Governance Statement.

2. Background

- 2.1 Part of the requirement of the Council's governance arrangements is a monitoring report on the operation of the assurance framework for the Council. The assurance process includes the work of external auditors and is supplemented by the work of the internal audit service, as well as other assurance processes, including officer and member policies and processes.
- 2.2 The Committee will be aware that governance arrangements include individual staff leads who have taken responsibility for the governance processes set out below and are members of the Governance Group. This report was developed in consultation with officers from this group.

3. Monitoring Results for Key Governance Processes

3.1 Consultation and Engagement

- 3.1.1 Assurance arrangements are satisfactory although the degree of engagement varies, with front-line services more likely to consult. Services undertake specific consultation as required to inform the development of new policies and shape future service delivery; service plans for 2021/22 include the results of any consultations and customer feedback which are used to develop new service plan actions. Services also continue to carry out customer satisfaction surveys. For example, the Housing Service conducts surveys on repairs & maintenance works undertaken. The Leisure Service seeks regular feedback from service users which is used to improve the leisure offer. The priorities and objectives in the new Corporate Plan were subject to a consultation with residents. The same consultation also included questions about satisfaction with a range of Council services.

3.2 Business Planning and Strategy, including Partnerships

- 3.2.1 The arrangements for business planning and strategy are satisfactory. Service plans for 2021/22 have been finalised, with implementation from April. Progress on delivery of these plans is considered at Directorate Management Team

meetings each month. A new Corporate Plan for 2021-24 was approved by Full Council in September, with key actions from service plans forming part of this document.

- 3.2.2 The Council's policy framework operates satisfactorily; policies and strategies largely continue to be refreshed by services. A register of policies and strategies is in place, updated annually and was reported to Cabinet in October 2021. The policy framework is set out in the Policy Framework and Budget Setting report which went to Cabinet and Council in February 2021.
- 3.2.3 Partnership assurance processes are subject to further development work in the 2021/22 financial year. A partnership strategy and framework is now in place; this gives guidance to those considering setting up new partnerships and advice on how to ensure that existing partnerships continue to be effective.
- 3.2.4 Further work is planned to set out the performance reporting arrangements for key partnerships. This work will be informed by a recently concluded audit of the effectiveness of partnerships in supporting the delivery of the Council's priorities and objectives.

3.3 Financial Planning, Reporting and Budgetary Control

- 3.3.1 Robust processes are in place and provide assurance that the arrangements for financial planning, reporting and budgetary control are effective. For example, budget monitoring reports are considered by the Executive Management Team (EMT) and Cabinet Members monthly. Variances, compared to budget at year end, are reported on all service areas, with commentary on those more than +/- £10k, as well as analysis of changes in income and expenditure from the previous financial year. External assurance will be provided by the annual audit of the Council's Statement of Accounts and the work of external audit. The processes in place give adequate officer and member assurance.
- 3.3.2 The Council maintains a ten-year rolling financial forecast. A medium term (four-year) forecast is reported through to Cabinet at least four times a year. The forecast is supported by three years detailed budget workings with the remaining years of the forecast being adjusted for future anticipated cost pressures and changes to Council Tax and other sources of funding. Assumptions adopted in the forecast are contained in a detailed report made to Cabinet and Special Council in February annually.
- 3.3.3 The Council maintains a level of reserves more than the minimum level recommended by the Council's Chief Finance Officer and set a balanced budget for 2021/22. Full Council agreed the Policy Framework and Budget Setting report in February 2021 which included the financial planning strategy, the medium-term financial forecast and a summary of completed efficiency work.
- 3.3.4 The Covid-19 pandemic had a significant impact on the Council's budget for 2020/21. The Council recognises that the immediate and post recovery impacts of the pandemic are different issues which will require different solutions. As part of setting the 2021/22 budget the Council established an earmarked reserve which sits alongside the detailed budget and which is being utilised to smooth any detrimental impact in 2021/22 which is not covered by Government funding. The reserve is also used to support the Council in responding to any lasting impact of the pandemic. How this will be addressed longer term is to be considered as part of the 2022/23 budget setting process. Regular updates on in-year Covid-19 cost pressures are included within financial update reports to Cabinet.
- 3.3.5 Arrangements are in place to ensure value for money (VfM) and the assurance processes are operating appropriately. A new Commercial Strategy is expected to be approved by Cabinet in October 2021 and will have a positive impact on the Council's arrangements for securing VfM.

3.4 Asset Management

- 3.4.1 There are adequate routine assurance processes in place, which include programmed asset management sessions at Operational Management Team (OMT). Significant asset management issues are referred to the Strategic Asset Group.
- 3.4.2 The Corporate Asset Management Plan and the Housing Asset Management Plan both contain progress in asset management activities and plans which contribute towards the short-, medium- and long-term aims and objectives of the Council in relation to asset management.
- 3.4.3 Assets are now captured by services in a new section of service plans introduced as optional for 2020/21 and mandatory for 2021/22 onwards.
- 3.4.4 A biennial programme of planned repairs and maintenance is in place for corporate buildings. Funding provision has been earmarked and completion of all works is planned within the lifetime of the current medium-term financial forecast.
- 3.4.5 All ITC-related assets – including infrastructure such as servers, network equipment etc – are managed as part of the Council's contract with an external provider.
- 3.4.6 The Council owns a small fleet of vehicles and runs a vehicle maintenance workshop to carry out ongoing checks, servicing and repairs. We look to replace these vehicles with new vehicles every seven to eight years.

3.5 Risk Management

- 3.5.1 The Risk Management Policy and Strategy was refreshed and approved by Audit Committee in January 2018 and a further refresh is now being developed. Two workshops have been delivered to all senior staff on the approach, but have particularly focused on:
 - Designing and implementing efficient controls that have the right effect on Impact and Likelihood
 - Ensuring robust assurances are available when monitoring risk
 - Having a consistent understanding of the approved risk appetite of the Council
 - Everyone contributing to an effective risk management framework that ensures the Council's overall tolerance for risk is not breached.
- 3.5.2 A Risk Management Health Check has been performed by an external consultant and officers are delivering an approach to address the areas for improvement identified by that review.
- 3.5.3 A corporate risk register continues to be in place and is ordinarily subject to monitoring by the Audit Committee and Corporate Management Team (CMT) in full twice a year. However, as a result of the attention on the response to the Covid-19 pandemic this has not happened this frequently, although work has begun refreshing the risks on the corporate risk register, starting with a review at CMT in December 2020. Risks are being identified as part of the development of service plans and risks get escalated to the corporate risk register should the identified issue be considered significant.
- 3.5.4 A revised format for the presentation of the corporate risk register has been developed to make this more accessible, and this was reported to the Audit Committee for the first time at the April 2021 meeting. The work to refresh the approach to risk management during 2021/22 will seek to develop this further and to ensure that managers and services are engaged in the arrangements to assist them with the appropriate management of the risks faced by those services.

3.6 Health and Safety

- 3.6.1 As an employer the Council continues in its aim to meet its statutory Health and Safety duties and employs a competent person to assist with this. The competent person, who as the corporate health and safety lead, maintains an overview of Council arrangements and provides analysis on current management performance. Any significant health and safety issues are escalated to EMT.
- 3.6.2 The key functions of the corporate health and safety lead is to monitor and review departmental health and safety arrangements and advise the Council's OMT in embedding a positive health and safety culture, where risk is managed sensibly and balanced with specific aims to improve overall safety performance.
- 3.6.3 Although no significant/major corporate health and safety failings have been identified during the previous 12 months, the health and safety lead has continued to work with managers and staff in ensuring that high quality advice is provided wherever necessary, ensuring that lessons are learnt from incidents where appropriate and that we strive for continuous improvements in all areas of health and safety practice.

3.7 Business Continuity

- 3.7.1 An internal audit on business continuity arrangements within the Council was completed in September 2020. This provided partial assurance over the arrangements in place and identified areas of best practice for the Council to develop which have now been incorporated into the Council's business continuity activities.
- 3.7.2 Business continuity arrangements were significantly tested at the beginning of the 2020/21 financial year as large parts of the Council were required to work from home at very short notice following the lockdown announcement at the end of March 2020. However, arrangements for home working, where possible, were quickly put in place and have proved effective over the first and subsequent lockdowns.
- 3.7.3 Revised service level business impact analysis and response plan templates have been produced to further improve usability, clarity and outcomes involving a BC incident.
- 3.7.4 A corporate generic business continuity response plan exists, which has recently been subject to full review and revision, as part of a three-year cycle.
- 3.7.5 The subject of business continuity is incorporated into the quarterly risk management sections of OMT meetings.
- 3.7.6 The Council's emergency planning and business continuity framework document produced in 2018, describes how the Council will go about meeting its duty to be suitably prepared for dealing with emergencies and disruptions to the organisation's ability to deliver its critical services to the public. This will continue to be updated and revised to reflect the changes needed to deal with the Covid emergency and lessons learnt.
- 3.7.7 An internal review on Business Continuity has been undertaken and will form part of the scoping exercise for the planned Business Continuity Audit later this financial year.
- 3.7.8 Through the Essex Resilience Forum, Essex authorities have established a working group to understand best practice and will form Essex-wide

recommendations. It is planned that these recommendations will be incorporated within the revised Business Continuity plan.

3.8 Performance Management

- 3.8.1 Core processes continue to operate satisfactorily, including the production of the corporate performance scorecard, which is reported each quarter to Cabinet, with a new design in place from September. The indicators in the corporate scorecard help to show progress in the delivery of the objectives in the corporate plan. The service plans include performance indicators for both council-run services as well as for services provided on the Council's behalf by contractors or partners. These indicators are updated at least quarterly and are reviewed annually as part of the service planning process.
- 3.8.2 Control arrangements also include the production of performance reports by services from the performance database.
- 3.8.3 Reporting on the progress of the corporate plan is included as an action in Appendix 1 and will now be developed, further to approval of the new corporate plan by Full Council in September. CMT has agreed a list of key projects for which updates are given on an exception basis. This action is linked to the project management framework – see 3.12 – and a more formal CMT-level project board will be established as part of that work.
- 3.8.3 At an individual level, all employees are set objectives at the beginning of each appraisal year and performance is discussed in one-to-one meetings and at annual appraisals. The approach to appraisals is subject to some development work in 2021/22.

3.9 Data Quality

- 3.9.1 Arrangements are satisfactory. The service planning process includes a requirement for team managers and heads of service to sign a declaration which includes consideration of data quality and the commitment to spot checking of data. Manager Assurance Statements include a self-assessment against data quality arrangements. Internal Audit review the arrangements to ensure data quality where this is relevant to any audit work being undertaken.
- 3.9.2 Data quality featured on the governance action plan for 2020/21 – training was given at Operational Management Team (OMT) at the meeting in March.

3.10 Information Governance

- 3.10.1 The Council has implemented an information governance strategy, which is underpinned by associated guidance. The Solicitor to the Council acts as the Senior Information Risk Owner. The 'How it Works' guidance also contains a section on information governance which was updated in December 2020.
- 3.10.2 The General Data Protection Regulations (GDPR) became a statutory requirement from 25 May 2018, and together with the new Data Protection Act 2018 which has superseded the Data Protection Act 1998 it expands the rights of individuals to control how their personal information is collected and processed and places a range of new obligations on organisations to be more accountable and transparent when processing personal data. The Council has made good progress in meeting the requirements of GDPR and this work is led by the Solicitor to the Council.

- 3.10.3 The Data Retention Policy was updated in June 2021 and was sent to OMT in June 2021 with a reminder to managers to follow the policy and ensure compliance in their service areas. The update included the addition of missing retention dates together with an expansion of planning documents covered under the policy for greater clarity and understanding. The GDPR online annual training module was also updated with the latest developments, an update on key legal personnel and how to report or obtain assistance in order to improve staff understanding of GDPR. Reminders were sent out to all staff due a refresher to undertake the training.
- 3.10.4 The Council undertook an externally provided survey of staff's understanding of GDPR requirements and the result of the survey informed the update of the GDPR online training module as detailed above. On 10 September 2021, the UK Government launched a GDPR consultation entitled: Data: A new direction. No set date on when the consultation will report has been released.

3.11 Procurement

- 3.11.1 There are satisfactory arrangements in place and the assurance processes are operating appropriately. Procurement is integrated into the meetings of OMT.
- 3.11.2 The Council's Commissioning and Procurement Strategy was updated in 2018 and the Procurement Toolkit also refreshed in 2018, to reflect changes in legislative requirements and internal procedures. The Procurement Green Paper is expected to be published shortly and this will trigger a review of the toolkit to ensure compliance.
- 3.11.3 Service plans will continue be used, alongside the contracts register to create a register of planned procurement showing timescales and expected resource requirements. Some training was provided during the 2020/21 financial year and further training on effective procurement practices will be delivered over the 2021/22 financial year and continuously going forward.

3.12 Project Management

- 3.12.1 Assurance processes are subject to further development work. The service plans include an indication of expected projects in the upcoming financial year to help with resource planning.
- 3.12.2 A further advisory audit was conducted in August and September, looking at the new project management toolkit and workbook which was developed in response to an earlier audit recommending a comprehensive revision of project documentation alongside training to raise awareness and improve consistency of approach to project management. This training has been delayed slightly to allow for some final revisions to the toolkit and workbook, and to design the training materials but has now been booked in for November.

3.13 Complaints

- 3.13.1 There is a complaints policy in place and complaints are managed in accordance with this policy. Work undertaken on the website has improved signposting to the organisation best placed to respond to the complaint. Recording of complaints in a consistent manner and sharing of learning from complaints is something which requires some development.
- 3.13.2 Work is underway to ensure compliance with the Housing Ombudsman Complaint Handling Code which is now subject to annual self-assessment.
- 3.13.3 The Local Government Ombudsman Annual Review Letter for the period 1 April 2020 to 31 March 2021 reports there was one upheld decision. There was 100%

compliance with Ombudsman recommendations. The Local Government Ombudsman received six complaints in total and made eight decisions of those four were referred to the Council for local resolution. Two were closed no action required and one where advice was given. The Council has not yet had an annual report from the Housing Ombudsman.

3.14 Ethical Governance including Fraud & Corruption and Whistleblowing

3.14.1 Satisfactory arrangements are in place. A common code of conduct is in place along with appropriate mechanisms, including a Review Committee. New Members of the Council have received induction training on the code of conduct and have completed the necessary register of interests.

3.14.2 There are appropriate assurance arrangements in place to ensure high standards of officer conduct. This includes a range of human resource policies and procedures. The processes in place continue to give adequate assurance.

4. Progress on the action plan in the Annual Governance Statement

4.1 This report includes, as Appendix 1, the action plan from the Annual Governance Statement with an update on progress against the actions.

5. Corporate Implications

a. Legal implications

There are no direct legal implications arising from this report.

b. Financial implications

There are no direct financial implications arising from this report, beyond those reported in 3.3.

c. Human Resource & Equality

The monitoring and development of the assurance framework is delivered within existing resources.

The Council's equality policy is applied as an inherent element of the assurance processes. Equality is also an area that is subject to audit scrutiny. All key decisions require an Equality Impact Assessment.

d. IT and Asset Management implications

There are no direct IT or Asset Management implications arising from this report, beyond those reported in 3.4.

6. Links to Council's priorities and objectives

Assurance processes and improvement work support the delivery of all the Council's priorities and objectives.

7. Timescale for implementation and risk factors

The monitoring of the effectiveness of the assurance framework is ongoing and will be reported in spring and autumn each year with the Annual Governance Statement in July. The Council will not be able to fully achieve its objectives and priorities without a robust assurance framework.

Recommendation:

The Audit Committee notes the assurance provided by this report about the operation of the Council's governance framework.

Background Papers: Local Code of Governance

Report Author: Ben Brook, Strategy Policy and Performance Manager
bbrook@castlepoint.gov.uk 01268 882220

Appendix 1 – Action plan to address significant governance issues identified in the Annual Governance Statement

Number	Issue	Action 2020/21	Date of implementation	Responsible officer	Update on progress
1.	Improve the organisation's understanding of the effectiveness of partnership working	<p>Develop and introduce reporting mechanisms on key partnerships to members and senior managers</p> <p>Implement recommendations from the Internal Audit of Partnerships</p>	Mar 2022	Strategy, Policy and Performance Manager	This work will be informed by a recently concluded audit of the effectiveness of partnerships in supporting the delivery of the Council's priorities and objectives.
2.	Address awareness and training needs for project management	Develop and deliver a training programme for Operational Management Team and others in the Council who manage projects	Nov 2021	Strategy, Policy and Performance Manager	<p>A further advisory audit was conducted in August and September, looking at the new project management toolkit and workbook which was developed in response to an earlier audit recommending a comprehensive revision of project documentation alongside training to raise awareness and improve consistency of approach to project management.</p> <p>This training has been delayed slightly to allow for some final revisions to the toolkit and workbook, and to design the training materials but has now been booked in for November with a small group to trial the new approach.</p>

Number	Issue	Action 2020/21	Date of implementation	Responsible officer	Update on progress
3.	Coordination of procurement activity to plan required resources to undertake this procurement	Procurement training	Sep 2021	Senior Resilience and Procurement Officer	<p>Service plans and the Contracts Register were used to identify planned procurements and provide Legal information required to ensure capacity.</p> <p>Whilst some online training was offered during the Covid lockdown, other planned training was delayed.</p> <p>Due to the continuing homeworking arrangements, a new area within the intranet has been created to collate and publish procurement training. When updated, an email has been circulated to OMT for information and awareness.</p> <p>Further face-to-face training will be organised in due course, but it is envisaged that online training will be provided to bridge gaps in knowledge.</p>
4.	Resurrect formal monitoring of the implementation of the corporate action plan	Re-introduce the highlight reporting at CMT against key corporate objectives and twice-yearly in-depth reviews of the corporate action plan which is established	Aug 2021	Strategy, Policy and Performance Manager	<p>The approval of the new corporate plan was moved from July to September to allow for some further internal engagement over the summer.</p> <p>Now that the corporate plan has been approved, CMT has agreed a list of key projects for which updates are given on an exception basis from November onwards.</p> <p>This action is linked to the project management framework and a more formal CMT-level project board will be established as part of that work.</p>

Number	Issue	Action 2020/21	Date of implementation	Responsible officer	Update on progress
5.	Local Plan adoption	Progress the Local Plan through examination stage to formal adoption	Subject to revised LDS	Head of Place and Policy	<p>Full Council approved the draft Local Plan for Regulation 19 consultation on 22 October 2019. The Council also approved the Local Development Scheme (LDS). The plan was submitted for examination in public on the 2 October 2020. The Plan is now in the examination phase.</p> <p>An Inspector conducted examination Hearing Sessions during May and June 2021. The Inspector's letter was received at the end of September 2021. He found the plan sound subject to main modifications which the Council will need to consult on.</p>
6.	PPDP value and compliance	Review the PPDP process to ensure it brings value to individual performance management and compliance is in place for all services	Jan 2022	Human Resources Manager	A revised approach to PPDPs has been drafted and is subject to further consultation to refine and implement in the New Year.
7.	Improve the organisation's understanding and application of good risk management	Update the Risk Management Policy and Strategy and implement the remaining areas of focus identified in the health check of risk management	Jan 2022	Head of Internal Audit	Work in progress to deliver by the end of January 2022.

Number	Issue	Action 2020/21	Date of implementation	Responsible officer	Update on progress
8.	Improve the organisation's approach to information governance	Implement the recommendations from the Zurich Municipal review of Data & Information Governance	Mar 2022	Head of Law	Data Retention policy was updated June 2021. GDPR refresher training course updated in order to address issues identified in the report. Reminders sent to all staff to complete training where due.

AUDIT COMMITTEE

16th November 2021

Subject: Corporate Risk Register Update Report

1 Purpose of Report

To update the Audit Committee on risk management matters, specifically the Corporate Risk Register.

2 Links to Council's priorities and objectives

Risk management arrangements support the delivery of all Council priorities and objectives.

3 Corporate Risk Register

3.1 The Corporate Risk Register has recently been reviewed by the Strategy, Policy and Performance Manager in consultation with Corporate Management Team (CMT).

3.2 The updated register is included as Appendix 1 to this report.

4 Corporate Implications

a Legal; b Financial; c Human Resources and Equality implications

Any Legal, Financial, Human Resources and Equality implications arising from risk management procedures and practices, and specifically from the risks on the Corporate Risk Register, will be considered through the Council's normal business management processes.

5 Timescales for implementation and risk factors

The Corporate Risk Register will continue to be reviewed and updated, presented to Audit Committee on a six-month cycle.

Robust risk management arrangements help to reduce the risk that the Council's objectives will not be delivered.

Recommendation:

That the Corporate Risk Register is noted.

Background Papers:

- Risk Management Policy Statement and Strategy

Appendices

- Appendix 1 – Corporate Risk Register

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Appendix 1



Corporate Risk Register

Audit Committee

November 2021

Guidance notes and explanation

A **Risk** is defined by the Council as a “threat or opportunity which an event or action can have that affects the ability to achieve stated objectives.” These may be internal or external to the Council.

Risk Management is “the process by which risks and opportunities are identified, assessed and managed.” All risks are assessed using the following matrix, which considers:

The **Likelihood** of the risk occurring; and

The **Negative impact**, should it occur.

LIKELIHOOD	Almost certain	4	8	12	16
	Very likely	3	6	9	12
	Likely	2	4	6	8
	Unlikely	1	2	3	4
		Negligible	Material	Severe	Catastrophic
IMPACT					

RED items are HIGH RISK

AMBER items are MEDIUM-HIGH RISK

YELLOW items are MEDIUM-LOW RISK

GREEN items are LOW RISK

Guidance notes and explanation

The matrix is used to assess both the **Current Risk** and the **Target Risk** for each risk in the Corporate Risk Register:

- **Current Risk** considers any mitigating actions or controls already in place and their effectiveness;
- **Target Risk** is the level at which management will accept the risk, determined by risk appetite (i.e. the amount of risk that the Council is willing to seek or accept in the pursuit of its objectives).

Accordingly, for each item in the Corporate Risk Register:

- A summary of the existing controls is set out for the **Current Risk**; and
- A summary of actions to further mitigate risks is set out for the **Target Risk**.

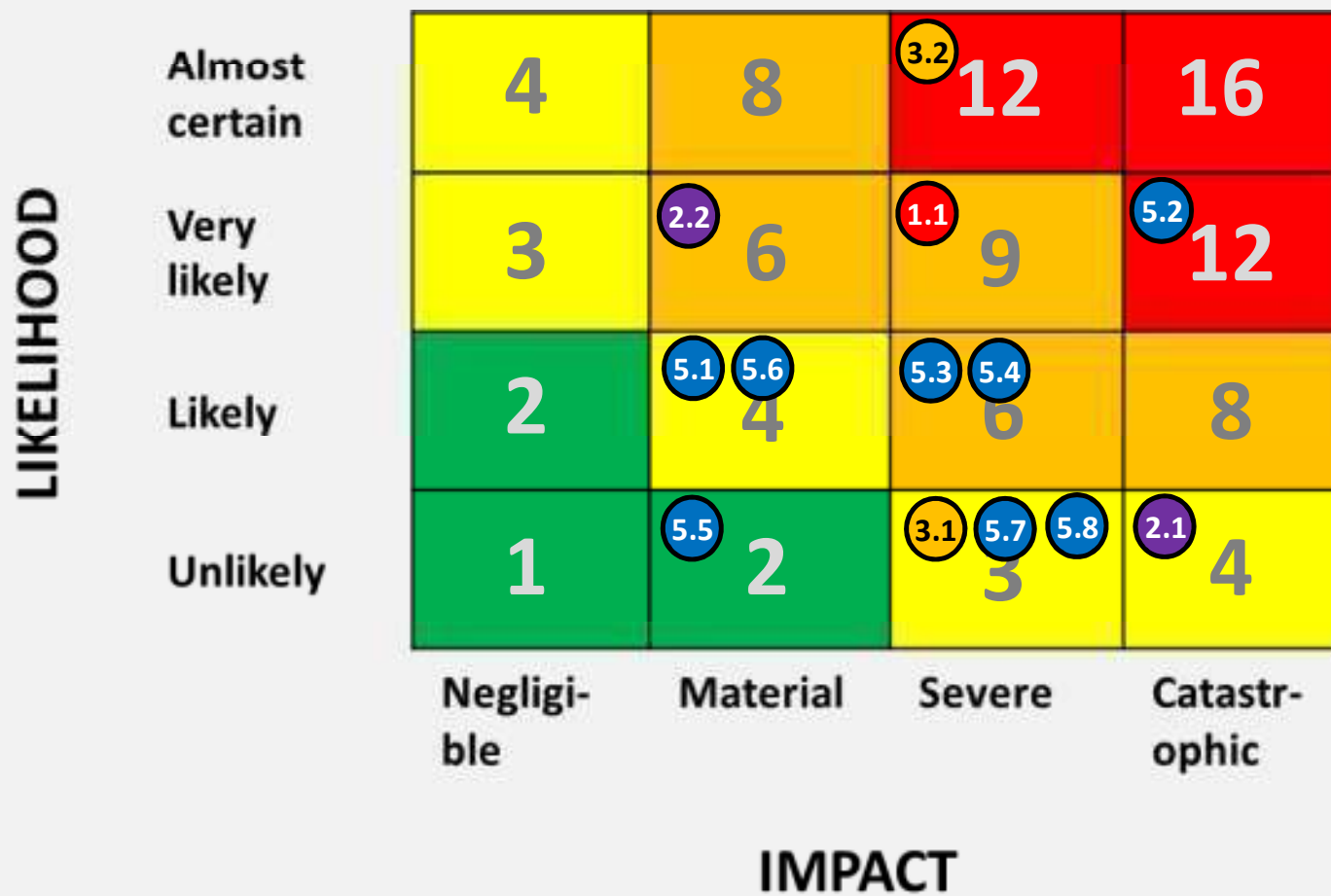
Guidance notes and explanation

Current Risks and **Target Risks** are both ranked using the following table to assess likelihood and negative impact:

LIKELIHOOD			(NEGATIVE) IMPACT			
Ranking	% chance of occurring	Time frequency of occurring	Ranking	One or more of:		
				Disruption to services	% impact on relevant GF or HRA budget(s)	Impact on Council reputation
Almost certain (4)	>85%	Occurs annually or bi-annually	Catastrophic (4)	Over three months	>20%	Significant reputational impact – national press coverage etc.
Very likely (3)	50-85%	Occurs more than once in every three years	Severe (3)	One to three months	10-20%	Impacts across the borough – local press coverage, etc.
Likely (2)	10-50%	Occurs once in every three years	Material (2)	Up to one month	5-10%	Impacts on a community group or particular area of the borough
Unlikely (1)	<10%	Occurs rarely	Negligible (1)	Minor disruption to services	>5%	Impacts on an individual or small number of individuals, but no wider dissemination

Risk “Heat Map”

The below charts show the spread of Current risk scores on the Corporate Risk Register:



1. Economy and Growth

1.1

RISK: Non delivery of grant-funded regeneration projects resulting in project failure, loss of grant (current and future) and financial penalties to repay grant

RESPONSIBILITY: Head of Place and Policy / Head of Environment

9

SUMMARY OF CURRENT CONTROLS

1	Regeneration partnership in place
2	Project plan submitted with bids
3	Appointment of consultant to project manage
4	Ongoing site visits and progress meetings with projects manager and contractor; update to Asset Group
5	Regular returns to grants authority/accountable body

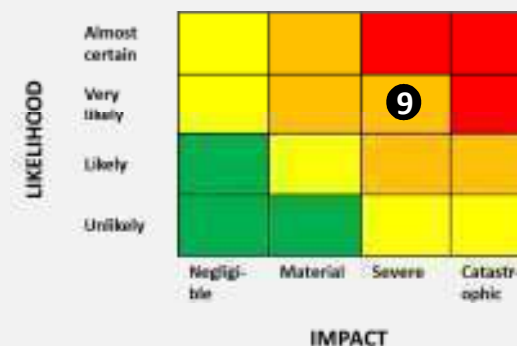
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Minutes of Regeneration partnership meetings
2	Project plan in place
3	Contracts with experienced consultants
4	Progress meeting minutes; valuation summaries; Asset Group minutes
5	Copies of returns

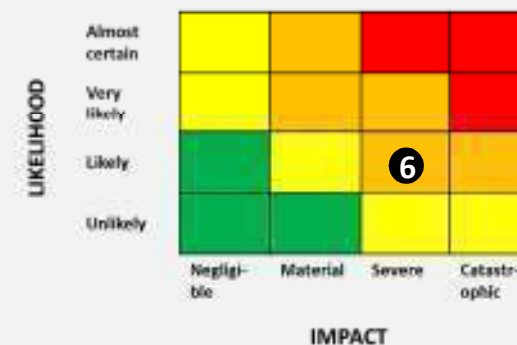
ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Ensure that detailed project briefs and timetables are in place for key projects and initiatives, particularly those which may seek to access external funding. Completion of this task heavily dependent on Partners leading the projects and initiatives.	Head of Place and Policy	Ongoing
2	Through PID approach, no projects to proceed to bid stage without a PID, project plan, risk assessment, financial appraisal and resource plan. PID to be approved by EMT/CMT.	EMT	Ongoing
3	Maintenance of corporate project programme.	Head of Place and Policy	Ongoing

CURRENT RISK



TARGET RISK



2. People

2.1

RISK: Approach to safeguarding not fully effective and embedded in the organisation with lack of clarity on responsibilities

RESPONSIBILITY: Head of Licensing and Safer Communities

4

SUMMARY OF CURRENT CONTROLS

1	Head of Licensing and Safer Communities is the Designated Officer for Safeguarding Children and Vulnerable Adults.
2	Policy and approach set out in Safeguarding Strategy.
3	Monthly monitoring of safeguarding issues at Corporate Management Team (CMT)
4	Established processes and training for relevant staff.
5	Section 11 Audit undertaken every two years by Essex County Council

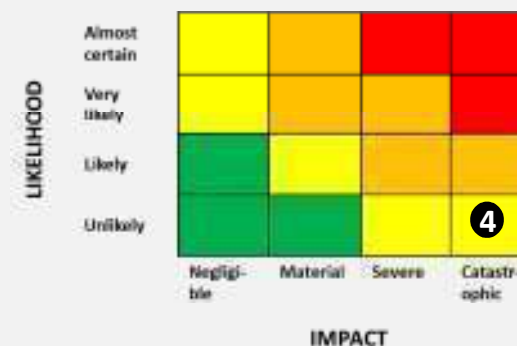
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Safeguarding Policy and Strategy.
2	Monthly CMT reports.
3	Staff training records
4	Section 11 Audit reports

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Await next Section 11 Audit to be undertaken by Essex County Council (re-occurs every two years)	Head of Licensing and Safer Communities	TBC [awaiting date from ECC]
2	Implement recommendations arising from the Section 11 Audit to improve arrangements	Head of Licensing and Safer Communities	TBC [once audit undertaken]
3	Further engagement across services to ensure that safeguarding risks and potential issues are understood and communicated to Head of Licensing and Safer Communities	Strategy, Policy & Performance Manager (through OMT)	May 2021
4	Review of Safeguarding arrangements by Internal Audit	Internal Audit / Head of Licensing and Safer Communities	TBC

CURRENT RISK



TARGET RISK



2. People

2.2

RISK: Risk of large numbers of households being evicted from rented accommodation causing them to become homeless households requiring support from the Council with limited resources to provide assistance

RESPONSIBILITY: Head of Housing

6

SUMMARY OF CURRENT CONTROLS

1	Ongoing watching brief on progress of site development into properties for sale; Engagement with landlords seeking early notification of proposals.
2	Monitoring of homeless applications received
3	Working with partner organisations CAB, social care to source homeless relief and support

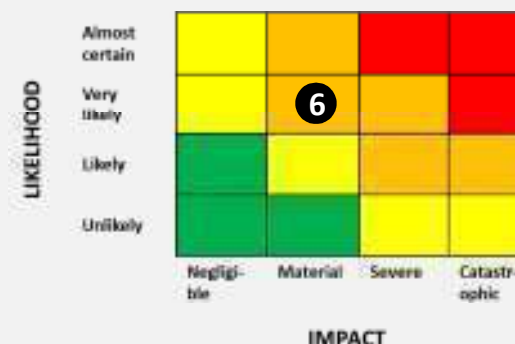
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Records of discussions and agreements with landlords/emails/briefings/file notes
2	Performance reports
3	Records of meetings and conversations

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Continue to explore options for Private Sector Leasing / Direct provision of housing for homeless households; Explore use of Rent deposit Scheme to assist households into the private sector	Housing Services Manager / Housing Options Manager	Ongoing
2	On being made aware of development and potential decants: <ul style="list-style-type: none"> start engagement with owners and regular meetings to plan and mitigate dispersement action plan for expected displacement. Securing 6 month S21 notifications through negotiation 	Housing Services Manager / Housing Options Manager	March 2021 and ongoing

CURRENT RISK



TARGET RISK



3. Place

3.1

RISK: The Local Plan is not sound resulting in no local plan being in place and central government intervention and high costs

RESPONSIBILITY: Head of Place and Policy

3

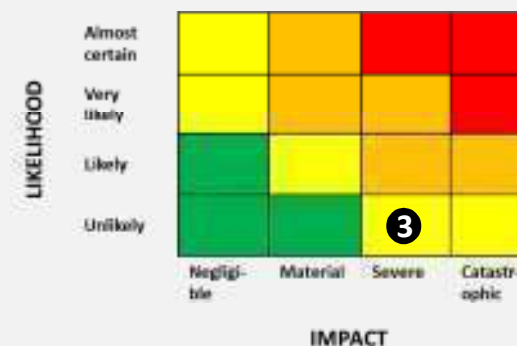
SUMMARY OF CURRENT CONTROLS

1	Member involvement in preparation of the Local Plan.
2	Agreement by full Council June 2018 to proceed to formal consultation on the commencement of the preparation of the New Local Plan 2018 (as required by Regulation 18 of the Town & Country Planning (Local Planning) (England) Regulations 2012). Consultation completed.
3	Service Level Agreement with Essex Place Services to increase resources to deliver.
4	New staff started February and March 2020, including a Local Plan Team Leader increasing resources by 50%
5	Revised Local Development Scheme (LDS) approved by Council June 2018 and revised in October 2019.
6	Local Plan Pre-submission agreed for Regulation 19 consultation in October 2019
7	Reg 19 consultation from December 2019 to February 2020
8	Plan submitted for examination in autumn 2020
9	Planning Inspectorate responsible for conduct of the examination process
10	Council to appoint a Programme Officer to assist in conduct of the examination. Programme Officer works under instruction of the Inspector
11	Plan to review representations and whether further evidence is required

ASSURANCE THAT CONTROLS ARE IN PLACE

1	Minutes of June 18 Council meeting	4	Authorisation to recruit forms
2	Copies of reports and policies prepared by staff and consultants – e.g. Strategic Housing Market Assessment	5	Draft report on revised LDS
3	SLA with Essex Place Services	6	SLA in place with the Planning Inspectorate

CURRENT RISK



TARGET RISK



3. Place

3.1

RISK: The Local Plan is not sound resulting in no local plan being in place and central government intervention and high costs (contd.)

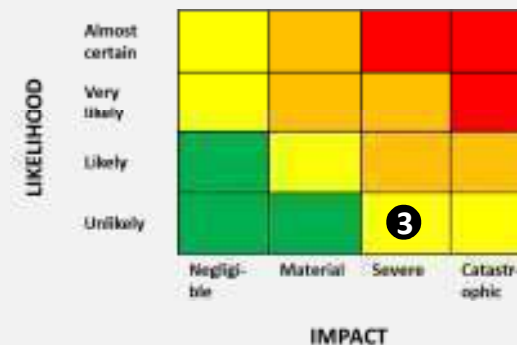
RESPONSIBILITY: Head of Place and Policy

3

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Local Plan considered by Full Council for pre-submission consultation	Head of Place and Policy	Completed 22 October 2019
2	Publication and Regulation 19 consultation on Local Plan.	Head of Place and Policy	Held from 16 December 2019 to 14 February 2020
3	Submission of plan to Secretary of State	Head of Place and Policy	Submitted Oct 2020
4	Completion of updates to the Infrastructure Delivery Plan, Sustainability Assessment, whole plan viability and the evidence to support the soundness of the Plan	Head of Place and Policy	Ongoing

CURRENT RISK



TARGET RISK



3. Place

3.2

RISK: Emerging issues arising during the Implementation of new Housing Management system cause project extensions resulting in additional budgetary requirements and impact on staff resource affecting Housing services capacity.

RESPONSIBILITY: Head of Housing

12

SUMMARY OF CURRENT CONTROLS

1	Project programme in place
2	Regular project meetings
3	Additional resources assigned
4	Profiling of contingency and regular review
5	Major milestone reviews

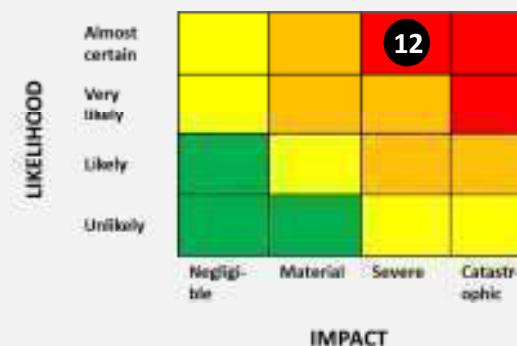
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Project board meetings and minutes
2	Audit reports and regular review
3	Review of training programme and reallocation of resources
4	Escalation with Civica and 3C
5	Risk and issue management

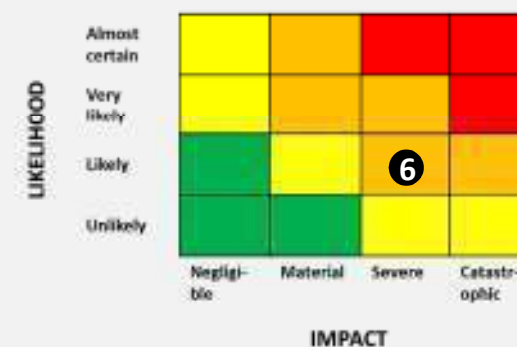
ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Agree change management process	Project Manager	30 June 21
2	Define and agree stage gate criteria	Project Manager	30 June 21
3	Continued review of resourcing	Housing Support Manager	Ongoing
4	Undertake review of options	Head of Housing	November 2021

CURRENT RISK



TARGET RISK



4. Environment

There are currently no risks on the Corporate Risk Register under the priority Environment

5. Enablers

5.1

RISK: Unable to deliver a balanced budget and achieve financial self-sufficiency

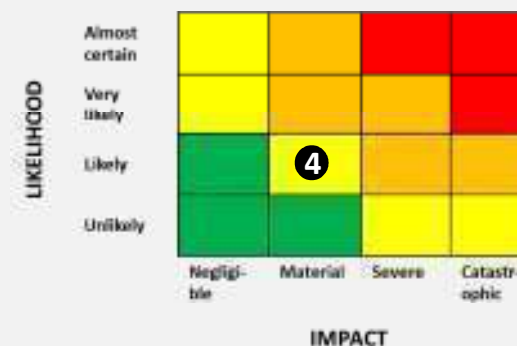
RESPONSIBILITY: Strategic Director (Resources)

4

SUMMARY OF CURRENT CONTROLS

1	Medium Term Financial Forecast (MTFF) identifies the value of efficiencies required in order to set a balanced budget for each respective financial year. These may be achieved through reductions in expenditure or achieving additional income.
2	Budget process for 2021/22 completed and balanced budget set (not dependent on achievement of in-year savings). Budget gap currently predicted for 2022/23 £1m . Ongoing impact of COVID, particularly on fees and charges, is to be assessed during 2022/23 process.
3	Financial management procedures remain unaltered. Regular financial monitoring and reporting is undertaken to EMT and Cabinet. Formal reports to Cabinet approximately bi-monthly with regular updates on issues of a financial nature.
4	Commercial Principles have been adopted by the Council.
5	All Council reports include reference to financial implications and decisions of a financial nature are taken in the context of the medium term financial forecast.
6	Specific earmarked reserves are maintained in order to manage the impact of changes in funding from business rates or planned fluctuations in expenditure (e.g. IT investment and maintenance of buildings). Additional earmarked reserve established during budget process for 2021/22 to manage ongoing financial implications of COVID-19, particularly on revenue streams and value held in reserve increased following 2020/21 outturn based on Q1 review of financial impact.
7	Consistent financial advice provided to EMT & Cabinet with regular briefings to Cabinet Member for Resources and quarterly meetings with the Leader, Deputy Leader and Resources Cabinet Member which focus purely on financial themes.
8	On-going modelling of financial impact of COVID undertaken and supported by earmarked reserve.
9	Departmental efficiency targets have been established for service departments – effective from 2022/23.

CURRENT RISK



TARGET RISK



5. Enablers

5.1

RISK: Unable to deliver a balanced budget and achieve financial self-sufficiency (contd.)

RESPONSIBILITY: Strategic Director (Resources)

4

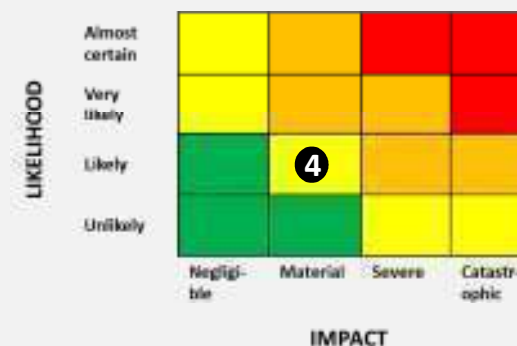
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Budget / MTFF agreed by Cabinet and Council in February annually and record of meetings.	5	Annual Statement of Accounts and accompanying reports to Cabinet and Council.
2	Financial update reports to Cabinet and record of meetings.	6	Financial Management reports to EMT & Cabinet and Assurance statements "signed off" by individual service managers.
3	Commercial Council Principles adopted by Cabinet in February 2018, reaffirmed June 2018 and included in annual budget setting report to Cabinet and Council in February annually.	7	External Audit Annual Audit Letter.
4	Records of meetings, reports and business cases considered by Cabinet & EMT.		

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Regular review of progress against savings targets to be presented to EMT from October 2021.	Financial Services Manager	October 2021 onwards
2	Successful achievement of departmental efficiency targets in time for 2022/23 budget approval.	EMT / Heads of Service	December 2021
3	Monitoring of financial developments and forecasting impact on MTFF.	Strategic Director (Resources)	Ongoing
4	Review of Refuse and Recycling Agency spend	Head of Environment	TBA
5	Review of Leisure Services "Bottom Line".	Financial Services Manager	Ongoing
6	Adoption of a commercial strategy	Financial Services Manager	October 2021
7	Implementation of technology roadmap	Head of Customer & Digital Services	Ongoing

CURRENT RISK



TARGET RISK



5. Enablers

5.2

RISK: A long term Housing Revenue Account business plan which is unsustainable in future years

RESPONSIBILITY: Head of Housing

12

SUMMARY OF CURRENT CONTROLS

1	30 year HRA business plan which identifies cost pressures in future years.
2	Capital programme linked to condition survey and re-profiling / cost reduction to help with dealing with income reductions.
3	Ongoing budget monitoring.
4	Completion of full stock condition survey and analysis
5	Housing Asset Management Plan in place and Asset Management Strategy approved by Cabinet

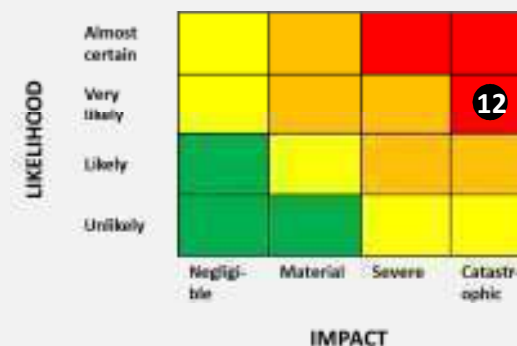
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Copy of revised HRA Business Plan and minutes of appropriate meetings.
2	Copy of revised capital programme.
3	Budget monitoring documentation and minutes of appropriate meetings.

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Review existing information and set capital programme to meet decent homes and identified prioritised repairs requirements	Head of Housing and Communities	Completed February 21
2	Ongoing 30-year business planning with smoothing to ensure long term affordability of capital programme	Head of Housing and Communities	Ongoing
3	Clarify and adjust medium term financial planning to deal with possible lack of financial resources.	Head of Housing and Communities / Housing Development and Finance Manager	Feb 21 / Annual Review
4	Ongoing analysis of government legislation and timescales as well as developments from conferences, etc. to inform planned preparations for Housing Service development	Housing Services Manager	Ongoing
5	Review current debt profile for the HRA and consult with s151 Officer accordingly.	Housing Development and Finance Manager	Feb 21/ Annual Review
6	The development of new Housing at affordable rent to replace revenue lost via RTB with increased income from new build housing at rent levels above social rent.	Housing Development and Finance Manager	End Mar 2022

CURRENT RISK



TARGET RISK



5. Enablers

5.3

RISK: Adequate Business Continuity (BC) arrangements in place that mitigate severe disruption to Council services

RESPONSIBILITY: Strategic Director (Corporate Services)

6

SUMMARY OF CURRENT CONTROLS

1	Overarching corporate generic BC plan in place.
2	Service level BC plans in place outlining key activities and arrangements.
3	BC issues / presentations / workshops provided at OMT meetings.
4	(IT Contractor's) IT Disaster Recovery (DR) plan in place / Critical software list prepared / IT Disaster Recovery and software access testing.
5	Guidance provided to Managers on Impact Analysis, BC plans completion and sharing plans.
6	BC plans desktop checks or tests undertaken annually.
7	Intruder and Fire alarm systems installed in key corporate buildings (some systems monitored out of hours).
8	EP/BC policy and framework documents outlining corporate response arrangements.

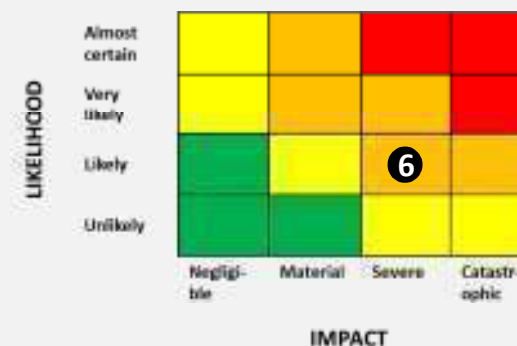
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Minutes of June 18 Council meeting.	4	Authorisation to recruit forms.
2	Copies of reports and policies prepared by staff and consultants – e.g. Strategic Housing Market Assessment.	5	Draft report on revised LDS.
3	SLA with Essex Place Services.	6	SLA in place with the Planning Inspectorate

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Services to refresh their Service level BIAs on a revised template to capture additional information and more user friendly	Strategic Director (Corporate Services) / Principal Admin Officer and Procurement Specialist	Completed Dec 2020
2	Annual DR Test – IT Contractor and Services using critical IT applications	IT Service Manager / IT Contractor	Completed Jan 2021
3	Refresh of Corporate Generic Business Continuity Plan	Principal Admin Officer and Procurement Specialist	Completed Dec 2019
4	ICT programme to expand mobile / remote working capability across all service areas	Strategic Director (Resources) / ICT Manager	Completed March 2020

CURRENT RISK



TARGET RISK



5. Enablers

5.4

RISK: Successful cyber security attack resulting in disruption to service, theft or loss of data / information, financial and reputational damage

RESPONSIBILITY: Head of Customer and Digital Services

6

SUMMARY OF CURRENT CONTROLS

1	Cyber security strategy in place supported by appropriate policies and procedures. Regularly reviewed and maintained.
2	Awareness of cyber threats raised periodically, and staff advised of new or potential threats as they arise. Frequent communications from ICT Team.
3	Quarterly checks (Nessus scans) undertaken by IT contractor to identify infrastructure vulnerabilities.
4	Vulnerabilities identified and addressed promptly.
5	Annual IT Health check undertaken which also checks for vulnerabilities and informs the Council's Public Sector Network (PSN) compliance certification with the Cabinet Office.
6	Compliance with principles of Cyber Securities Accreditation.
7	Use of Metaphish tool periodically (3 monthly) to check staff awareness, compliance and follow up.

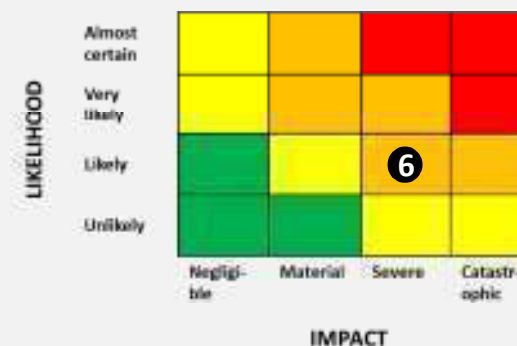
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Reports and action plans arising from quarterly Nessus scans provided by IT contractor and minutes of monthly Service Level Review (SLR) meetings.
2	LGA local authority survey of Cyber Security arrangements resulting "Amber/Amber" assessment for CPBC.

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Metaphish exercise to be expanded to include Councillors/Freeman and outcomes reported to EMT [Quarterly exercise in conjunction with other EOLP members for comparison]	IT Service Manager / IT Contractor	Ongoing
2	Progress Cyber Security Actions – to include awareness sessions and communications for Councillors/Freeman	IT Service Manager	Ongoing
3	Work to ensure ongoing Public Services Network (PSN) compliance certification	IT Service Manager / IT Contractor	Ongoing (annual certification)

CURRENT RISK



TARGET RISK



5. Enablers

5.5

RISK: Income streams from the Knightswick do not meet expectations and/or other unforeseen operational issues/costs result in the centre not being self-funding, with a consequential impact on the General Fund

RESPONSIBILITY: Strategic Director (Resources)

2

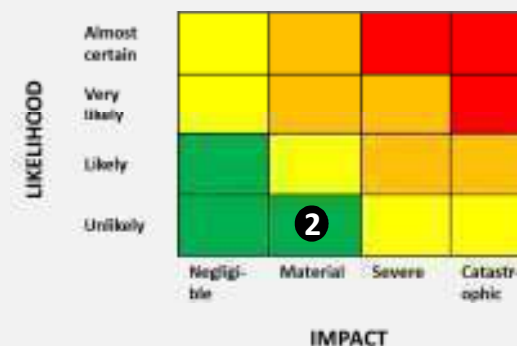
SUMMARY OF CURRENT CONTROLS

1	Routine for monitoring compliance by the Management Agent with legal agreements established with monthly meetings and minutes and highlights reported to EMT monthly (quarterly from April 2021).
2	Prudent income estimates used for modelling affordability (and used for ongoing budgeting purposes) which incorporated a 15% allowance for vacant units or other income reductions. Informed by work undertaken by external advisors.
3	Appropriate vetting of potential lessors by Management Agent.
4	Provision for bad debts maintained and debtors regularly reviewed.
5	"Opting to Tax" the site for VAT purposes, in order to protect the Council's VAT position.
6	Maintenance of insurance for loss of revenue – protecting the Council's position.
7	Review and retender of existing contracts associated with the Knightswick by the Management Agent in order to identify potential cost savings.
8	The creation of an exit strategy, based on the estimated residual value if asset were sold in the future, including the use of an earmarked reserve to preserve any annual surplus of rental income over costs such as interest charges and Minimum Revenue Provision (MRP) charges. This is intended to protect the Council's position in the unlikely event that the asset would need to be disposed of in the future.
9	A clear long-term investment strategy for the centre and land within the ownership of the Council that is deliverable and viable and achieve regeneration aims for the town centre that will also offset risk.

ASSURANCE THAT CONTROLS ARE IN PLACE

1	Minutes of July 2019 Cabinet and Council meetings (both private business items) setting out the processes undertaken during the acquisition.
2	Reports and minutes from meetings with Management Agent.

CURRENT RISK



TARGET RISK



5. Enablers

5.5

RISK: Income streams from the Knightswick do not meet expectations and/or other unforeseen operational issues/costs result in the centre not being self-funding, with a consequential impact on the General Fund

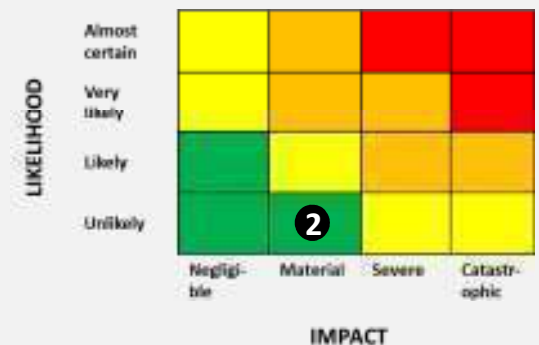
RESPONSIBILITY: Strategic Director (Resources)

2

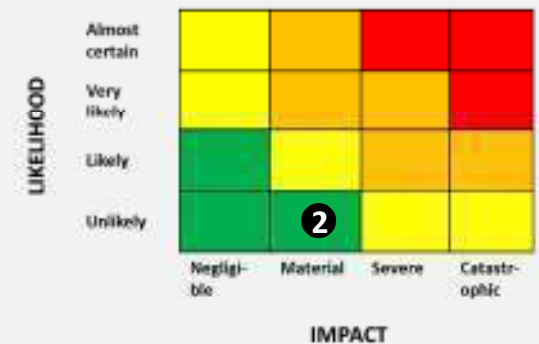
ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Operational Risks reported and discussed at regular monitoring meetings with the Management Agent.	External Management Agent / Strategic Director (Resources)	Ongoing
2	Regular monitoring of income streams and costs, and inclusion in Financial Update reports as required.	External Management Agent / Strategic Director (Resources)	Ongoing
3	Ongoing review of the earmarked reserve balance and MRP charges, primarily during the annual budget setting process and at the end of each financial year.	Strategic Director (Resources) / Chief Accountant	Ongoing
4	Continue to let units on a commercial basis and minimise voids.	Management Agent	Ongoing

CURRENT RISK



TARGET RISK



5. Enablers

5.6

RISK: Partnership arrangements are not fully effective resulting in a focus on work that does not always support Council priorities

RESPONSIBILITY: Corporate Management Team

4

SUMMARY OF CURRENT CONTROLS

1	Head of Licensing and Safer Communities responsible for Local Strategic Partnership (LSP) work
2	Core partnerships are in place and have been mapped, with key strategic partnerships identified
3	Some explicit priorities for some of the key partnerships.
4	Reporting arrangements in place for key partnerships including LSP, Community Safety Partnership and Castle Point & Rochford Health & Wellbeing Board.
5	Revised approach to the Castle Point Regeneration Partnership with a new programme of delivery of regeneration and local plan
6	Statement of Common Ground and Memorandum of Understanding in place in respect of the Association of South Essex Local Authorities partnership. The Council has a key role to play and acts as the accountable body.

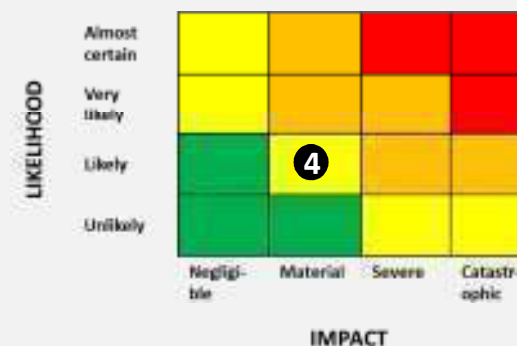
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Minutes of partnership meetings
2	Copies of partnership documentation including terms of reference, strategies and action plans
3	Reports on progress of Community Safety Partnership and Health and Castle Point & Rochford Wellbeing Board submitted to Cabinet

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Internal Audit of Partnership arrangements	Head of Internal Audit	Completed Mar 2017
2	Implement Audit recommendations	Head of Licensing and Safer Communities	Completed Jun 2018
3	Undertake review of arrangements	Strategy, Policy & Performance Manager	Completed Nov 2019
4	Partnership Framework and Toolkit developed and agreed by CMT and shared with OMT	Strategy, Policy & Performance Manager	Completed Mar 2020
5	Follow-up audit on Partnerships focusing specifically on impact on corporate objectives	Strategy, Policy & Performance Manager	TBC once audit completed

CURRENT RISK



TARGET RISK



5. Enablers

5.7

RISK: Risk of widespread staff absence from illness and self-isolation caused by Covid-19 pandemic resulting in interruption to service delivery

RESPONSIBILITY: Executive Management Team

3

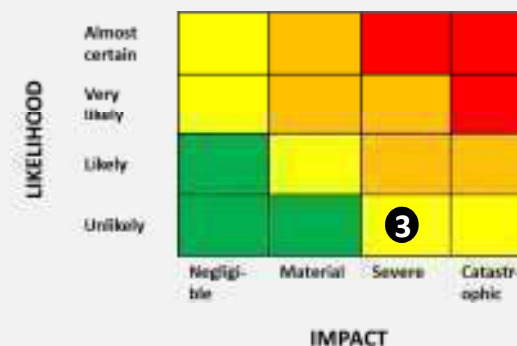
SUMMARY OF CURRENT CONTROLS

1	Ongoing communication amongst EMT and at least a weekly meeting
2	Ongoing participation in the Emergency Planning structure of meetings, including SCGs, with information shared as appropriate
3	Revised Service level BIA and BC plan templates issued; one to one guidance being provided to support updates
4	Specific information gathering exercise to record identified significant issues or concerns that operational managers have concerning Coronavirus and potential impact upon service delivery
5	Identification of critical and non-critical services to enable ITC equipment and remote access to be re-allocated according to need
6	Expansion of remote-working licences to allow more employees to work from home and drop-in sessions offered to help staff to access systems remotely
7	Dedicated webpage to notify the public about the current operational status of the various council services
8	Temporary 'Coronavirus posters displayed to supplement existing permanent hygiene posters
9	Enhanced cleaning regime
10	Additional sanitizer, wipes available
11	Booking system to work in the office to ensure social distancing can be maintained

ASSURANCE THAT CONTROLS ARE IN PLACE

1	Meetings taking place and communications to employees	7	Webpage in place and updated regularly
2	Communications following teleconferences	8	Posters on display and communications to staff
3	Updated BC plans	9	Regime in place
4	Record of issues and concerns	10	Additional supplies received
5	Record of critical and non-critical services	11	Booking system in place
6	Additional licences in place		

CURRENT RISK



TARGET RISK



5. Enablers

5.7

RISK: Risk of widespread staff absence from illness and self-isolation caused by Covid-19 pandemic resulting in interruption to service delivery (contd.)

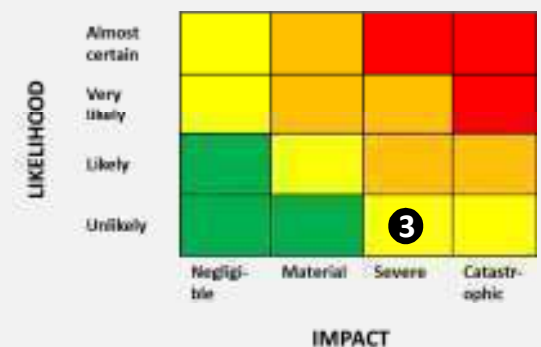
RESPONSIBILITY: Executive Management Team

3

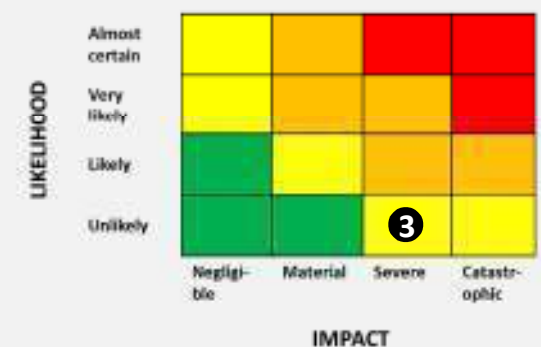
ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Identify potential vulnerable staff i.e. age and/or underlying health issues and appropriateness for remote working	HR Manager	Completed March 2020
2	Review and rollout of remote working where appropriate to mitigate spread of COVID-19 amongst staff	IT Manager	Completed March 2020
3	Ongoing review of working arrangements in line with current restrictions	Principal Admin Officer and Procurement Specialist	Ongoing

CURRENT RISK



TARGET RISK



5. Enablers

5.8

RISK: Castle Point BC does not engage with others across Essex about Local Government Reform resulting in a new form of local government that is not appropriate and ineffective for the Borough

3

RESPONSIBILITY: Executive Management Team

SUMMARY OF CURRENT CONTROLS

1	Extensive engagement with local authorities in ASELA
2	Ongoing attendance at Essex Chief Executives meeting
3	Watching brief on development of policy direction from central government and local government reform experience elsewhere

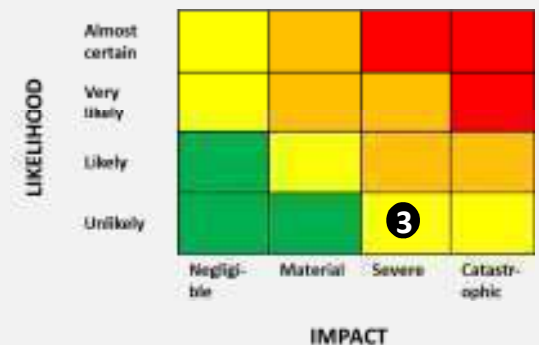
ASSURANCE THAT CONTROLS ARE IN PLACE

1	Minutes of meetings
2	Minutes of meetings
3	Policy briefings/emails

ACTIONS TO FURTHER MITIGATE RISKS

	ACTION	RESPONSIBILITY	DUE DATE
1	Continued engagement in networks across Essex, and wider geography where relevant, to ensure latest news about Local Government Reform is known and understood.	EMT	Ongoing

CURRENT RISK



TARGET RISK



AUDIT COMMITTEE

16th November 2021

Subject: Treasury Management mid-year activity report

1. Purpose of report

The Treasury Management mid-year activity report is a requirement of the Council's reporting procedures. It summarises the Council's Treasury Management activity for the first six months of the current financial year. Supporting information is provided within Annexes A and B.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through regulations issued under the Local Government Act 2003.

2. Links to Council's priorities and objectives

The scrutiny and approval of the Council's Treasury Management activity is linked to the Council's objective of a Commercial and Democratically Accountable Council through sound financial management.

3. Recommendation

That following scrutiny, the Treasury Management mid-year activity report for 2021/22 is approved and submitted to Cabinet.

4. Treasury Management activity mid-year report 2021/22

4.1 Introduction

- 4.1.1 Treasury management is: *“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 4.1.2 The Code of Practice requires the Council to set annually a Treasury Management Strategy and Investment Strategy. The strategies for the 2021/22 financial year were approved by Council on 24th February 2021.
- 4.1.3 This report confirms that Treasury Management activity during the year to date has been undertaken in accordance with that strategy and in consultation, where appropriate, with the Council’s external adviser, Link Asset Services.

4.2 Borrowing

- 4.2.1 A summary of external borrowing at 30th September 2021 is shown at Annexe A.
- 4.2.2 Annexe A shows that interest paid on General Fund borrowings and on HRA borrowings for the year to date is as budgeted.
- 4.2.3 The Council’s policy on capital expenditure and borrowing is set out in the Capital Strategy section of the annual Policy Framework and Budget Setting Report, and as part of this, the affordability of new capital proposals has to be demonstrated. Borrowing can only be undertaken for the purposes of capital expenditure, and not for day-to-day revenue expenditure. The financial impact on the longer-term budget positions for both the General Fund on the Medium-Term Financial Forecast and the Housing Revenue Account on the HRA Business Plan, would need to be taken into account. Any new borrowing would result in additional interest charges to either the General Fund or HRA, as well as the need to set aside sums from those funds for future repayment of the principal.
- 4.2.4 Although borrowing rates are currently low any potential new borrowing would have to be fully justifiable in terms of the need to borrow. Additional borrowing would be considered for individual projects where for example the business case determines repayment of debt is affordable and can prudently be funded by new revenue generated.
- 4.2.5 Periodically officers explore the option to reschedule or repay current loans, however at the current time it is not viable for the Council to reschedule its debt as repayment of all current loans would incur significant premiums to do so.

4.3 Investments

- 4.3.1 The investment activity during the year to date conforms to the approved strategy, and the Council has had no liquidity issues. Investments are managed internally using only those institutions which meet the Council’s strict investment criteria, within a permissible range of periods, depending on the Council’s cash flow and the interest rates on offer.

- 4.3.2 The majority of investments to date in 2021/22 continue to be in AAA-rated Money Market Funds. A Money Market Fund is a pooled source of funds invested in a wide range of short-term investments managed by an independent fund management company. Frequently these are well known banks or investment houses. AAA is the highest investment rating available and means that there is very low credit risk in an entity which is awarded that rating.
- 4.3.3 Funds may be deposited with the Debt Management Office (DMO), an executive agency of HM Treasury, but the facility has not been used this year due to the very low rate of interest.
- 4.3.4 With the exception of the DMO, total investments with any one institution do not exceed **£2.5m**. Internal guidance ensures that at least **50%** of investments at any time are placed with institutions rated AAA (or 40% for up to 5 working days a month).
- 4.3.5 The Council has not made any new investments in Government treasury bills due to very low and, more recently, negative rates of interest.
- 4.3.6 Annexe B summarises the Council's temporary investment activities for the year to date. The amount available for investment varies daily according to the Council's aggregate financial position on all activities. At the end of September 2021, the amount invested was **£39.4m** and the average amount invested for the year to date was **£40.0m**.
- 4.3.7 Annexe B also shows that the amount of interest received on investments to date is **£38k**, exactly in line with budget. The budget for the full year is **£74k**.
- 4.3.8 Investment rates earned are currently below forecast of **0.25%** but are exceeding the benchmark rate. The average rate earned is **0.19%**, and therefore higher than the benchmark 7-day LIBID rate of **-0.08%** (LIBID or the London Inter Bank Bid Rate is the rate at which major banks borrow from each other).
- 4.3.9 As some of the Council's previous investments made at better interest rates mature, the Council will not be able to make new investments at or near the previous rate. Therefore, it is expected that the average rate earned may fall further by year end.
- 4.3.10 Changes required to the interest budgets to reflect any challenges will be addressed in the forthcoming budget cycle.

4.4 Benchmarking

The current position on three benchmark indicators for 2021/22, as explained in the Annual Investment Strategy, is reported as follows:

- Security - Weighted Credit Rating Score for the year to date of **6.4** exceeds the target of 4 (the scale goes from 0 to 7)
- Liquidity – Weighted Average Life is at a reasonably liquid level, currently averaging **41 days**
- Yield – interest received on investments is on target as reported above, with higher balances offsetting lower returns

4.5 Economic uncertainty

- 4.5.1 The Bank of England base rate in 2019/20 was **0.75%** and dropped to **0.25%** on 11th March 2020 and eight days later to **0.10%** where it has previously been forecast to stay for another year, although more recent signals have been that a rate increase could be seen in the near future to help control increasing inflation. The average base rate for 2021/22 so far is **0.10%** and consequently interest received is the lowest for at least twenty years. The forecast for the current and future years will be adjusted if required and included in the budget submitted to Council for approval in February 2022.
- 4.5.2 The Council will continue to adhere to strict investment criteria. Security and liquidity remain the priority and once assured the Council will then invest for yield. Officers will continue to monitor interest rates offered and seek to ensure the best return possible, without compromising security and liquidity, and within limits specified in the Investment Strategy and internal guidance.
- 4.5.3 New investments were added to the Treasury Management Strategy in 2019/20 that included deposits with other local authorities longer than one year, which we utilised in 2020/21 to benefit from interest rates considerably better than those now on offer. It is anticipated that in 2021/22 the Council may invest in other new approved investments such as corporate bond and multi-asset funds to enhance returns. Research into these funds has been undertaken in 2020/21 and it is anticipated the Council will invest in multi-asset funds before the end of the financial year.

4.6 Conclusion

- 4.6.1 The results for the six months to 30th September 2021 continue to demonstrate prudent and efficient treasury management. Although it is disappointing that interest receivable, as with other income streams, is lower than previous years this is reflective of wider market conditions. The Council will of course adjust estimates and take the necessary decisions to ensure a balanced budget is set and the Council's finances remain robust over the medium term.

5. Corporate Implications

a Legal implications

The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance, including:

- The Local Government Act 2003, and associated Statutory Instruments;
- The CIPFA Prudential Code for Capital Finance in Local Authorities;
- The CIPFA Code of Practice for Treasury Management in the Public Services.

The Council continues to comply with all of the relevant statutory and regulatory requirements.

b Financial implications

The financial implications are highlighted throughout the report.

c Human resource and equality implications

There are no new implications.

d Timescale for implementation and risk factors

A mid-year activity report is now presented to the Audit Committee, and then subsequently reported to Cabinet.

Report Author: Robert Greenfield, Accountant

Background Papers:

- Chartered Institute of Public Finance and Accountancy: *Code of Practice for Treasury Management in the Public Services*.
- CPBC: *Treasury Management and Investment Strategy Statement for 2021/22*.

Summary of Loan Transactions and Interest Payable (accrued daily) for the period to 30th September 2021

Loan transactions activity for the period

	Amount o/s 01/04/2021 £000's	Loans Repaid £000's	Amount o/s 30/09/2021 £000's
Public Works Loan Board			
General Fund	13,350	450	12,900
HRA	36,451	7,000	29,451
Totals for the Council	49,801	7,450	42,351

Interest payable Comparison of estimate with actual

Budget Profile to 30/09/2021 £000's	Actual Interest to 30/09/2021 £000's	Variance 30/09/2021 £000's
146	146	0 0.0%
493	493	0 0.0%
639	639	0 0.0%

Interest rates for the period

	Range of loans		Average
	From	To	
General Fund	1.08%	4.10%	2.26%
HRA	2.31%	3.49%	3.09%
Totals for the Council	1.08%	4.10%	2.85%

Base rate history

08/01/2009	1.50%
05/02/2009	1.00%
05/03/2009	0.50%
04/08/2016	0.25%
02/11/2017	0.50%
02/08/2018	0.75%
11/03/2020	0.25%
19/03/2020	0.10%

Summary of Temporary Investments and Interest Received (accrued daily) for the period to 30th September 2021

Type of Borrower	Amount Invested 01/04/2021 £000's	Made £000's	Repaid £000's	Amount Invested 30/09/2021 £000's
Investments by Value:				
Local Authorities	6,000	0	0	6,000
Money Market Funds	32,430	50,640	57,270	25,800
Debt Management Office	0	57,500	52,500	5,000
Notice accounts	2,000	0	0	2,000
Investments	40,430	108,140	109,770	38,800
Lloyds current account	290	355	0	645
Cash equivalents	290	355	0	645
Total	40,720	108,495	109,770	39,445
Number of Investment Transactions:				
	Number	Number	Number	Number
Local Authorities	3	0	0	3
Money Market Funds	19	36	37	18
Debt Management Office	0	8	7	1
Notice accounts	2	0	0	2
Investments	24	44	44	24
Lloyds current account	1	0	0	1
Cash equivalents	1	0	0	1
Total	25	44	44	25

Interest Received on Temporary Investments for the period to 30th September

	£000's
Actual Interest Received	38
Original estimate	38
Variance	0 0%

Temporary Investments

	£000's
Average Balance for the Period	39,975
Average Interest Rate for the Period	0.19%
Benchmark: Average 7-Day LIBID Rate	-0.08%

AUDIT COMMITTEE

16th November 2021

**Subject: Counter Fraud & Investigation: Quarterly Performance Report
Q1 and Q2**

1. Purpose of Report

To update the Audit Committee on the progress made in delivering the Corporate Counter Fraud & Investigation strategy for the Council in 2021/22

This report will cater for Q1 and Q2 due to the changing of committee meetings during the past 6 months due to C19.

2. Counter Fraud Proactive Work Plan

Appendix A outlines the progress made in delivering the agreed Counter Fraud Proactive Work Plan for this year (2021/22).

The team is making good progress in delivering the planned work. If during the year any changes or additions to the plan are proposed between CFI and the Section 151 Officer, these will be brought back to the Committee and included in an amended work plan. The work that CFI has been completing has been delayed and was officially recommended by the committee in October last year due to the delayed committee hearings, for clearly correct and obvious reasons.

3. Investigations

CFI continues to deliver investigations into incidents of suspected fraud or other economic crime for the council.

During 2020/21 and into 2021/22 the UK was gripped by the C19 pandemic and as we have come out of 'lockdowns' and other restrictions the work of CFI has returned to a more 'normal' level and our interaction with stakeholders and others has increased.

It can be seen from the figures of Q1 and Q2 that the 'exit route' from the pandemic has opened up greater referrals, which has allowed CFI officers to engage further and take action where appropriate.

The figures represent activity undertaken during Q1 of 2021.

Number of suspected fraud reports received within Q1:	15
Number of Sanctions in Q1:	1
Value of Sanctions in Q1:	£0.00

The figures represent activity undertaken during Q2 of 2021

Number of suspected fraud reports received within Q2:	11
Number of Sanctions in Q2:	0
Value of Sanctions in Q2:	£0.00

The figures represent activity undertaken in year:

Number of Closed investigations this year:	13
Number of ongoing investigations in current year:	35

Housing	Transport	Grants	Revenues	RTB	Other	DWP Referral
12	1	5	4	4	5	4

Value of suspected fraud under investigation in current year:	£943,253
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4. Contribution to Council's Aims and Priorities

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

CFI are always available to officers and councillors, ensuring confidentiality is maintained where the reporting of wrongdoing is disclosed. CFI will work with any department if it is believed there is wrongdoing taking place within the workplace.

Financial Implications

Proactive fraud and corruption work acts as a deterrent against financial impropriety and might identify financial loss and loss of assets.

Any financial implications arising from identifying and managing the fraud risk will be considered through the normal financial management processes.

Proactively managing fraud risk can result in reduced costs to the Council by reducing exposure to potential loss and insurance claims.

Legal Implications

The Accounts and Audit Regulations 2015 Section 3 requires that:

The relevant authority must ensure that it has a sound system of internal control which:

- *facilitates the effective exercise of its functions and the achievement of its aims and objectives*
- *ensures that the financial and operational management of the authority is effective*
- *includes effective arrangements for the management of risk.*

The work of the Directorate contributes to the delivery of this.

People Implications:

Where fraud or corruption is proven the Council will:

- take the appropriate action which could include disciplinary proceedings and prosecution
- seek to recover losses using criminal and civil law
- seek compensation and costs as appropriate.

Property Implications

Properties could be recovered through the investigation of housing tenancy fraud or assets recovered as a result of criminal activity. This action will benefit the authority by means of returning housing stock to those in need or gaining the assets of those who seek to profit from their criminal behaviour.

It was unfortunate that during the Pandemic a number of 'Abandonment' referrals could not be progressed, however the CFI will maintain records of these and will conduct 'day of actions' in the coming months.

Consultation / Equalities Impact Assessment:

None

Risk Assessment

Failure to operate a strong anti-fraud and corruption culture puts the Council at risk of increased financial loss from fraudulent or other criminal activity.

Although risk cannot be eliminated from its activities, implementing these strategies will enable the Council to manage this more effectively.

Value for Money

An effective counter fraud and investigation service should save the Council money by reducing the opportunities to perpetrate fraud, detecting it promptly and applying relevant sanctions where it is proven. The Council has recently received monies from a POCA compensation for £29,697, this was from a case that was concluded in 2020/21 by the CFI involving a sublet property conviction.

Community Safety Implications and Environmental Impact:

None

Recommendations

The Audit Committee:

- **The Audit Committee notes the performance of the Counter Fraud & Investigation team to date.**

Background Papers

- Fighting & Corruption Fraud locally, the Local Government Fraud Strategy

- Crowe Whitehall & Clarke Annual Fraud Indicator 2017

Appendices

- Appendix A: Counter Fraud Proactive Work Plan

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

Counter Fraud & Investigation



See it.



Report it.



Stop it.

Work Plan 2021/22



castlepoint

benfleet | canvey | hadleigh | thundersley

Proactive Work Plan 2021/22

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
Council-wide	Training of high risk areas in counter fraud measures Ensure understanding of the threats posed to those areas. To be tailored to the areas and ongoing support offered via a Single Point of Contact with CFI	June 2021 To May 2022	This is being completed with CFI Staff delivering training to various departments including Housing.	Phil Butt	
Council-wide	Review all relevant policies concerning fraud aspects Ensuring that all hold the most up to date legislative information as well as ensuring best practice is always adhered to.	Jan 22	No Changes are required at this time to the policies that were accepted in the last meeting. This will be an ongoing review, where changes will be brought to the attention of senior staff and councillors.	Michael Dineen	
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. <i>(Continued from 2020/21 due to ongoing grants)</i>	June 2022 To May 2021	CFI continues to assist where required, however this requirement has diminished due to grants ending. CFI will always be available for these checks should the need arise though.	David Nash	
Council-wide	Renewed Education & Marketing Campaign for Countering Fraud, Housing Fraud, Insider Threats and Corruption	Dec 2021	This is in its final stages of design and will be taken to Senior Management and then committee before being displayed online and 'in house' at the civic offices.	Nicholas Coker	
Council-wide	Targeting POCA and Civil Legislation to maximise effect on criminal behaviour Ensure that CFI utilise the appropriate legislation to maximise the effects on criminals and ensure that our	June 2022	This is a continued piece of work and we have had POCA cases raised by the CFT and they will continue to do so.	Roger Noakes	

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
	vision of protecting the public purse is adhered to by promoting this work.				