

Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Monday, 13 March 2023 at 18:00**

The Governance and Audit Committee considers and approves the Council's Statement of Accounts and reviews the Council's annual audit letter. The Committee also deals with the Council's governance, risk management and audit arrangements. To make recommendations to the Council on functions such as Elections and bye laws, and determine Community Governance Reviews.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

Have Your Say!

The Council welcomes contributions and representations from members of the public at most public meetings. If you would like to speak at a meeting and need to find out more, please refer to the Have Your Say! arrangements here: <http://www.colchester.gov.uk/haveyoursay>.

Audio Recording, Mobile phones and other devices

The Council audio records public meetings for live broadcast over the internet and the recordings are available to listen to afterwards on the Council's website. Audio recording, photography and filming of meetings by members of the public is also welcomed. Phones, tablets, laptops, cameras and other devices can be used at all meetings of the Council so long as this doesn't cause a disturbance. It is not permitted to use voice or camera flash functions and devices must be set to silent. Councillors can use devices to receive messages, to access meeting papers and information via the internet. Looking at or posting on social media by Committee members is at the discretion of the Chairman / Mayor who may choose to require all devices to be switched off at any time.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, using the contact details below and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are on each floor of the Town Hall. A water dispenser is available on the first floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,

Governance and Audit Committee - Terms of Reference (but not limited to)

Accounts and Audit

To consider and approve the Council's Statement of Accounts and the Council's financial accounts, and review the Council's external auditor's annual audit letter.

Governance

To consider the findings of the annual review of governance including the effectiveness of the system of internal audit and approve the signing of the Annual Governance Statement.

To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan and work programme, and to approve the policies contained in the Council's Ethical Governance Framework.

Other regulatory matters

To make recommendations to Council on functions such as elections, the name and status of areas and individuals, and byelaws.

To determine and approve Community Governance Reviews.

Standards in relation to Member Conduct

To consider reports from the Monitoring Officer on the effectiveness of the Members' Code of Conduct, and to advise the Council on the adoption or revision of the Code.

To receive referrals from the Monitoring Officer into allegations of misconduct and to create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.

To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor.

To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.

To grant dispensations, and to hear and determine appeals against refusal to grant dispensations by the Monitoring Officer.

To make recommendations to Council regarding the appointment of Independent Persons.

General

To review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

**COLCHESTER CITY COUNCIL
Governance and Audit Committee
Monday, 13 March 2023 at 18:00**

The Governance and Audit Committee Members are:

| | |
|--------------------------|--------------|
| Councillor Paul Smith | Chair |
| Councillor Chris Pearson | Deputy Chair |
| Councillor Dave Harris | |
| Councillor Sam McCarthy | |
| Councillor Sara Naylor | |
| Councillor Rhys Smithson | |
| Councillor Barbara Wood | |

The Governance and Audit Committee Substitute Members are:

All members of the Council who are not Cabinet members or members of this Panel.

**AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)**

Please note that Agenda items 1 to 6 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other registerable interest or non-registerable interest.

5 Have Your Say! (Hybrid Council meetings)

Members of the public may make representations to the meeting. This can be made either in person at the meeting or by joining the meeting remotely and addressing the Council via Zoom. Each representation may be no longer than three minutes. Members of the public wishing to address the Council remotely may register their wish to address the meeting by e-mailing democratic.services@colchester.gov.uk by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.

There is no requirement to pre-register for those attending the meeting in person.

6 Honorary Aldermen Eligibility Criteria

7 - 8

The Committee will consider a report asking that it consider a proposal to amend the eligibility criteria for the conferment of the title of Honorary Aldermen of the City of Colchester on former councillors.

7 Mid-Year Internal Audit Assurance Report 2022-23

9 - 40

The Committee will consider a report summarising the performance of Internal Audit, and detailing the audits undertaken, between 1 April and 30 November 2022

8 Internal Audit Plan 2023/24

41 - 54

The Committee will consider a report requesting that it approve the proposed annual plan setting out the key areas to be covered by internal audit during the next financial year.

**9 Interim Review of the Annual Governance Statement 21/22
Action Plan**

55 - 58

The Committee will consider a report reviewing the implementation of the actions highlighted on the 2021/22 Annual Governance Statement (AGS), which was reported to the Governance and Audit

Committee in June 2022. The report includes an action plan for issues to be resolved during the current financial year.

10 Risk Management Progress Report 59 - 70

The Committee will consider a report providing it with an overview of the Council's risk management activity during the period from 01 April to 30 September 2022.

11 Annual Review of Business Continuity 71 - 86

The Committee will consider a report providing Members with an overview of the of the Council's business continuity activity for the period from 01 January 2022 to 31 December 2022.

12 Work Programme 2022-2023 87 - 90

The Committee will consider a report setting out its work programme for the current municipal year.

Exclusion of the Public (not Scrutiny or Executive)

In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

**Part B
(not open to the public including the press)**

13 March 2023

| | | | |
|----------------|--|--------|----------------------------|
| Report of | Monitoring Officer | Author | Andrew Weavers ☎ 282213 |
| Title | Honorary Aldermen Eligibility Criteria | | |
| Wards affected | Not applicable | | |

1. Executive Summary

- 1.1 This report asks the Committee to consider a proposal to amend the eligibility criteria for the conferment of the title of Honorary Aldermen of the City of Colchester on former councillors.

2. Recommended Decision

- 2.1 To consider the contents of this report.
- 2.2 To consider whether the Committee makes a recommendation to Full Council to change the eligibility criteria for the conferment of the title of Honorary Aldermen of the City of Colchester.

3. Background

- 3.1 The Local Government Act 1972 provides for Councils to confer the title of Honorary Alderman on former Councillors who have, in the opinion of the Council, 'rendered eminent services' to the City. This must be done by means of a resolution, passed by not less than two thirds of the members voting, at a meeting of the Council specially convened for the purpose.
- 3.2 This Council's definition of 'eminent services', by custom and practice, has been former Councillors who have acquired at least 20 years' service as Members of the Council.
- 3.3 This custom and practice was then formalised by the Full Council at a meeting held on 20 February 2008, which determined that the eligibility criteria for the conferment of the title of Honorary Alderman shall be:

Former Councillors who have either: -

- i) acquired at least 20 years' service as Members of the Council; or
- ii) who have held the office of Mayor of the Borough.

4. Proposal

- 4.1 Suggestions have been made that the Council should consider amending the criteria to reduce the years of service of former councillors to 16 years (similar to the eligibility criteria for Essex County Council) and in addition to include former Councillors who have held the office of Leader of the Council.

4.2 It has also been suggested that the Council should consider whether it should posthumously confer the title of Honorary Aldermen on former councillors who met the eligibility criteria but who have passed away.

4.3 If the Council were to agree the proposals the amended eligibility criteria would be:

Former Councillors who have either: -

- i) acquired at least 16 years' service as Members of the Council; or
- ii) who have held the office of Mayor of the City or Leader of the Council; or

In addition to the above former councillors who met the criteria in either i) or ii) but who have died.

4.4 The Group Leaders have been consulted on the proposal and did not have any objections. The proposal was recently discussed by a meeting of the Honorary Aldermen which was well attended. The proposal was full discussed by those present and it was the overwhelming opinion of the meeting that the Honorary Aldermen could not support the proposal and that the eligibility criteria should remain and not be amended.

The Honorary Alderman's concerns are summarised as follows:

- The existing period of years' service should not be reduced as this would diminish the honour.
- Including the Leader of the Council would make the award of the honour political and it should remain non-political. If the Council were to include the Leader of the Council, then it should include a specified period of years' service in office.
- There are more appropriate methods of commemorating deceased former councillors and the contribution they have made to the Council such as road and building names etc.

4.5 It is for the Committee to consider the proposal, the views of the Honorary Aldermen and decide whether the eligibility criteria should remain unaltered or that the Committee makes its own suggestions regarding the eligibility criteria and consequently whether to make a recommendation to Full Council.

5. Strategic Plan References

5.1 The manner in which the Council governs its business is an underpinning mechanism in the Council's Strategic Plan priorities to set out the direction and future potential for our City.

6. Financial, Equality, Diversity and Human Rights, Publicity, Consultation, Health, Wellbeing and Community Safety, Health and Safety, Risk Management and Environmental and Sustainability Implications

6.1 None.

13 March 2023

| | | | |
|----------------|--|--------|----------------|
| Report of | The Monitoring Officer | Author | Hayley McGrath |
| Title | Mid-Year Internal Audit Assurance Report 2022/23 | | ☎ 508902 |
| Wards affected | Not applicable | | |

1.0 Executive Summary

1.1 The report set out in Appendix 1 summarises the performance of Internal Audit, and details the audits undertaken, between 1 April and 30 November 2022.

1.2 The key messages from the report are:

- The Internal Audit contractor provided an effective internal audit service during the first half of the 2022/23 financial year.
- Three out of the ten audits completed have achieved a substantial assurance rating (previously classed as 'full assurance').
- One audit was requested to assess where processes could be strengthened, as it was recognised by management that there were improvements could be made to the system, therefore there was no formal assurance assessment.
- The remaining audits achieved a reasonable assurance.
- There were no audits completed that resulted in a limited or no assurance rating.
- One priority 1, fourteen priority 2 and thirteen priority 3 recommendations have been made. All recommendations have been accepted by management, with management action plans in place and being monitored.

2.0 Recommended Decision

2.1 To review and comment on:

- Internal audit activity for the period 1 April – 30 November 2022.

3.0 Reason for Recommended Decision

3.1. The Accounts and Audit Regulations 2015 require that 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. Internal audit is a key element of the Council's corporate governance framework. Robust implementation of audit recommendations gives assurance to members and management that services are operating effectively, efficiently and economically and in accordance with legislative requirements and professional standards.

4.0 Alternative Options

4.1 None.

5.0 Background Information

- 5.1 The Council's Internal Audit provider, TIAA, have provided a comprehensive mid-year report attached at appendix 1. This details the audits that have been carried out and a summary of work completed against the plan for the year. The report also includes a section highlighting current key issues in the general auditing environment for information.
- 5.2 The definition of the assurance levels and recommendations are set out in the tables below:

| Assurance Level | |
|-----------------|--|
| TIAA Definition | |
| Substantial | There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. |
| Reasonable | The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved. |
| Limited | The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved. |
| No | There is a fundamental breakdown or absence of core internal controls requiring immediate action. |

| Recommendation Priority Gradings | |
|----------------------------------|--|
| TIAA Definition | |
| 1 | Urgent. Fundamental control issue on which action should be taken immediately. |
| 2 | Important. Control issue on which action should be taken at the earliest opportunity. |
| 3 | Routine. Control issue on which action should be taken. |
| OEM | Operational Effectiveness Matter. Items that would be best practise / improvements but do not impact on the effectiveness of the controls. |

6.0 Strategic Plan Implications

- 6.1 The audit plan has been set with due regard to the identified key strategic risks to the Council and the objectives of the strategic plan to be vibrant, prosperous, thriving and welcoming. Therefore, the audit work ensures the effectiveness of the processes required to achieve the strategic objectives.

7.0 Risk Management Implications

- 7.1 The failure to implement recommendations may have an effect on the ability of the Council to control its risks and therefore the recommendations that are still outstanding should be incorporated into the risk management process.

8.0 Environmental and Sustainability Implications

- 8.1 There are no environmental or sustainability implications as a result of this report.

9.0 Other Standard References

- 9.1 There are no direct Publicity, Financial, Consultation, Equality, Diversity, Human Rights, Community Safety or Health and Safety implications as a result of this report.



Internal Audit

FINAL

Colchester Borough Council

Summary Internal Controls Assurance (SICA) Report

2022/23

November 2022

Summary Internal Controls Assurance

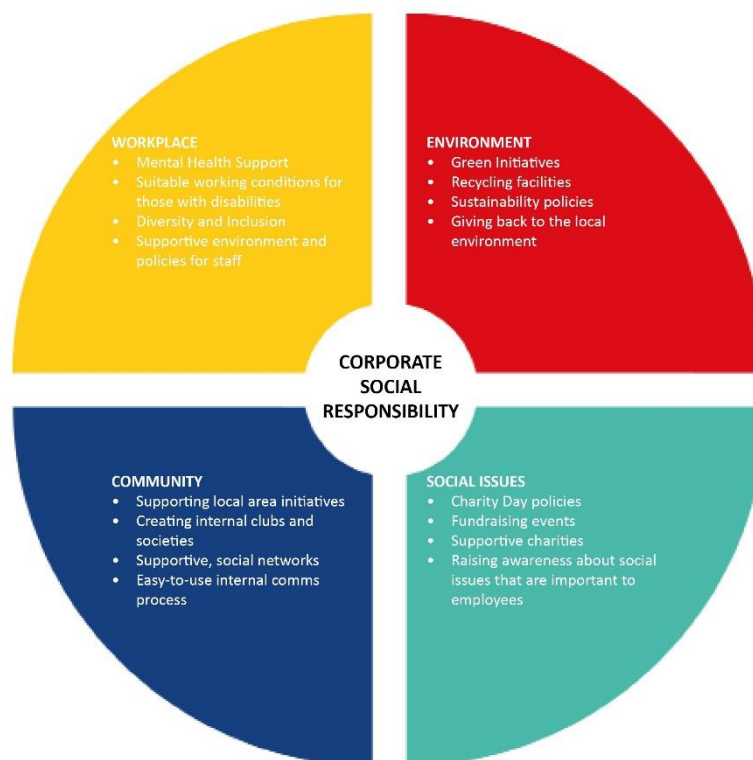
Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Colchester Borough Council as at 30th November 2022.

Emerging Governance, Risk and Internal Control Related Issues

2. Corporate social responsibility (CSR) refers to the self-imposed responsibility of businesses to society in areas such as the environment, the economy, employee well-being, and competition ethics. Many businesses use internal CSR regulation as a form of moral compass to positively influence the ethical development of their business.

Traditionally, CSR was viewed as something only large businesses practiced. In the past, simply having a CSR intention in place was already enough for a business to be recognised as socially responsible, even if the idea of social responsibility did not influence the business model or the production processes. In today's market however, businesses of all sizes are increasingly held responsible for their social and environmental impact by their customers. And because every business is part of a value/supply chain consisting of other businesses, when they advocate for sustainability, ethical practices, and generosity, this creates a positive ripple effect on all stakeholders.



Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of reports issued since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

| Review | Evaluation | Key Dates | | | Number of Recommendations | | | |
|---|-------------|--------------|--------------------|--------------|---------------------------|---|---|-----|
| | | Draft issued | Responses Received | Final issued | 1 | 2 | 3 | OEM |
| Human Resources and Payroll | Reasonable | 21/06/2022 | 22/06/2022 | 22/06/2022 | 0 | 2 | 0 | 0 |
| Accounts Receivable Debtors Cash management | Substantial | 13/07/2022 | 03/10/2022 | 03/10/2022 | 0 | 0 | 1 | 0 |
| Waste Management | Reasonable | 14/07/2022 | - | - | 0 | 2 | 2 | 0 |
| Fraud and Corruption | N/A | 25/08/2022 | 06/10/2022 | 10/10/2022 | 1 | 3 | 2 | 0 |
| Environmental Health | Reasonable | 13/09/2022 | 26/09/2022 | 26/09/2022 | 0 | 1 | 3 | 0 |
| Risk Management Framework | Reasonable | 14/09/2022 | 16/11/2022 | 16/11/2022 | 0 | 3 | 1 | 0 |
| Safeguarding | Reasonable | 26/09/2022 | 25/11/2022 | 25/11/2022 | 0 | 1 | 1 | 0 |
| Conflict of Interest – Secondary employment | Substantial | 05/10/2022 | 10/10/2022 | 10/10/2022 | 0 | 0 | 0 | 0 |
| Homelessness and Allocations | Substantial | 05/10/2022 | 10/10/2022 | 10/10/2022 | 0 | 0 | 0 | 0 |
| CCHL Contract Management | Reasonable | 15/11/2022 | - | - | 0 | 2 | 3 | 0 |

The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2022/23 Annual Plan

4. Our progress against the Annual Plan for 2022/23 is set out in Appendix B.

ICT audits progress against the 2021/22 and Current status of 22/23 ICT audits

5. Progress against the ICT audit has been slow and the draft report for the Cyber Security Maturity Assessment Audit was only issued on 17th October 2022. Management responses to the draft report are yet to be received. The second audit scheduled for the 2021/22 and the two audits scheduled for 22/23 are in the process of being planned with the Technology Delivery Manager as the Strategic ICT Manager left the Council in early November 2022.

Audits completed between 1 April and 30 November 2022

6. TIAA completed 10 audits in the period to 30 November 2022 with one audit in progress and audit scope issued for five audits. The audits were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Colchester Borough Council's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key risks was provided.

Summary of audits completed in the period

| Assurance Assessments | Number of Reviews |
|-----------------------|-------------------|
| Substantial Assurance | 3 |
| Reasonable Assurance | 6 |
| Limited Assurance | 0 |
| No Assurance | 0 |

Summary of recommendations raised in the period

| Urgent | Important | Routine | OEM |
|--------|-----------|---------|-----|
| 1 | 14 | 13 | 0 |

**The Fraud and Corruption audit does not require an assurance therefore not included in the table*

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

Changes to the Annual Plan 2022/23

7. No changes have been made to the 2022/23 Annual audit plan.

Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Performance and Quality Measures

9. The following performance targets were used to measure the performance of internal audit in delivering the audit.

| Performance Measure | Target | Attained |
|--|--------|----------|
| Completion of Planned Audits | 100% | 100% |
| Audits Completed in Time Allocation | 100% | 100% |
| Final report issued within 10 working days of receipt of responses | 95% | 100% |
| Compliance with Public Sector Internal Audit Standards | 100% | 100% |

Other Matters

10. We have issued a number of briefing notes, shown in Appendix C, since the previous SICA report.

Responsibility/Disclaimer

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Release of Report







12. The table below sets out the date of this Mid-Year Report.

| | |
|----------------------------|--------------------------------|
| Date Report issued: | 30 th November 2022 |
|----------------------------|--------------------------------|

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Executive Summary – Human Resources and Payroll

| OVERALL ASSESSMENT | | KEY STRATEGIC FINDINGS | | | | | | | | | |
|---|-----------|--|-------------|--------|-----------|---------|-------------|---|---|---|---|
|  | | <div><div>Up to date policies and procedures relating to Human Resources and Payroll are in place.</div><div>Sample testing on starters, leavers and changes to payroll details found compliance with policy and procedures.</div><div>The appraisal process is currently devolved to the relevant team managers and HR has not been involved in the process.</div><div>Data on staff retention has not been collected, collated and reported to any group or committee for some time.</div></div> | | | | | | | | | |
| ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE | | GOOD PRACTICE IDENTIFIED | | | | | | | | | |
| Risk EF1 on Capacity, SP5 on Staff wellbeing and CO5 on Equality and Diversity relates directly or indirectly to Human Resources. Controls to mitigate the risks are included in the risk register. | | <div><div>Robust monthly payroll checks are in place and these are implemented on a monthly basis.</div></div> | | | | | | | | | |
| SCOPE | | ACTION POINTS | | | | | | | | | |
| The audit reviewed the adequacy, effectiveness and efficiency of the systems and controls in place over Payroll and HR. Areas reviewed are New Starters and Leavers, Changes to payroll records, Payroll process, BACs submission process, Recruitment and retention, and Staff appraisals. | | <table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>2</td><td>0</td><td>0</td></tr></table> | | Urgent | Important | Routine | Operational | 0 | 2 | 0 | 0 |
| Urgent | Important | Routine | Operational | | | | | | | | |
| 0 | 2 | 0 | 0 | | | | | | | | |

Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|--|---|----------|---|--|---------------------------------|
| 1 | Directed | <p>The Strategic People and Performance Manager confirmed that appraisal process is currently devolved to the relevant team managers and HR has not been involved in the process.</p> <p>There is a need for stronger HR oversight on the appraisal process to ensure that all appraisals are centrally collated and training/developmental needs identified and documented in the staff appraisals are addressed on a timely basis.</p> | Processes be put in place to ensure HR oversight of the appraisal process, stronger liaison with managers, and oversight of provision of trainings required by staff members to address developmental needs noted in the appraisals. | 2 | <p><i>We are currently in the process of having an Appraisal power app built. This will be accessible to all staff via mobile phone, tablet, laptop etc and will allow HR to run reports to identify training and development needs across the authority.</i></p> | <p><i>User acceptance testing of the App will begin end of June 2022.</i></p> <p><i>Following any necessary changes, launch in September 2022.</i></p> | Amanda Mann, HRSC Manager |
| 2 | Delivery | Data on staff retention is currently not collected, collated and reported to any group or committee. The Strategic People and Performance Manager noted that staff turnover used to be on the SMT meeting agenda but this is no longer done. It is however noted that HR are about to launch the process of collecting data on staff turnover. | Data on staff turnover be collated, monitored and reported to a relevant group such as the Senior Management Team on a regular basis, to ensure staff turnover is adequately monitored and issues relating to staff turnover addressed on a timely basis. | 2 | <p><i>HR Metrics have been developed and launched to our Senior Management Team (SMT) via Power BI. This includes staff turnover. This data will be updated on a monthly basis and available to SMT/HR Business Partners.</i></p> <p><i>A member of HR will attend the SMT policy meeting every quarter to analyse and discuss the metrics.</i></p> <p><i>A new exit questionnaire has been launched which will allow HRBPs to understand the reasons why staff are leaving the organisation.</i></p> | <i>In place</i> | Amanda Mann, HRSC Manager |

Executive Summary – Accounts Receivable-Debtors-Cash Management

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk register - Risk ST2 relates to the Council's spending power.

SCOPE

The audit reviewed the systems and controls in place within Accounts Receivable to confirm if processes on income collection and debt recovery are operating adequately, effectively and efficiently.

KEY STRATEGIC FINDINGS



The Council has an Income & Debt Management Policy, which covers all income generation services provided by the Council.



There are processes in place to ensure that income due to the Council is collected and correctly recorded.



Sample testing of invoices, credit notes, write offs and cancellations confirmed correct authorisation of the transactions.



Testing of a sample of 25 invoices confirmed that the invoices were raised and independently approved by the appropriate staff members.

GOOD PRACTICE IDENTIFIED



Adequate processes are in place to follow up on aged debtors and actions taken to recover debts are documented.

ACTION POINTS

| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 0 | 0 | 1 | 0 |

Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|--|---|----------|--|-------------------------------------|---------------------------------|
| 1 | Directed | The exceptions account report (Aim amount report) was reviewed to confirm if transactions in the exceptions account have been posted from the exceptions account to the correct debtors' accounts. It was confirmed that all entries except for two outstanding entries have been allocated to the correct accounts. | The two outstanding entries in the exceptions account be reviewed and posted to the correct accounts. | 3 | <p><i>The exceptions account always contains unallocated entries. All items are investigated by the Income Team.</i></p> <p><i>The outstanding exceptions report is circulated monthly to Managers Network with a request for recipients to check if they can identify unallocated items.</i></p> <p><i>Payments received with no narrative/reference will remain on exceptions until the customer/payer makes contact.</i></p> <p><i>Extra investigative work is carried out prior to year-end.</i></p> | Already implemented | Payments Manager |

Executive Summary – Fraud and Corruption

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Not Applicable (See recommendation)

SCOPE

The objective of the audit was to review compliance against the FFCL 2020 standard for robust governance and management, and counter fraud, bribery and corruption practices.

KEY STRATEGIC FINDINGS



The Council is yet to carry out a proper assessment of its fraud and corruption risks and have not carried out assessments against the Fighting Fraud Corruption Locally Strategy 2020 (FFCL 2020).



Fraud risk assessment is not documented and there is no document in place to evidence that fraud risk assessments have been carried out by the Council.



The Council does not have a dedicated Fraud staff member nor do they have a Counter Fraud team in place.



There is a Portfolio Holder in place responsible for Fraud within the Council.

GOOD PRACTICE IDENTIFIED



There is an approved Anti-Fraud and Corruption policy in place. The Anti money Laundering policy is also in place. Both policies were approved to the Governance and Audit Committee in November 2021.

ACTION POINTS







| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 1 | 3 | 2 | 0 |

Management Action Plan – Priority 1, 2 and 3 Recommendations

| Rec. | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|---|--|----------|--|-------------------------------------|---------------------------------|
| 1 | <p>The Council is yet to carry out a proper assessment of its fraud and corruption risks and have not carried out assessments against the Fighting Fraud Corruption Locally Strategy 2020 (FFCL 2020).</p> <p>The Fighting Fraud and Corruption Locally 2020 is the updated counter fraud and corruption strategy for local government. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities.</p> | The Council to carry out a self-assessment against the FFCL 2020. | 1 | <i>An assessment against the Fighting Corruption Locally Strategy 2020 will be undertaken.</i> | 31/01/23 | Corporate Governance Manager |
| 2 | It was noted that fraud risk assessment is not documented and there is no document in place to evidence that fraud risk assessments have been carried out by the Council. | The Council to carry out fraud risk assessments and document the assessments done. | 2 | <i>As part of the assessment, this will be fully documented.</i> | 31/01/23 | Corporate Governance Manager |
| 3 | The Council does not have a dedicated Fraud staff member nor do they have a Counter Fraud team in place. The Governance and Audit committee was responsible for approving the Anti-fraud and Corruption Strategy. | The Council to review the result of the Fraud risk assessment which has been recommended to be carried out above, and determine if the Council require a dedicated fraud staff member or a Counter fraud team. | 2 | <i>As part of the assessment this will be reviewed.</i> | 31/01/23 | Corporate Governance Manager |

| Rec. | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|---|--|----------|---|-------------------------------------|---------------------------------|
| 5 | A review of the Strategic risk register notes that some of the risks in the register indirectly relates to fraud. Some of the risks are SP3 on Cyber security, SP1 on Data Protection, SP4 on Finance. However the risks in the risk register have not been assessed to include the impact or probability of fraud. | Strategic risks be assessed to include the risk of fraud. The risk register to include the potential impact of fraud and controls in place to mitigate the risk. | 2 | <i>Fraud is considered an operational risk rather than strategic risk and is assessed by the service areas. Instances of actual fraud will be picked up as part of the risk management process.</i> | N/A | N/A |
| 4 | The Strategic Governance Manager confirmed that the Council has not carried out the Fraud Risk assessment and there is no Fraud and Corruption register in place. | To ensure compliance with the requirement for supporting the Ethical Governance Statement, the Council to put in place a Fraud and Corruption register to record and fraud or any corruption cases reported. | 3 | <i>This will be included as part of the review mentioned in 1 above.</i> | 31/01/23 | Corporate Governance Manager |
| 6 | The Whistleblowing policy is applicable to contractors and thirds parties, However there is no evidence to confirm if the Council's contractors sign the whistle blowing policies. | A process be put in place to ensure that all new contractors and third parties read and sign the Whistle blowing policy. | 3 | <i>Agreed.</i> | 31/01/23 | Strategic Governance Manager |

Executive Summary – Environmental Health







| OVERALL ASSESSMENT | | KEY STRATEGIC FINDINGS | | | | | | | | | |
|---|-----------|--|-------------|--------|-----------|---------|-------------|---|---|---|---|
|  | | <div><div>The Council rely on guidance provided by the Animal and Plant Health Agency (APHA), the Department for Environment, Food and Rural Affairs (Defra) and the Food Standard Agency (FSA).</div></div> <div><div>Processes are in place for carrying out inspections of registered food businesses in the borough.</div></div> <div><div>Testing found that four of the food hygiene inspection reports extracted from the Assure system were incomplete.</div></div> <div><div>As at time of audit, neither the current nor previous year's Food Service Plan were publicly displayed on the Council's website as directed by the Food Standard Agency.</div></div> | | | | | | | | | |
| ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE | | GOOD PRACTICE IDENTIFIED | | | | | | | | | |
| Not Applicable | | <div><div>Examination of the Council's 'Local Health and Safety return for 2022' confirms that the current reactive processes in place are adequate.</div></div> | | | | | | | | | |
| SCOPE | | ACTION POINTS | | | | | | | | | |
| The audit reviewed the Council's processes to ensure Food Hygiene across the food handling businesses in the borough. | | <table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>1</td><td>3</td><td>0</td></tr></table> | | Urgent | Important | Routine | Operational | 0 | 1 | 3 | 0 |
| Urgent | Important | Routine | Operational | | | | | | | | |
| 0 | 1 | 3 | 0 | | | | | | | | |

Assurance - Key Findings and Management Action Plan (MAP)








| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|--|---|----------|---|--|---------------------------------|
| 3 | Directed | <p>Examining ten existing businesses, it was discovered that four of the 'Food Hygiene Inspection Reports' that was extracted from the Assure system were incomplete. In some cases, the following were found to be missing:</p> <ul style="list-style-type: none"> - Inspected by - Person seen - Areas Inspected - Actions required - Legal requirement or recommendation - Records examined | It be ensured that all food hygiene inspection reports completed for food business are accurately and completely filled. | 2 | <p><i>I believe this relates to human error in the inputting of inspection data on the new ASSURE data base system.</i></p> <p><i>Currently we are still in a phase of understanding the new system. To ensure that the inspections are completed properly my dashboard will be updated with a report to randomly check inspections to check that they have been completed.</i></p> <p><i>Checking with officers to ensure that they are all completing the inspection process will be carried out.</i></p> | <p><i>Over the next six months</i></p> <p><i>Deadline 31/03/23</i></p> | Jon Ruder/Martin Nelson |
| 1 | Directed | In one instance, a newly registered business was closed by the owner, however this was not updated by the assigned Environmental Health Officer on the Assure system. | The Assure system be regularly updated with current status of newly registered food businesses by Environmental Health officers assigned to action. | 3 | <p><i>This relates to resource time in the process of catching up on workloads.</i></p> <p><i>Officers will ensure that this action is updated on the system when Notified.</i></p> | <i>Immediate</i> | Jon Ruder |

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|---|---|----------|--|-------------------------------------|---------------------------------|
| 2 | Directed | Analysis of a sample of 15 registered new businesses revealed that in one case inspection was initially assigned to an Environmental Health Officer in the food safety team, however due to the officer going on maternity leave, inspection was reassigned and performed by a different officer, but the name of the inspector was not changed on the Assure system. | Processes be put in place to ensure that correction information on the inspections is uploaded to Assure. | 3 | <p><i>This was a legacy issue during the covid years and as such was not the primary action. It was to get the inspections done.</i></p> <p><i>However, noted point. It has been passed to all officers to ensure that they make sure the inspections are in their name.</i></p> | Immediate | Jon Ruder |
| 4 | Delivery | According to the Council's Environmental Health Lead Food Officer, a new 'Food Service Plan' is currently being prepared and is yet to be published on the Council's website. It was observed that as at the time of audit, there was no evidence of either the current or previous year's Food Service Plan publicly displayed on the Council's website as directed by the Food Standard Agency. | In accordance with the FSA's requirements, the Council's most recent Food Service Plan be updated and uploaded to its public website. | 3 | <p><i>It is now published online.</i></p> <p>Other policies · Colchester Borough Council</p> | Complete | Jon Ruder |

Executive Summary – Homelessness and Allocations

| <div>OVERALL ASSESSMENT</div> <div></div> <div>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</div> <div>CBC strategic risk register on ST2 - Spending power</div> | <div>KEY STRATEGIC FINDINGS</div> <div><div></div><div>Up to date Process notes, Guidance documents and Strategy on Homelessness and Rough sleeping are in place.</div></div> <div><div></div><div>There is detailed information on Homelessness on the Council's website which links to Colchester Borough Homes' website.</div></div> <div><div></div><div>Testing of a sample of 20 processed homeless cases selected across the Advice and assistance, Prevention duty, Relief duty and Full duty stages found no exception.</div></div> <div><div></div><div>Monthly Housing management budget statement is prepared by the finance team and sent to the Head of Housing Options.</div></div> <div>GOOD PRACTICE IDENTIFIED</div> <div><div></div><div>A record of Homelessness indicators is maintained to measure and monitor Homeless activities however, these are not statutorily required.</div></div> | | | | | | | | |
|--|--|---------|-------------|---------|-------------|---|---|---|---|
| <div>SCOPE</div> <div>The audit reviewed the processes and controls in place with respect to Homelessness in the Council and Colchester Borough Homes.</div> | <div>ACTION POINTS</div> <table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>0</td><td>0</td><td>0</td></tr></table> | Urgent | Important | Routine | Operational | 0 | 0 | 0 | 0 |
| Urgent | Important | Routine | Operational | | | | | | |
| 0 | 0 | 0 | 0 | | | | | | |

Executive Summary – Risk Management Framework

| OVERALL ASSESSMENT | KEY STRATEGIC FINDINGS | | | | | | | | |
|---|---|---------|-------------|---------|-------------|---|---|---|---|
|  | <div><div><div>Up to date Risk Management Strategy is in place and the Council’s risk appetite is clearly defined.</div></div><div><div><div>There is no operational risk register in place and the project system is not being used by the Services to prepare and maintain project risk registers.</div></div><div><div><div>Strategic risk mitigations are not clearly split into mitigations in place and those yet to be put in place.</div></div><div><div><div>The residual score in the risk register maybe incorrect as some are tied to mitigations not yet in place and actions to be taken in the future.</div></div></div></div></div></div> | | | | | | | | |
| ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE | GOOD PRACTICE IDENTIFIED | | | | | | | | |
| Strategic Risk Register | <div><div><div>The Strategic Risk Register is reviewed on a quarterly basis by the Performance Management Board (PMB).</div></div><div><div><div>The Audit Committee reviewed the Strategic Risk Register every six months.</div></div></div></div> | | | | | | | | |
| SCOPE | ACTION POINTS | | | | | | | | |
| The audit reviewed the risk management process within the Council, to confirm that processes are operating adequately, effectively and efficiently. | <table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>3</td><td>1</td><td>0</td></tr></table> | Urgent | Important | Routine | Operational | 0 | 3 | 1 | 0 |
| Urgent | Important | Routine | Operational | | | | | | |
| 0 | 3 | 1 | 0 | | | | | | |






Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|---|---|----------|---|-------------------------------------|------------------------------------|
| 2 | Directed | <p>Mitigation actions are included in the strategic risk register for each strategic risk, but it is not clear if mitigation actions/controls have been implemented and are effective; or if there are some that are still to be implemented.</p> <p>Also, some of the mitigations are not specific and may not properly mitigate the risks. The strategic risk register has an initial risk score and a residual risk score. It is not clear if the residual score is before or after mitigation as many of the mitigations in place cannot be implemented as these are actions to be taken in the future.</p> | The mitigations in the strategic risk register be stated to show those already in place and those actions to be taken in the future if required. The basis for arriving at the residual risk score must be clearly stated and these should be based on existing controls in place. | 2 | <p><i>Mitigation to be split.</i></p> <p><i>However, it should be noted that a strategic register is not the same as an operational register. Strategic risks are those that affect or are created by an organisation's business strategy and strategic objectives. By their very nature they are not always as clear cut as operational risks and therefore the mitigation actions are sometime harder to define, as they relate to influences outside of the organisation - such as partnership issues.</i></p> | 31/03/23 | Corporate Governance Manager |
| 3 | Directed | <p>Risk registers are prepared for specific projects managed by the different services. There is a system in place for the project risk register. The Project Management environment system is on the SharePoint and accessible by all staff of the Council. The system includes the risk register module for the risk register for the projects managed by the services. From the testing of five projects across five services, it is noted that only two services use the risk management system and prepare operational project risk registers. Remaining three services do not prepare project/operational risk registers.</p> | Project risk registers be prepared for all projects carried out by the services to ensure that all operational/project risks are identified and mitigated. The services be reminded to use the Project management environment system for project risk management and usage should be monitored. | 2 | <p><i>Services will be reminded about using the project management system and the projects will be reviewed to ensure that risk registers are completed.</i></p> | 31/03/23 | Programmes and Performance Manager |

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|--|---|----------|---|-------------------------------------|---------------------------------|
| 4 | Directed | There is no Operational risk register in place, however a system is in place for project risk registers to be prepared for projects carried out by the services. However, this system is not being used effectively and currently, there is no effective process in place for identifying and mitigating non-strategic risks across the council. | A robust Operational risk management process be introduced and implemented across the services in the Council. | 2 | <i>Operational risk registers have been in place for some time, but not used effectively. Once the revised service structure has been implemented, the operational risk process will be refreshed and embedded.</i> | 31/03/23 | Corporate Governance Manager |
| 1 | Directed | There are 15 strategic risks in the strategic risk register and all the risks are allocated to a Senior Management staff member. Each risk has a title and the description of most of the risks and consequences of the risks are specific. Some of the mitigations are specific, relevant and attainable however the register does not include the dates the risks will be reviewed, outcomes from the review and the dates the risks were added | The Council to add dates risks were added and date risks were reviewed to the register as the risk register is a live document. | 3 | <i>The register is reviewed every three months by senior management team, with each risk being considered, this will be made clearer on the register. The date added will be included in the risk description.</i> | 31/03/23 | Corporate Governance Manager |

Executive Summary - Safeguarding

| OVERALL ASSESSMENT | |
|--|--|
| <div><div><div>Adequate & effective governance, risk and control processes</div><div>REASONABLE ASSURANCE</div></div><div><div>SUBSTANTIAL ASSURANCE</div><div>REASONABLE ASSURANCE</div><div>LIMITED ASSURANCE</div><div>NO ASSURANCE</div></div></div> | |
| ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE | |
| Not Applicable | |

| KEY STRATEGIC FINDINGS | |
|---|---|
|  | Up to date Safeguarding policy and procedure are place. |
|  | The Council has 30 Designated Safeguarding Officers who refer safeguarding cases to Essex County Council. |
|  | Mandatory Safeguarding courses are available via eLearning to all staff members however, compliance levels range from 66% to 45% for the three mandatory courses. |
|  | It was noted that outcomes from cases referred to Essex County Council are not always required or received from Essex County Council by the Council. |
| GOOD PRACTICE IDENTIFIED | |
|  | The annual Equality and Safeguarding report for the year 2020/21 was prepared by the Assistant Director of Communities and presented to the Governance and Audit Committee in March 2022. |

| SCOPE | |
|---|--|
| The audit reviewed evidence that the Council meet the legal duty to 'safeguard and promote the welfare of children', and to discharge legal obligations towards adults with needs for care and support. | |






| ACTION POINTS | | | |
|---------------|-----------|---------|-------------|
| Urgent | Important | Routine | Operational |
| 0 | 1 | 1 | 0 |

Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|--|--|----------|--|-------------------------------------|---|
| 1 | Directed | <p>The Safeguarding training is mandatory for all Councillors and staff members. Since the launch of new training plan in May 2021, the Mandatory trainings: Safeguarding Level 1 has been completed by only 66% of total staff. The Prevent training has been completed by 45% of total staff and the Suicide Level 1 has been completed by 51% of total staff.</p> <p>The Community Safety and Safeguarding Coordinator noted that actions are being taken to improve training completion.</p> | <p>In addition to the actions being taken to improve training compliance, development of current monitoring systems to allow regular emails to be sent to staff members on a periodic basis, reminding them to complete the mandatory trainings be implemented.</p> <p>Non-completion of trainings be followed up by managers and if required, escalated to senior managers.</p> | 2 | <p><i>Work is underway to improve completion of mandatory safeguarding themed training. This work includes review of current and alternative learning platforms and current monitoring systems.</i></p> <p><i>Regular correspondence with Managers will also take place, to ensure Managers encourage completion of training within their teams/service areas.</i></p> | 26/09/22 | Community Safety & Safeguarding Coordinator |

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-----------|--|---|----------|---|-------------------------------------|---|
| 2 | Directed | <p>Testing of a sample of 15 referrals noted all the cases were referred to Essex County Council (ECC) and each case was investigated with findings/summary of concerns documented.</p> <p>However, final outcomes for each case were sought and communicated by ECC to the Council in only five of the 15 cases tested. The Community Safety and Safeguarding Coordinator noted that it is not in the policy for Designated Safeguarding Officers (DSOs) to currently follow up on cases unless they specifically wish to do so. This is being reviewed and it is noted that going forward, DSO's will be encouraged to request a follow up/outcome when submitting a referral however It is not mandatory for ECC to provide this.</p> | <p>The Council to hold discussions with ECC to establish the feasibility of providing referral outcomes back to CBC staff.</p> <p>Also, additional training requirements of Designated Safeguarding Officers (DSOs) be determined to enable development of working relationships with ECC Adult Social Care and Children/Families Hub, regarding requesting referral outcomes thus increasing best practice within the Council.</p> | 3 | <p><i>Work is underway to improve the working relationship between CBC and ECC, in obtaining feedback on referrals where possible (it is not mandatory for ECC to provide feedback).</i></p> <p><i>Quarterly DSO workshops take place, in which additional/increased training requirements are discussed and implemented where appropriate.</i></p> | 26/09/22 | Community Safety & Safeguarding Coordinator |

Executive Summary – Conflict of Interest (Secondary Employment)

| OVERALL ASSESSMENT | KEY STRATEGIC FINDINGS | | | |
|---|---|---|---|--|
| <div><div><div>Adequate & effective governance, risk and control processes</div><div>SUBSTANTIAL ASSURANCE</div></div><div><div>SUBSTANTIAL ASSURANCE</div><div>REASONABLE ASSURANCE</div><div>LIMITED ASSURANCE</div><div>NO ASSURANCE</div></div></div> | <div><div></div><div>Up to date Secondary/Additional Employment and working hours Policy is in place and accessible by staff members.</div></div> | <div><div></div><div>Processes are in place to encourage staff members to declare secondary employment and the Secondary/Additional Employment Request Form is accessible to staff members on COLIN.</div></div> | <div><div></div><div>Testing of a sample of 25 staff members of the 82 on the secondary employment list found that Secondary/Additional Employment Request Form were completed and approved by the relevant line managers.</div></div> | <div><div></div><div>Dates of review of secondary employment by line managers are noted on iTrent and nine of the 82 secondary employments are overdue for review. These reviews have been followed up by HR.</div></div> |
| ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE | GOOD PRACTICE IDENTIFIED | | | |
| <div>n/a</div> | <div><div></div><div>Staff members with secondary employment are clearly identified on iTrent and there are currently 82 staff members with secondary employment in the Council.</div></div> | | | |
| SCOPE | ACTION POINTS | | | |
| <div>The audit focussed on the processes for managing staff conflict of interest and processes in place to ensure that staff are not engaged with other employers in contravention of their contracts with the Council.</div> | <div><div>Urgent</div><div>0</div></div> | <div><div>Important</div><div>0</div></div> | <div><div>Routine</div><div>0</div></div> | <div><div>Operational</div><div>0</div></div> |

Progress against Annual Plan

| System | Planned Quarter | Current Status | Comments |
|---|-----------------|--------------------|--|
| Human Resources and Payroll | 1 | Final report | |
| Waste Management | 1 | Draft report | |
| Risk Management Framework | 1 | Final report | |
| IT Virtual environment (New way of working) | 1 | Delayed | IT Manager left Council. Scope being agreed with new manager |
| Environmental Health | 1 | Final report | |
| CCHL / CBC contract management and governance | 2 | Draft report | |
| Accounts Receivable (Debtors) – Cash Management | 2 | Final report | |
| Homelessness/Allocations | 2 | Final report | |
| Safeguarding | 2 | Final report | |
| Fraud and Corruption | 2 | Final report | |
| Corporate Health and Safety | 2 | APM issued | Audit moved to Quarter 4 as Manager left the Council |
| Conflict of interest (Staff working with other employers) | 3 | Final report | |
| Cyber Security | 3 | Delayed | IT Manager left Council. Scope being agreed with new manager |
| Helpline and use of CCTVs | 3 | Audit scope agreed | |
| Museums - Merged Services | 3 | | |
| Parking Services Income / Partnership | 3 | Work in progress | |
| Events Management | 3 | Audit scope agreed | |

| System | Planned Quarter | Current Status | Comments |
|---|-----------------|--------------------|----------|
| Key Financial Control (Including key controls from Council tax and NNDR, Housing benefit) | 4 | Audit scope agreed | |
| Leisure World | 4 | Audit scope issued | |
| Carbon Reduction | 4 | | |
| Right to Buy (Joint with CBH) | 4 | | |
| Allocation for CCHL | 4 | | |





KEY:




| | | | | | | | |
|--|-----------------|--|---------------------|--|---------------------|--|---------------------|
| | To be commenced | | Site work commenced | | Draft report issued | | Final report issued |
|--|-----------------|--|---------------------|--|---------------------|--|---------------------|

Briefings on developments in Governance, Risk and Control



TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Fraud Alerts issued in the last three months which may be of relevance to Colchester Borough Council is given below. Copies of any CBNs are available on request from your local TIAA team.


Summary of recent Client Briefing Notes (CBNs)

| CBN Ref | Subject | Status | TIAA Comments |
|----------|--|--|--|
| CBN22019 | Internal Audit: Untapped Potential |  | Action Required: Audit Committees and Boards / Governing Bodies are advised to note the report. |
| CBN22022 | Public Sector Readiness for Net Zero Carbon by 2030 |  | Action Required: Audit Committees and Boards / Governing Bodies are advised to note the report and consider the action their organisation is taking in relation to net zero carbon readiness. |
| CBN22023 | UK Government reveals new Data Protection rules |  | Action Required: For Information Only Audit Committees and Boards / Governing Bodies are advised to familiarise themselves with the response document in line with current Data Protection practices. |
| CBN22024 | ICO sets out revised approach to Public Sector enforcement |  | Action Required: For Information Only Audit Committees and Boards / Governing Bodies are advised to note this information |

| CBN Ref | Subject | Status | TIAA Comments |
|----------|---|--|---|
| CBN22026 | Rise in Environmental, Social and Governance and supply chain fraud |  | For Information Only: Audit Committees and Boards / Governing Bodies are advised to note the outcome of the survey. |
| CBN22030 | Government Response – Consultation on extending National Fraud Initiative data matching to new purposes |  | No Action Required: For information only to Audit Committees and Boards/Governing Bodies. |
| CBN22031 | Five-year local authority audit procurement results announced |  | Action Required: Audit Committees and Boards / Governing Bodies are advised to familiarise themselves with the new guidance. |

Summary of recent Fraud Alerts

| Ref | Subject | Status | TIAA Comments |
|------|-------------------|--|---|
| 0000 | Mandate Fraud |  | Action Required Before changing any supplier bank account details (direct debit, standing order or bank transfer mandate), always contact the supplier using established contact details in existing records and not from information supplied in a change request. Read the NHS Counter Fraud Authority quick guide on mandate fraud prevention. Check if your organisation makes any payments to Mitie and be alert to correspondence requesting a change of bank details. If you think that your organisation has been a victim of mandate fraud, please notify your bank immediately to attempt to recover lost funds and alert your Anti-Crime Specialist. |
| 0000 | Procurement Fraud |  | Action Required This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you or your organisation has fallen victim to fraud you should contact your internal audit provider or follow your internal procedures for reporting fraud. |

| Ref | Subject | Status | TIAA Comments |
|------|---------------------------------------|--|---|
| 0000 | Worker sues hospital over data breach |  | <p>Action Required</p> <p>Ensure that staff details and medical history are respected and treated in the same manner as if it were a patient or other confidential information and issue a reminder to all staff members advising of the above breach. Ensure that all documents contain only the information that is necessary and do not include additional confidential information that may be inadvertently shared with colleagues. Ensure that staff know policies and procedures on how to raise a personal data breach and that systems on how to do this are clear and easily accessible.</p> |

13 March 2023

| | | | |
|-----------------------|------------------------------------|---------------|-----------------------|
| Report of | The Monitoring Officer | Author | Hayley McGrath |
| Title | Internal Audit Plan 2023/24 | | ☎ 508902 |
| Wards affected | Not applicable | | |

1.0 Executive Summary

- 1.1 The Accounts and Audit Regulations 2015 require that 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'
- 1.2 To ensure that the Council complies with these requirements it maintains a five-year program of the key areas to be audited, then annually a plan is agreed with management about the specific areas to be covered during the next financial year. The annual plan is then submitted for committee approval.

2.0 Recommended Decision

- 2.1 The committee are asked to consider and agree the suggested Internal Audit plan for 2023/24, shown in appendix 1.

3.0 Reason for Recommended Decision

- 3.1 Internal Audit is a key element of the Council's Corporate Governance framework. A relevant and comprehensive audit programme, and implementation of audit recommendations, gives assurance to members and management that services are operating effectively, efficiently and economically and in accordance with legislative requirements and professional standards.

4.0 Alternative Options

- 4.1 The alternative is to not agree a plan for 2023/24 and to decide on an ad-hoc basis which areas are to be audited during the year. However, this option will not ensure that all key controls are audited and will reduce the effectiveness of the internal audit service.

5.0 Background Information

- 5.1 The Council operates a five-year program that provides an overview of the areas that require assurance. During the program period it is anticipated that service delivery will change, therefore an annual plan, that identifies the specific audits for the coming year, is agreed with senior management and members. Fundamental systems, such as the key financial controls, need to be reviewed every year to provide assurance for the final accounts process.
- 5.2 The current Internal Audit contract provides for 300 auditing days a year. For 2023/24 a total of twenty-nine days are allocated to follow-ups and management, leaving 271 days to be allocated to other areas.
- 5.3 The Corporate Governance Manager has discussed the plan and timings with senior managers to ensure that there is commitment in supporting the auditors whilst carrying out the reviews. It has also been agreed with the Council's external auditors.
- 5.4 It should be noted that the proposed audit plan for 2023/24 reflects the current organisational services and objectives. It is proposed that a detailed review of the plan will be carried out early in the financial year, to reflect the council's transformation ambitions, to ensure that the audit programme continues to provide assurance that the Council's objectives are being delivered. This will be reported back to the committee as part of the mid-year review.

6.0 Colchester Borough Homes & Colchester Commercial Holdings Ltd

- 6.1 Colchester Borough Homes (CBH) have their own agreed audit plan which is administered by the Council's auditors. The coverage of the plan is decided by CBH and is not reported to this committee.
- 6.2 However there are a few CBH systems that involve input from the Council, and it is appropriate that in these circumstances the audit resource required to provide assurance is shared by, and reported to, both organisations. In 2023/24 there is one 'shared' audit. Housing Rents.
- 6.3 The audit plan has been arranged to reflect the Council's commercial activities and several audits have been identified as coming under Colchester Commercial Holdings Ltd (CCHL). However, the Council will require assurance over specific income areas, especially in the first few years of operation, therefore there are some key areas for review (joint audits) identified on the CBC plan, along with a general allowance for CCHL to decide how to use, which has been set at eighteen days.

7.0 Strategic Plan References

- 7.1 The audit plan has been set with due regard to the identified key strategic risks to the Council, therefore ensuring the effectiveness of the processes required to achieve the strategic objectives.

8.0 Risk Management Implications

- 8.1 Agreeing an audit plan enhances the ability of the Council to control its risks and therefore will support the internal control process.

9.0 Environmental and Sustainability Implications

9.1 There are no environmental or sustainability implications as a result of this report.

10. Other Standard References

10.1 There are no particular references to consultation or publicity considerations or financial; community safety or health and safety implications.

Appendices

Appendix A – Draft Internal Audit plan for 2023/24.



Colchester City Council

Indicative Audit Strategy 2023/26 and Annual Plan 2023/24

2023/24

March 2023

DRAFT



OVERVIEW

Introduction

The Audit Plan for 2023/24 has been informed by a risk assessment carried out across our Local Authority clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for Local Authority in terms of the macroeconomic and financial environment, spiralling costs and the labour market. We have identified a number of key areas which will individually and collectively affect the sector in various ways; these require consideration when planning internal audit coverage.

Macroeconomic and financial environment: The UK economy has experienced a sequence of significant events including Brexit, the pandemic and the conflict in Ukraine. Further challenges lie ahead as the government seeks to cut spending and raises taxes to plug the gap in the UK's finances. Rapid and increasingly prolonged inflation, rising interest rates, shortages in the labour market and continuing supply chain disruption are leading to increased costs and a challenging financial situation for many.

Increasing wage demands: One of the consequences of the economic situation is demands for significant pay increases to help combat the effect of inflation and a perceived lack of pay progression for over a decade. This has seen strike action taking place or planned by rail workers, postal workers, lecturers, bus drivers and nurses. This will put pressure on organisational budgets and present challenges in recruitment.

Cyber security: This continues to be one of the highest ranked risks for organisations and shows no sign of going away. The widespread move to remote working and increased online service delivery has made organisations more vulnerable to phishing, malware, and ransomware attacks, particularly where there has been a lack of investment in infrastructure.

Climate change: Global warming can lead to physical, operational, financial and reputational risks arising. 'Loss and damage' - the phrase used to describe the destruction being wrought by the climate crisis - will remain high on the agenda. Aside from the obvious environmental impact, climate change can stress local economies, threaten business models and pose widespread disruption to organisations.

The impact on government: Individually and collectively, the current climate will present many challenges for local authorities. Public finances have been under tremendous and historic pressure in recent years and local authorities face significant challenges to their financial sustainability. High levels of inflation and energy costs and higher than expected forecasts of the National Living Wage mean that councils are facing significant additional cost pressures. Transformation and modernisation are essential for councils to make the most of operating and financial efficiencies and seize the opportunities that can come from modern service delivery.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2023/24 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Entity's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2023/24, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing Entity and those within the sector and has been developed with senior management and Committee.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model.

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Entity. We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Entity. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where Entity agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the designated officer and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

| | |
|--------------------------|------------|
| Date plan issued: | March 2023 |
|--------------------------|------------|

APPENDIX A: ROLLING STRATEGIC PLAN

| Review Area | BAF/Risk Ref | Type | *Optional | 2023/24 | 2024/25 | 2025/26 |
|---|--------------|-----------|-----------|---------|---------|---------|
| Governance | | | | | | |
| Corporate Governance (including Succession planning) | | Assurance | | | | ✓ |
| Complaints management | | Assurance | | ✓ | ✓ | |
| Council Governance of Subsidiary companies | | Assurance | | ✓ | | |
| Equality, Diversity and Inclusivity | | Assurance | * | | ✓ | |
| Performance Management (including staff training) | | Assurance | | | | ✓ |
| Risk | | | | | | |
| Risk Management Framework | | Assurance | | | | ✓ |
| Conflict of interest (Staff working with other employers) | | Assurance | | | ✓ | |
| ICT | | | | | | |
| Use of Social Media | | Assurance | * | | | ✓ |
| Mobile Device Management | | Assurance | | | ✓ | |
| Cyber Security | | Assurance | | ✓ | | |
| Finance | | | | | | |
| Procurement | | Assurance | | ✓ | | ✓ |
| Budgetary Control | | Assurance | | ✓ | | ✓ |
| Key Financial Control | | Assurance | | ✓ | ✓ | ✓ |
| Accounts Receivable (Debtors) – Cash Management | | Assurance | | | ✓ | |
| Contract Management | | Assurance | | ✓ | | |
| CCHL / CBC contract management and governance | | Assurance | * | | ✓ | |
| Other audits | | | | | | |
| Council Tax and NNDR | | Assurance | | ✓ | ✓ | ✓ |

| Review Area | BAF/Risk Ref | Type | *Optional | 2023/24 | 2024/25 | 2025/26 |
|--|--------------|-----------|-----------|---------|---------|---------|
| Housing Benefit | | Assurance | | ✓ | ✓ | ✓ |
| Staff wellbeing and Sickness absence | | Assurance | | ✓ | | ✓ |
| Human Resources and Payroll | | Assurance | | ✓ | | |
| Working with Volunteers and Police (Partnership services and Community safety) | | Assurance | | ✓ | | ✓ |
| Homelessness/Allocations (Joint with CBH) | | Assurance | | | | ✓ |
| Licensing | | Assurance | | | ✓ | |
| Safeguarding | | Assurance | | | | ✓ |
| Helpline and use of CCTVs | | Assurance | | | ✓ | |
| Environmental Health | | Assurance | | | | ✓ |
| Waste Management | | Assurance | | | ✓ | |
| Fleet Management and Fuel Usage | | Assurance | | ✓ | | |
| Tendring Colchester Borders project | | Assurance | * | | ✓ | |
| Leisure World | | Assurance | | ✓ | ✓ | ✓ |
| Carbon Reduction | | Assurance | | | | ✓ |
| Fraud and Corruption (LCFS) | | Assurance | * | | ✓ | |
| Climate Emergency | | Assurance | | | ✓ | |
| Business Continuity | | Assurance | | ✓ | | |
| Corporate Health and Safety | | Assurance | | | | ✓ |
| Housing Needs and Private Sector Housing | | Assurance | | | ✓ | |
| Right to Buy (Joint with CBH) | | Assurance | | | | ✓ |
| Housing Rents (Joint with CBH) | | Assurance | | ✓ | | |
| Planning and Development (Including S106) | | Assurance | | | | ✓ |
| Events Management | | Assurance | | | ✓ | |
| Museums - Merged Services | | Assurance | | ✓ | ✓ | ✓ |

| Review Area | BAF/Risk Ref | Type | *Optional | 2023/24 | 2024/25 | 2025/26 |
|--|--------------|------------|-----------|---------|---------|---------|
| Parking Services Income / Partnership | | Assurance | | | ✓ | ✓ |
| Health Alliance arrangements and benefits to residents | | Assurance | | ✓ | | |
| Delivery of Housing Strategy and outcomes | | Assurance | | ✓ | | |
| Allocation for CCHL | | Assurance | * | ✓ | ✓ | ✓ |
| Management and Planning | | | | | | |
| Follow Up | | Follow Up | | ✓ | ✓ | ✓ |
| Annual Planning | | Management | | ✓ | ✓ | ✓ |
| Annual Report | | Management | | ✓ | ✓ | ✓ |
| Audit Management | | Management | | ✓ | ✓ | ✓ |
| Total Days | | | | 300 | 300 | 300 |

APPENDIX B: ANNUAL PLAN – 2023/24

| Quarter | Review | Type | Days | High-level Scope | Prog Ref | Review Type |
|---------|--|-----------|------|---|----------|-------------|
| 1 | Human Resources and Payroll | Assurance | 12 | Review of starters, leavers, changes to the payroll and accuracy of monthly payroll. The Human Resources element will be confirmed (Suggested areas include Recruitment and Retention, staff appraisals). | G2009 | Assurance |
| 1 | Complaints management | Assurance | 10 | Review of the processes for managing and resolving customer complaints for selected services. | B000 | Assurance |
| 1 | Health Alliance arrangements and benefits to residents | Assurance | 12 | Review evidence of Health Alliance arrangements and benefits obtained by residents from the arrangements. | G2040 | Assurance |
| 1 | Procurement | Assurance | 12 | Procurement process, decision making and waivers. Follow up of 21/22 findings. | B000 | Assurance |
| 1 | Budgetary Control | Assurance | 10 | Budgetary control processes and management of unrealised income streams | B000 | Assurance |
| 2 | Council Governance of Subsidiary companies | Assurance | 12 | Arrangements in place by the Council to regularly monitor the governance processes in the subsidiary companies. | B000 | Assurance |
| 2 | Council Tax and NNDR | Assurance | 12 | Key controls within CTAX and NNDR, collection rates, valuations, arrears control, discounts and payment holidays. | B000 | Assurance |
| 2 | Delivery of Housing Strategy and outcomes | Assurance | 12 | Review of progress made on the delivery of the housing strategy. | B000 | Assurance |
| 2 | Safeguarding | Assurance | 12 | Scope to be determined with the relevant leads. | G2039 | Assurance |
| 2 | Staff wellbeing and Sickness absence | Assurance | 12 | Controls and processes are in place to manage and minimise staff sickness absences and proactively ensure staff wellbeing. | B000 | Assurance |
| 2 | Business Continuity | Assurance | 12 | Adequacy and effectiveness of controls in place at the Council for managing the business continuity planning process and ensuring that the Council is resilient to disruptive events that may impact upon the organisation. | B000 | Assurance |
| 3 | Contract Management | Assurance | 12 | Review of existing contracts, what contracts are needed for the future, how they will change, decision making, planning for future contracts. | B000 | Assurance |
| 3 | Cyber Security | ICT | 10 | Controls and processes in place to ensure cyber safety and prevent cyber fraud and attacks. | B000 | ICT |
| 3 | Fleet Management and Fuel Usage | Assurance | 12 | Controls and processes in place for managing Council owned fleet of vehicles and monitoring of fuel usage. | B000 | Assurance |
| 3 | Museums - Merged Services | Assurance | 12 | Policies & procedures, accounting for income, refunds, security & keys, stock control, exhibit inventory, insurance. | B000 | Assurance |

| Quarter | Review | Type | Days | High-level Scope | Prog Ref | Review Type |
|------------|--|-------------|------|--|----------|-------------|
| 3 | Working with Volunteers and Police (Partnership services and Community safety) | Assurance | 12 | Effectiveness of working arrangements with volunteers and the Police. Partnership services and arrangements in place for community safety. | B000 | Assurance |
| 3 | Housing Rents (Joint with CBH) | Assurance | 12 | Review of the process of collecting and recovering housing rent arrears. | B000 | Assurance |
| 4 | Key Financial Control | Assurance | 20 | Income and Debtors; Creditors; Treasury Management and General Ledger. | G2007 | Assurance |
| 4 | Leisure World | Assurance | 12 | Cash collection, scale of charges, hire of facilities, credits/refunds, machine income, stock control, vetting of instructors | G2057 | Assurance |
| 4 | Housing Benefit and LCTS | Assurance | 13 | Key controls within HB and CTS, impact on higher cases, special payments, CIC, overpayments, universal credit | B000 | Assurance |
| 4 | Allocation for CCHL | Assurance | 18 | Scope to be determined by CCHL | B000 | Assurance |
| 1 - 4 | Contingency | Contingency | 10 | Contingency | | Contingency |
| 1 – 4 | Follow-up | Follow up | 10 | Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Housing Association are implementing recommendations, and providing reports to the Audit Committee. | | |
| 1 | Annual Planning | Management | 4 | Assessing the Local Government's annual audit needs. | | |
| 4 | Annual Report | Management | 3 | Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement. | | |
| 1 – 4 | Audit Management | Management | 12 | This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings). | | |
| Total days | | | 300 | | | |

APPENDIX C: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Entity and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Audit Committee.

Definition of Internal Auditing

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

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Entity's senior management and governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Entity's activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Entity's management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

As well as providing the required level of assurance, TIAA's may engage in consultancy activity that contributes to the overall assurance that can be delivered to the Audit Committee.

TIAA may also conduct any special reviews requested by the Board, Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Entity and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Entity and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Entity's management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Entity's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Entity and additional time will be required to carry out such testing. Entity is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with Entity's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Audit Committee Responsibility

It is the responsibility of Entity to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Audit Committee is also approving the Internal Audit Charter.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Entity's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gratings

We use four levels of assurance assessments as set out below.

| | |
|-----------------------|--|
| Substantial Assurance | There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved. |
| Reasonable Assurance | The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved. |
| Limited Assurance | The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved. |
| No Assurance | There is a fundamental breakdown or absence of core internal controls requiring immediate action. |

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

| Performance Measure | Target |
|---|--------|
| Completion of planned audits. | 100% |
| Audits completed in time allocation. | 100% |
| Draft report issued within 10 working days of exit meeting. | 100% |
| Final report issued within 10 working days of receipt of responses. | 100% |
| Compliance with TIAA's audit charter and PSIAS/IIA Standards. | 100% |

13 March 2023

Report of

The Monitoring Officer

Author

Hayley McGrath
508902

Title

Interim Review of the Annual Governance Statement 21/22 Action Plan

Wards
affected

Not applicable

1. Executive Summary

- 1.1 This report reviews the implementation of the actions highlighted on the 2021/22 Annual Governance Statement (AGS), which was reported to the Governance and Audit Committee in June 2022. The report included an action plan for issues to be resolved during the current financial year (2022/23).
- 1.2 The annual governance review should be an ongoing process, therefore it is essential to ensure that issues identified in the AGS are monitored. Accordingly, these issues have been discussed with the relevant lead officers, and the action plan has been updated with the progress made. The updated action plan is included at appendix 1.
- 1.3 The key messages are that there has been progress against all of the issues identified in the action plan, and, so far, the external audit of the final accounts for 2021/22 has not raised any concerns with the Annual Governance Statement or the action plan.

2. Recommended Decision

- 2.1 Consider and comment on the work undertaken to implement the current Annual Governance Statement action plan.

3. Reason for Recommended Decision

- 3.1 Part 2 (3 & 6) of the Accounts and Audit Regulations 2015 requires the Council to ensure that it operates a sound system of internal control and to conduct an annual review of the effectiveness of its governance and internal control arrangements. The findings from this review, the Annual Governance Statement, must be reported to and approved by committee before being signed by the Leader of the Council and the Chief Executive, and then published for public inspection.
- 3.2 The regulations require the statement to be accompanied by an action plan for improving any issues identified. The CIPFA/SOLACE 'Good Governance' guidance highlights that the annual governance review should be a robust ongoing assessment, not just an annual year end exercise. Therefore, it is essential to ensure that governance issues are considered during the year, and it was agreed that an interim report regarding progress against the action plan would be provided to this committee

4. Alternative Options

- 4.1 There are no alternative options to consider

5. Equality, Diversity and Human Rights implications

- 5.1 There are no equality, diversity or Human Rights implications as a result of this report.

6. Strategic Plan References

- 6.1 The achievement of the strategic plan requires a sound system of governance to ensure the effective delivery of services. Therefore, improving on existing governance arrangements will help to ensure that the strategic plan objectives can be achieved.

7. Risk Management Implications

- 7.1 Risk Management is a fundamental part of the Governance process and a failure to implement the action plan may have an effect on the ability of the Council to control its risks.

8. Environmental and Sustainability Implications

- 8.1 There are no environmental or sustainability implications as a result of this report.

9.1 Other Standard References

- 9.1 There are no particular references to consultation, publicity considerations or financial; community safety or health and safety implications.

10. Appendices

- 10.1 Appendix A – Annual Governance Statement Action Plan for 2022/23, updated Jan 23.

DRAFT
Colchester City Council
Annual Governance Statement – Action Plan for 2022/23
Interim Review January 2023

Significant Internal Control Issues – Relating to 2021/22 Financial Year

| No. | Issue | Action | Due Date | Responsible Officer | Position Update |
|-----|--|--|----------|---|--|
| 1. | <p>Procurement</p> <p>There were two audits undertaken during the year that resulted in a limited assurance rating. One of these was an overview of the procurement process and the other related to the procurement and management of a specific supplier. Both audits highlighted concerns around formal tender and selection processes, aggregated spend and formal documentation including procedure rules.</p> | <p>The recommendations from the audits have been accepted and will be monitored as part of the follow-up process. Progress will be reported to the G&A committee as part of the audit monitoring report.</p> | 31/12/22 | Assistant Director Customer | <p>The recommendations are in the process of being completed and will be continue to be monitored as part of the audit programme</p> |
| 2. | <p>External Audit Implications</p> <p>Whilst the Council cannot control the delivery of the external audit of the accounts, The Use of Resources assessment (that provides detail on areas of suggested improvement) for 20/21 is not now due to be received until September 2022. The failure of the External Audit contractor to deliver a timely service in assessing the Council's accounts could potentially mean that a financial governance issue is not resolved, and ultimately may impact on external assessment and partner challenge.</p> | <p>Pressure will continue to be applied on the External Auditors to deliver the reports as currently expected. This is an issue that is affecting many authorities currently, and the Council will continue to monitor national actions relating to external audit delivery.</p> | 31/12/22 | Assistant Director Corporate & Improvement Services | <p>The external audit of the 20/21 accounts has still not been completed. Pressure is still being applied on the auditors to deliver the accounts, but no firm timescale has been received from them. This is not an issue specific to CCC, and CCC is liaising with other authorities who are experiencing the same issues.</p> |

Appendix 1

| No. | Issue | Action | Due Date | Responsible Officer | Position Update |
|-----|---|--|----------|----------------------------|--|
| 3 | <p>Company Governance</p> <p>The Council's holding company, Colchester Commercial Holdings Ltd, has now been operating for four years. It is therefore appropriate that the governance arrangements for the company are reviewed to ensure that they are operating as anticipated, in particular financial governance processes. This includes systems in place at the company, including financial management and reporting, as well as board responsibilities and skill set.</p> | <p>A review of the effectiveness of current company governance and financial arrangements will be undertaken, by an external advisor, during 22-23 with recommendations to considered at a future G&A meeting.</p> | 31/03/23 | Executive Director (Place) | <p>Following an LGA corporate Peer Review, two specific external reviews of CCHL have been undertaken, one by Ethical Consulting and one by CIPFA. The Ethical Consulting report has been reported to the G&A cttee and the CIPFA report is due shortly. The reviews have highlighted some issues that have resulted in the creation of an action plan, overseen by senior CCC officers. Progress will be regularly reported to the cttee as the action plan is implemented.</p> |

13 March 2023

| | | | |
|-----------------------|--|---------------|-----------------------------------|
| Report of | The Monitoring Officer | Author | Hayley McGrath ☎ 508902 |
| Title | Risk Management Progress Report | | |
| Wards affected | Not applicable | | |

1. Executive Summary

- 1.1 Effective management of risk is essential to ensuring that the Council's aims and objectives are achieved. This report provides members with an overview of the Council's risk management activity during the period from 01 April to 30 September 2022.
- 1.2 The Council has a comprehensive risk management process that is embedded across the organisation. This includes a strategic risk register, which is the responsibility of the senior management team, operational risk registers which are produced by each service and specific risk mitigation initiatives.
- 1.3 The key strategic risks are:
 - Impact of decisions made by key partner organisations
 - Council funding for 2022/23.
 - Cyber security and potential attacks.
 - Staff wellbeing.
 - Impacts of the cost of living crisis.

2. Recommended Decision

- 2.1 Consider and comment on the Council's progress and performance in managing risk during the period from April to September 2022.
- 2.2 Consider and comment on the current strategic risk register.

3. Reason for Recommended Decision

- 3.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance and Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 3.2 Six monthly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

4. Alternative Options

- 4.1 There are no alternative options to consider.

5. Background Information

- 5.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes, to ensure that risks are properly considered and reduced as far as practicable.
- 5.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long-term goals of the Council
 - Operational – risks related to the day-to-day operation of services
 - Project – the delivery risks of specific initiatives.
- 5.3 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. A high score does not mean that a risk has, or will definitely, occur.
- 5.4 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise, there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore, some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

6. Work undertaken during the period

- 6.1 A significant amount of the risk management activity during the period has been in relation to reviewing the governance arrangements for the Council. The changes to the senior management structure started in the period, and work progressed with reviewing the governance and risk processes to reflect the transformation programme.
- 6.2 The Corporate Governance Manager and Health and Safety Advisor undertook a spot check of waste services, to ensure that appropriate processes were in place to ensure that vehicle risks were managed as far as practicably possible. This involved investigation of a hypothetical incident, to ensure that correct procedures were followed. There were no significant concerns, however some improvements were identified in relation to correct record keeping.
- 6.3 The Council risks and insurance requirements for the Northern Gateway development have been reviewed, in conjunction with the Council's insurers, to ensure that there is appropriate cover in place.
- 6.4 An Internal Audit of the Risk Management function was undertaken in September 2022. This resulted in four recommendations relating to the clarification of mitigating actions on the strategic register, enforcing the use of the project risks process, overhaul of the operational risk process and dating reviews of the risks. These recommendations have all been agreed and are being implemented as part of the review of governance processes.
- 6.5 Following on from the last report to this panel in July 2022, the revised risk management strategy has been agreed by Cabinet and full Council, without amendment, and the policy framework has been updated accordingly.

7 Strategic Risk Register

7.1 The current strategic risk register is attached at appendix A with the score matrix attached at appendix B. The register was reviewed by senior management in December 2022.

7.2 The following risks were amended as a result of the review:

- Risk ST4, the ongoing, and recovery, impacts of the COVID-19 pandemic. The impact was decreased to 3 (from 4) to reflect the current infection situation. This has resulted in the residual risk now being rated as medium (previously high).
- Risk CO3, Financial Equality. It is felt that the changes implemented in the Customer team, to focus on financial and employment support for customers, has prevented the need for crisis intervention in many cases. However, it is recognised that there are still significant increases in the cost of living, therefore, the impact has been increased to 4, from 3, resulting in a residual risk rating of high (previously medium).

8. Equality, Diversity and Human Rights implications

8.1 There are no equality, diversity or Human Rights implications as a result of this report.

9. Strategic Plan References

9.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore, the risk process supports the achievement of the strategic objectives.

10. Risk Management Implications

10.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

11. Environmental and Sustainability Implications

11.1 There are no environmental or sustainability implications as a result of this report.

12. Other Standard References

12.1 There are no particular references to consultation or publicity considerations or financial, community safety or health and safety implications.

Appendices

Appendix 1 – The strategic risk register

Appendix 2 – Strategic risk register score matrix

Colchester City Council Strategic Risk Register
Governance & Audit Cttee 13 March 23

| Ref | Risk Title | Strategic Plan / Recovery Strand link | Description | Score Category | Initial Score | | | RATING | Consequences | Mitigation | Lead | Residual Score | | |
|-----|------------------------|---------------------------------------|---|----------------------|---------------|---|----|-----------|--|--|--|----------------|---|----|
| | | | | | P | I | O | | | | | P | I | O |
| ST3 | Partnership Commitment | Strategic | Change of direction / policy within key partner organisation and they revise input / withdraw from projects. Increased risk due to partners having to review service provision in response to the impacts of Covid-19 on their business. This has specifically increased with the replacement of the Clinical Commissioning Group by the Integrated Care Board from 01 July 22, as CBC is more remote from the direct decision making processes that impact the wellbeing of local residents. | Corporate Objectives | 5 | 4 | 20 | Very High | The cost of service delivery is increased however quality decreases. Failure to deliver key priorities. Reputational and financial loss by the Authority. Failure to deliver expected outcomes through partnerships. Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner. External assessment of the Councils partnerships are critical and score poorly. | Set a formal relationship / performance review process to be used by all partnerships and ensure results are reported to senior management. Ensure that Exec Board and Leadership review partnerships on a regular basis. Embed Scrutiny Cttee process for key partnerships including CBH and the Safer Colchester Partnership. | Strategic Director, Policy & Place | 4 | 4 | 16 |
| | | | Previous score Mar 22 | | 4 | 3 | 12 | | | | | 3 | 3 | 9 |
| ST4 | Covid-19 Pandemic | Service Provision | The impacts of the COVID-19 pandemic continue to be felt on the council, the community, our customers and the economy. There are still high levels of infection, although the impact is generally lessbut it is combined with potential seasonal illnesses such as winter flu. | Service Delivery | 3 | 4 | 12 | High | The ongoing and future impacts of the COVID-19 pandemic including service and staff resilience and shortages, including through self-isolation, additional service pressures, short term changes in policy and alert status disrupting delivery of strategic priorities, impacts on service delivery with additional cost pressures and potentially reduced income levels alongside additional work to support recovery. | Delivery of the revised Strategic Plan which incorporates recovery objectives and additional burdens (e.g. outbreak controls). Specific recovery actions, including Reopening of the High Street, being monitored through the project management process. Maximise the use of available government support including income loss grant. | Chief Operating Officer | 3 | 3 | 9 |
| | | | Previous score Jun 22 | | 4 | 4 | 16 | | | | | 3 | 4 | 12 |
| ST2 | Spending Power | Finance | Previous Government spending reviews will impact on Council funding for 2022/23, with the Ministry for Housing, Communities and Local Government not one of the departments with 'protected' departmental expenditure limits (DEL). | Finance | 4 | 4 | 16 | Very High | Changes could be favourable or adverse for the Council's funding. If adverse, the Council could lose the opportunity to develop further, may have enforced changes to service delivery and covid recovery. Adverse impact on local residents / resources. Missed opportunities to boost local economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services. | Maintain a constant review of the budget situation, including the impact of decisions from central government. Identify additional actions and areas for increasing income as necessary, including through the Council's Transformation Programme. Reduce reliance on New Homes Bonus to support the base budget. Lobby Government for a fair, multi-year funding settlement. | Chief Operating Officer | 4 | 3 | 12 |
| SP3 | Cyber Security | Service Provision | The Council suffers a successful cyber attack on it's computer systems. There has been an increasing frequency of national attacks, including on Tendring DC in Dec 21. The ever increasing sophistication of phishing attacks increases the likelihood of officers and members inadvertently opening malware emails. | Technology | 4 | 4 | 16 | Very High | Potentially severe disruption to core services, with financial, legal and reputational impacts for the Council, and potentially significant harm caused to residents. | Ongoing review of IT policies and protocols to ensure that they are fit for purpose and implement a training program for all staff and members. Implementing defined action plans to rapidly respond to any attacks on our systems to help minimise any potential damage. CBC suffered a targeted cyber attack in December 2020, which was successful in breaching the security protocols. However the activation of the rapid response plans to lock accounts, reset all passwords and introduce new measures (including multi factor authentication for all users) were effective in limiting the impact and demonstrated the effectiveness of the mitigation measures in place. | Strategic People & Performance Manager | 4 | 3 | 12 |

| | | | | | Initial Score | | | | | | | | Residual Score | | |
|-----|----------------------|---------------------------------------|--|----------------------|---------------|---|----|-----------|--|---|--|---|----------------|----|--|
| Ref | Risk Title | Strategic Plan / Recovery Strand link | Description | Score Category | P | I | O | RATING | Consequences | Mitigation | Lead | P | I | O | |
| SP5 | Staff Wellbeing | Service Provision | The sustained response to the pandemic to ensure continued (and additional) service delivery, results in staff reaching their personal resilience levels, leading to physical impacts on individual officers and organisational fatigue. | Resources | 4 | 4 | 16 | Very High | An unwarranted sense of 'personal failure' for some staff who put pressure on themselves to perform at a certain level, that is not sustainable. Decline in service performance. Efficiency and productivity reduction. Inability to meet changing requirements and needs. Insufficient capacity to deliver the transformation programme. Customer perceptions decline as we deliver less. Loss of key staff. There are staff who would be considered as some of the Councils vulnerable residents (in terms of financial resilience), thereby increasing the pressure on them from both work and personal perspectives. | Monitor staff morale and trends using staff surveys and by monitoring the People Dashboard; and ensure good communications with staff, exploiting new technologies such as yammer. Implement the action plan for the People Strategy; ensuring that performance is regularly monitored. Regularly report the progress of the learning and development strategy, including financial considerations and business behaviours, and exploring training alternatives. Use it as an opportunity to review individuals in the community who could be retrained and reskilled, using processes such as supported internships. Ensure that all staff are reminded of the Employee Assistance Programme on a regular basis and are enabled to have 'safe conversations' with managers or other designated officers about concerns and issues. | Strategic People & Performance Manager | 4 | 3 | 12 | |
| CO1 | Partnership Delivery | Community | Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. LEP, CBH, Anchor Network, North East Essex Alliance, Emergency Services | Corporate Objectives | 3 | 4 | 12 | High | The cost of service delivery is increased however quality decreases. Failure to deliver key priorities. Reputational and financial loss by the Authority. Failure to deliver expected outcomes through partnerships. Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner. External assessment of the Councils partnerships are critical and score poorly. | Review the assessment process for proposed strategic partnerships (to ensure that they will satisfy the Council's objectives) that needs to be signed off by EMT before commitment to new partnerships is made. | Deputy Chief Executive | 3 | 3 | 9 | |
| CO2 | CBC Function | Community | The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision | Resources | 4 | 3 | 12 | High | The Council suffers from a loss of reputation as customers' expectations are not met. There is increased demand on existing services leading to a reduction in standards of delivery. | Ensure that Cabinet set a clear and consistent message about the role of CBC for customers and partners. | Deputy Chief Executive | 3 | 3 | 9 | |
| CM1 | Service Innovation | Service Delivery | Not taking or creating opportunities to maximise the efficient delivery of services through shared provision, partnerships or commercial delivery | Corporate Objectives | 4 | 3 | 12 | High | If not properly managed then either the Council could lose the opportunity to develop further or may have enforced changes to service delivery. Adverse impact on local residents / resources. Missed opportunities to boost local economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services. | Clear approach and 'roadmap' for transforming the Council including an 'innovation' strand, monitored by the Senior Management Team and reported to Cabinet as part of the budget process. | Deputy Chief Executive | 3 | 3 | 9 | |
| SP4 | Compliance | Finance | Failure to protect public funds and resources – ineffective probity / monitoring systems/legislative breaches. Especially as a result of the rapid changes in service delivery required to respond to the impacts of Covid-19 | Finance | 3 | 5 | 15 | Very High | Service delivery failure. Financial and reputational loss by the Authority. Personal liability of Officers and Members. Legal actions against the Council. Loss of stakeholder confidence in the Borough. Inability to sustain costs. Failure to deliver balanced budget as planned. A need to use balances / reserves or to adapt financial plans to deal with impact of changes. Required to use Reserves & Resources to fund capital priorities. Severe impact on cash-flow leading to negative effect on performance targets. | Ensure the outcomes of the assurance systems that form the internal control environment, (including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management) are appropriately reported so that issues and concerns are managed, and variances are spotted at an early stage. Horizon scanning upcoming legislative / policy changes. The current Internal Audit reviews are demonstrating that systems are operating effectively, and there were no adverse impacts of the operating changes implemented to respond to the pandemic. | Deputy Chief Executive | 2 | 4 | 8 | |

| | | | | | Initial Score | | | | | | | | | | Residual Score | | |
|-----|----------------------|---------------------------------------|---|-------------------|---------------|---|----|-----------|--|---|--|---|---|----|----------------|--|--|
| Ref | Risk Title | Strategic Plan / Recovery Strand link | Description | Score Category | P | I | O | RATING | Consequences | Mitigation | Lead | P | I | O | | | |
| SP1 | Data Protection | Service Provision | Sensitive data, in any format, is not correctly managed, processed or protected from loss or theft in line with GDPR and Data Protection Act requirements. | Technology & Data | 3 | 4 | 12 | High | Potentially severe disruption to core services and/or data theft, with financial, legal and reputational impacts for the Council, and potentially significant harm caused to residents from any breach, potential financial losses, directly or indirectly e.g. ICO fines. | Ongoing review of data security policies and protocols to ensure that they are fit for purpose and implement a training program for all staff and members as required. Provision of secure CBC devices to staff and Members. | Deputy Chief Executive | 2 | 4 | 8 | | | |
| PR1 | Budget Strategy | Finance | Inability to deliver the budget strategy as planned. | Finance | 3 | 4 | 12 | High | Failure to deliver the planned budget. Unplanned additional use of balances / reserves or to adapt financial plans to deal with impact of changes.May be a need to make in-year budget and service changes. | Ensure effective use of the controls built into the annual budget strategy, to enable the organisation to respond quickly to changes. Regular monitoring of actual spend/income and sensitivity analysis to consider the impact on income streams and the capacity of the organisation to deliver services. Regular and open reporting and updating of the budget position through Cabinet, prudent use of reserves where necessary to mitigate in-year losses. Transformation Programme established early in 2021 to contribute savings to balance the 22/23 and future year's budgets. | Chief Operating Officer | 2 | 4 | 8 | | | |
| OP1 | ICT | Operational | Major system failure causing significant service disruption | Technology & Data | 2 | 5 | 10 | High | The accelerated use of technology in 2020 and increasing reliance on IT to continue normal business leaves the Council potentially vulnerable to any major system failure, across all service areas. | Continue to shift any remaining legacy systems into more resilient, cloud-based solutions in line with ICT strategy. Ensure that the IT Disaster Recovery plan, and service plans, adequately reflect the organisation's requirements and provide an effective framework for maintaining service provision. Regularly review the IT development strategy to ensure it continues to support the organisations ambitions and provides appropriate safeguards for IT service delivery. | Strategic People & Performance Manager | 2 | 4 | 8 | | | |
| CO3 | Financial Inequality | Community | The current, and future, impacts of the costs of living crisis are likley to increase the number of vulnerable residents leading to greater financial inequality and increasing the number of residents seeking support from the Council. | Resources | 4 | 4 | 16 | Very High | The support available for the most vulnerable residents is not sufficient, leading to an increase in crisis intervention. | Regularly monitor the impact of the resources allocated to supporting customers to ensure that they are signposted to appropriate providers/partners. During the pandemic the in-person customer support team have refocused to a financial and employment team, who support residents with financial and employment needs. They provide the covid support systems as well as general welfare support, helping customers to appy for income entitlements from other agencies such as Personal Independant Payments, including supporting them with tribunals and appeals. CBH also provide a welfare support service.They are working to target customers who may not be aware of the service, working with other council services to identify residents who may benefit from the support. Colchester is recognised as a leader in providing this suport. The Council Tax collection rates have been maintained throughout the pandemic, demonstrating the success of the support for those on low incomes. | Deputy Chief Executive | 4 | 3 | 12 | | | |
| | | | | | | | | 6 | | | | | | | | | |
| | | | Previous score Jun 22 | | 3 | 4 | 12 | | | | | 3 | 2 | 6 | | | |

| | | | | | Initial Score | | | | | | | Residual Score | | |
|-----|------------|---------------------------------------|---|----------------------|---------------|---|---|--------|---|---|-------------------------|----------------|---|---|
| Ref | Risk Title | Strategic Plan / Recovery Strand link | Description | Score Category | P | I | O | RATING | Consequences | Mitigation | Lead | P | I | O |
| EF1 | Capacity | Efficiency | The Capital programme contains more projects than the Council has the ability to deliver due to limited resources including specialist staff. | Corporate Objectives | 3 | 3 | 9 | Medium | The Borough Council is unable to deliver the priorities as set out in the strategic plan and key projects are delayed, increase in cost or fail to be delivered. Inability to leverage additaional resources. | Manage the recruitment and development processes to ensure that the organisation has the appropriate skills and expertise. Frequently review the Capital Programme to ensure that programmes are realistic and deliverable with available resources and / or identify any additional resources required to deliver key projects. Agile methodology enables project scopes to be adjusted through effective governance processes. Establishment of the Capital Programme Steering Group (informal Cabinet) to oversee the entire capital programme and address any capacity and other risks before they become issues. | Chief Operating Officer | 3 | 2 | 6 |

| SCORE DEFINITIONS | 1 | 2 | 3 |
|-------------------|--|---|--|
| Impact | <p>Very Low</p> <p>Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives.</p> | <p>Low</p> <p>Minor interruption to service delivery or minimal effect on Corporate Objectives.</p> | <p>Medium</p> <p>Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service.</p> |
| Probability | <p>10%</p> <p>May happen – unlikely</p> | <p>10 -25%</p> <p>Possible</p> | <p>26 – 50%</p> <p>Could easily happen</p> |

| 4 | 5 |
|---|---|
| <p>High</p> <p>Major interruption to overall service delivery or severe effect on Corporate Objectives.</p> | <p>Very High</p> <p>Inability to provide services or failure to meet Corporate Objectives</p> |
| <p>51 – 75%</p> <p>Very likely to happen</p> | <p>Over 75%</p> <p>Consider as certain</p> |

RISK MATRIX
G&A March 2023

| | | |
|-----------|--------------|------------|
| Low Risks | Medium Risks | High Risks |
|-----------|--------------|------------|

Initial Score Matrix

Scoring 1-5

Risk Tolerance
Line

| Probability of Occurrence | 5 Very High | | | | ST3 | |
|---------------------------|-------------|------------|-------|------------|--------------------------|-------------|
| | 4 High | | | CM1 CO2 | SP3 CO3 ST2 SP5 | |
| | 3 Medium | | | CO5 EF1 | ST4 CO1 PR1 SP1 | SP4 |
| | 2 Low | | | | | OP1 |
| | 1 Very Low | | | | | |
| | | 1 Very Low | 2 Low | 3 Medium | 4 High | 5 Very high |
| Severity of Impact | | | | | | |

Residual Score Matrix

Scoring 1-5

Risk Tolerance
Line

| Probability of Occurrence | 5 Very High | | | | | |
|---------------------------|-------------|------------|-------|--------------------------|--------------------------|-------------|
| | 4 High | | CO3 | SP3 ST2 SP5 | ST3 | |
| | 3 Medium | | EF1 | CM1 CO2 CO1 ST4 | | |
| | 2 Low | | | CO5 | SP4 PR1 SP1 OP1 | |
| | 1 Very Low | | | | | |
| | | 1 Very Low | 2 Low | 3 Medium | 4 High | 5 Very high |
| Severity of Impact | | | | | | |

13 March 2023

| | | | |
|-----------------------|---|---------------|-----------------------|
| Report of | The Monitoring Officer | Author | Hayley McGrath |
| Title | Annual Review of Business Continuity | | ☎ 508902 |
| Wards affected | Not applicable | | |

1. Executive Summary

- 1.1 Colchester City Council provides a wide range of services to the local community. Any unexpected interruption to those services can have a negative impact on both the community and the authority. As such, the Council has established a business continuity process to minimise, as far as possible, the likelihood of an incident occurring and the potential impact if it does happen.
- 1.2 This report provides Members with an overview of the of the Council's business continuity activity for the period from 01 January 2022 to 31 December 2022.

2. Recommended Decision

- 2.1 Consider and comment on the business continuity work undertaken during the period.
- 2.2 Endorse the Business Continuity Strategy for 2023.

3. Reason for Recommended Decision

- 3.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance & Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to Cabinet as necessary. Business continuity is an integral part of the risk management process and it is appropriate that a detailed progress report is provided to this Committee.

4. Alternative Options

- 4.1 There are no alternative options to consider

5. Background Information

- 5.1 Whilst business continuity primarily relates to the delivery of the Council's own services, it sits alongside the Council's responsibilities for Emergency Planning, where the Council is required to assist the emergency services in dealing with events in the city (such as flooding) as set out in the Civil Contingencies Act 2004. Under the act there are two duties relating specifically to business continuity:
 1. To be able to carry on providing its own services in the event of a disruption
 2. To provide advice and guidance relating to business continuity to local businesses and voluntary organisations.

- 5.2 The responsibility for ensuring that the Council has effective business continuity plans rests with the Chief Operating Officer and the function is delivered by the Corporate Governance Team. The role is to provide advice and guidance to services including the co-ordination of individual service plans as well as the overall Council plan. Issue specific plans, such as responding to a flu pandemic, are also required.
- 5.3 Business continuity issues are primarily reported to the 'First Call Officer' group, this consists of the senior management team and other key staff. The primary role of this group is to provide the strategic management of any emergency – either internal or external. The group meets every two months to review plans and consider emergency planning and business continuity issues.

6. Summary of Work Undertaken

- 6.1 The Resilience Officer's (RO) role is to provide advice and guidance about issues that services need to consider and the content of the plan, however it is the service's responsibility to produce the plan. The RO has put together a review timetable for each service area and reports of completed and outstanding plans are regularly provided to the Chief Operating Officer. RO began reviewing and testing the service plans from September 2022.
- 6.2 The primary focus for 2022 has been to continue to review and exercise the critical service plans. Table top exercises have been developed to test the plan assumptions, and these will be carried out with the services shortly.
- 6.3 An online E-Learning course has been put together by the RO and is being made available for all staff. This will give them a better understanding of business continuity and their role in continuing to deliver services during an incident.
- 6.4 In person training has been delivered to Helpline staff on Business Continuity and the Emergency response procedures, as those staff play a key role in out of hours emergency calls.
- 6.5 The power supply issues that have been in the news have highlighted the importance of the Council having a power outages plan. This will continue to be worked on during 2023. Various Council officers are taking part in Essex wide and national power outages exercises, and workshops, through the Essex Resilience Forum (ERF) to ensure there is a full understanding of the potential risks and how the Council can be prepared should there be a power outage, or the planned rota disconnections. The RO has been heavily involved in the preparation of the Essex wide power outages framework and will continue to work on the Council plan, taking the necessary steps to ensure critical services have access to power where possible during an outage, through generators and battery powered lights/equipment.

7.0 Business Continuity Strategy for 2023

- 7.1 The Business Continuity Strategy was agreed for the first time in 2009. A requirement within the strategy, and also of the regular internal audit assessment, is that it is reviewed annually to ensure that it is still appropriate to the Council's needs.
- 7.2 Therefore a review has been undertaken and the strategy has been updated for 2023. The revised strategy is attached at appendix A. It is considered that the strategy continues to meet the needs of the organisation and therefore there are no changes to the strategy or the business continuity process.

8. Equality, Diversity and Human Rights implications

- 8.1 There are no equality, diversity or Human Rights implications as a result of this report.

9. Strategic Plan References

- 9.1 The ability of the Council to carry on providing critical services, even when dealing with a major disruption, is fundamental to ensuring the achievement of the strategic plan objectives.

10. Risk Management Implications

- 10.1 The failure to adequately manage a business interruption may have an effect on the ability of the Council to achieve its objectives and operate effectively.

11 Environmental and Sustainability Implications

- 11.1 There are no environmental or sustainability implications as a result of this report.

12. Other Standard References

- 12.1 There are no particular references to consultation or publicity considerations or financial; community safety or health and safety implications.

Appendices

Appendix 1 – Business Continuity Strategy for 2023



Business Continuity Strategy

2023/24

A programme for developing plans to minimise disruption when unplanned events significantly interrupt normal business.

Contents

BUSINESS CONTINUITY STRATEGY – 2023/24
1.0 Introduction
2.0 Overview
3.0 Aim and Objectives
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6.0 Responsibility for Business Continuity
7.0 Links
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BUSINESS CONTINUITY STRATEGY – 2023/24

1.0 Introduction

Colchester City Council provides a wide range of services to the local community, many of which are statutory functions. Any failure, actual or perceived, to deliver the full range of services will have a negative impact on both the community and the authority. As such, all reasonable measures should be adopted to minimise the likelihood of business or service interruption.

The Civil Contingencies Act 2004 places a specific duty on local authorities to ensure that they have prepared, as far as reasonably practical, to continue to provide critical functions during any disruptive incident.

However, the Civil Contingencies Act is just one of the key drivers for business continuity. External assessments, such as the benefits inspection and the Lexcel accreditation, require robust business continuity arrangements to provide assurance that quality services will always continue to be provided. But above all, business continuity is critical to the Council in its ability to survive an incident with as little disruption to services and reputation as possible.

This Business Continuity Strategy provides the programme for developing plans that will prevent or mitigate the severity of potential disruptions and enable the Council to effectively respond to incidents.

The policy will identify the mitigation measures, specific recovery objectives, the structure for implementation and the communication process to keep staff, partners and the public informed of necessary changes to service delivery.

2.0 Overview

The policy adopted for development of the business continuity plans can be summarised as follows:

- **The Corporate Incident Management Plan and the Emergency Response Plan** will form the basis of the Council's response. These are operational documents designed to assist the authority in the event of a disruption occurring. The plan sets priorities and communications to ensure an appropriate response to any disruption.
- **The Emergency Response Plan** is the overall tool for the Council and event controllers. However, this is supported by service specific business continuity plans which ensure that each service can respond appropriately to an incident whether it is a corporate or service specific interruption.
- Incident specific plans are also developed for corporate issues where the risk indicates sufficient likelihood of occurrence and the impact is seen to be severe, such as pandemics, power failures and technology failure.
- Business Impact Analyses (B.I.A.s) are undertaken to be able to develop the plans. B.I.A.s assess the key risks and key services at both corporate and service level, and their maximum tolerable period of disruption (MTPD), which will help to identify preventative measures that can be undertaken.

3.0 Aim and Objectives

The aim of the strategy is:

- To support the Council in anticipating risks for the purpose of mitigating them and having flexible plans in place, which are already tested, to minimise disruption when unplanned events significantly interrupt normal business.

The objectives are:

- To identify preventative measures that can be carried out to minimise the likelihood of an incident occurring.
- To ensure the Council can continue to exercise its functions in the event of an emergency, ensuring that statutory requirements are maintained.
- To integrate the Business Continuity requirements with the Emergency Planning responsibilities of the Authority to ensure that in the event of a major disruption the Authority can respond appropriately both internally and externally.
- To identify the essential services, to determine overall priorities for recovery of functions if disruption takes place.
- To ensure all Council service areas are involved in the preparation of the Plan, so that there is an effective and consistent response to service continuity.
- To develop a process to review and update the plan and develop service area, functional or specific plans where necessary, to protect the services and reputation of the Council.
- To undertake training and awareness programmes for staff, suppliers, and partners.
- To carry out regular tests of the Plan to validate the arrangements.

4.0 Governance

Establishing Governance for business continuity provides a central point of accountability for implementation and continuous monitoring of the Councils activities in accordance with the business continuity policy.

CCC is committed to ensuring we have an effective business continuity programme by providing oversight and support, including provision of adequate resources and approval of budget. The Business continuity Programme will be monitored and reviewed regularly to ensure the requirements are being met.

Richard Block, Chief Operating Officer at Colchester City Council.

“Colchester City Council recognises that whatever disruption or emergency might affect the Council, the continuity of our services to our community is essential, and that effective Business Continuity Management is fundamental to ensuring that resources are directed to where they are most needed.

This Business Continuity Strategy underpins the Councils commitment to the delivery of services, along with a framework for delivering a robust and effective Business Continuity process. Whilst all Councillors and officers have a responsibility in ensuring effective delivery of services, the strategy sets out the specific roles of the Governance and Audit Committee, who oversee and endorse the strategy, the Chief Operating Officer, who is responsible for ensuring that there is an effective business continuity framework and the Senior Management team, who are responsible for ensuring that the business continuity risks to their services are appropriately managed”

5.0 The Business Continuity Process

Irrespective of an unusual or disruptive event, occurring internally or externally, the capabilities of the Council to provide its statutory and legal duties, services to the community and income generation must be maintained. This process aims to address the issues likely to arise, and to identify measures to mitigate them.

The Business Continuity process aims to address the issues likely to arise, and potential solutions, grouped in the following three areas:

- MITIGATION - Identify and select proactive measures to reduce likelihood of disruption
- CONTINUITY AND RECOVERY - Maintenance of essential services and set timescales for recovery, returning to normality
- INCIDENT RESPONSE STRUCTURE - Provide a mechanism for responding to an incident

Business Continuity is an on-going cyclical process of risk assessment, management, and review with the purpose of ensuring that the business can continue if risks materialise.

The effective implementation of business continuity has 6 stages:

- Policy and Programme Management
- Embedding business continuity
- Analysis
- Design
- Implementation
- Validation

6.0 Responsibility for Business Continuity

To be effective Business Continuity should be fully endorsed and actively promoted by senior management and there should be a clearly defined responsibility for co-ordination of Business Continuity. However, it does not belong to one person, or role, and every service has a responsibility for ensuring that they can respond to an interruption.

There are three levels of responsibility for managing the business continuity process:

1. Co-ordinator
2. Corporate Response Team
3. Service Teams

There is a core role of co-ordinating the process and ensuring that services have access to information and assistance when building their own plans. The co-ordinator also has responsibility for ensuring that key partners are involved in the process. If there is a disruption, there should be a defined corporate response team who will have overall control of the situation. The co-ordinator is responsible for maintaining details of this team ensuring that they are fully briefed on executing the plan and are informed of any potential issues that may arise.

There are also individual service action teams who are responsible for ensuring that their service has its own response plan and can manage the continuity and recovery for the functions within that service. The team is likely to consist of one person for the process of defining the response plans and day to day co-ordination of Business Continuity but will call upon other senior managers when the plan needs to be put into practice.

Appendix 1 sets out the roles and responsibilities for Business Continuity at all levels.

7.0 Links

To be an effective management tool and to truly embed the process throughout the organisation the plan should recognise and be influenced by the Council's operational and strategic risk registers, this will lead automatically to the plan linking into the Internal Audit plan, the strategic plan, and the budget process. The plan should also recognise the Community Risk Register, maintained by the Essex Resilience Forum, to ensure that external impacts are recognised and allowed for.

The Business Continuity process must also be closely linked to the Emergency Planning process. In any major scenario it is likely that other organisations in the City will be impacted as well, and it is essential for the Council to be able to respond to their requirements as well as its own. Due to the nature of the response required from Emergency Planning it is likely that they will be the first service to receive external information regarding potential issues and it is imperative that there is a system for incorporating these issues in the Business Continuity process.

The Plan should also be aligned to the international standard for Business Continuity ISO 22301 – 2012 and the BCI 'Good Practice Guidelines 2018'.

8.0 Training

All members of the Corporate Response Team and the Service Teams need to be trained, and exercised, on an annual basis to ensure that they are fully aware of how to implement the plan. All staff should be informed of the process and further training should be available if required.

All training given and undertaken externally will be recorded and kept up to date by the Resilience Officer.

9.0 Review Process

The Plan will be reviewed annually to ensure that it is still relevant to the Council's needs. However, the individual plans for the services will be subject to review every six months to ensure that information on service functions and contact details are kept up to date. All plans require sign off from a member of SMT (Senior management Team)

10.0 Scope

CCC has ensured there is a clear definition of which areas of the organisation should be included in the scope and which are excluded. This enables us to focus the business continuity programme and associated activities on the Council's priorities and ensures the programme makes the best use of available resources.

The scope has been agreed by our Business Continuity Steering Group which is made up of our Senior Management Team who all have a great understanding of the Council's Strategy, Objectives, Culture, operating environment, and our approach to risk which is essential when considering the scope of the programme.

Taking this organisational view and collaborating with others at this stage will be key to CCC implementing the business continuity policy and programme and the overall resilience of the Council.

Appendix 2 lists our critical and supporting services which will be included in our Scope. These services make a significant contribution to the Council's reputation, income, and success.

Appendix 3 lists our services which will not be included in our scope, but each service will have their own departmental plans and will be covered by other specific plans such as our ICT Failure, Power failure and CCC Pandemic Flu Plan,

Appendix 1

Roles & Responsibilities for Business Continuity

| | Strategy And Plan | Defence | Continuity | Recovery |
|---|---|---|---|--|
| Members | Agreeing the policy and plan determined by Officers. | Endorsing the defence plans and ensuring that political decisions are taken with due Regard for Business Continuity. | Political will to ensure that there is a united approach to Continuity. | Political will to ensure that there is a united approach to Recovery. |
| Corporate Governance Manager & Resilience Officer | Devising and co-ordinating the policy and plan. | Ensuring that the defence actions are appropriately implemented, are regularly reviewed and those services have developed Own plans. | Co-ordination of the Corporate Response Team and the Service Action Teams. Guidance on the plan And mitigating actions during the incident. | Co-ordination of the Service Action Teams. Guidance on the plan and reporting progress of Recovery to senior management. |
| Senior Management Team | Approval and support of the policy and Plan. Completion of Service plans. | Critical review and approval of the Defence actions. | Support of the actions of the Corporate Response Team During the incident. | Support the actions of the Service Action Teams, endorse recovery Priority for services. |
| Corporate Response Team (Senior Management Team acting in First Call Officer Capacity) | Overview of policy and Plan. Review Of 'new issues. | Critical review of The defence plans. Ensuring that the information contained within The plan is accurate Annual testing of The plan. | Control the response to the incident until such time as the organisation enters The recovery stages. Ensuring that priority services are afforded The proper support. Ensuring information is available to Members and staff. Keeping SMT Informed. | Review the actions of the Service Action Teams. Facilitate full recovery and ensure that recovery follows The correct priority. Liaison with external agencies. Ensuring information is available. Keeping SMT informed. |
| Service Action Teams | Input into the formulation of the policy And plan. | Development of Defence plans and implementation of control actions. Ensure that checklists of key Info is compiled. Identification of Service priorities. | Co-ordinate their Service's response. Act as a liaison Between Corporate Response Team and Service. Respond to Corporate Response teams' requests during An incident. | Implement their own team recovery plan whilst maintaining the link With the Corporate Response Team. Briefing staff. Overseeing alternative accommodation. |
| Employees, contractors and partners | Knowledge of the policy and plan, and awareness of impact on own Job / service. | Knowledge of the defence plans and awareness of impact on own job / service | Assist with the incident where Required. Know how to / who to contact in Emergency. | Assist with recovery Where required. Understand how they fit into the recovery of their Service. |

Appendix 2

Colchester City Council Critical Front-Line Services

- Waste Collection and Recycling
- Call handling
- Bereavement
- Community response & enabling
- Environmental health
- CCC Website and Online services
- Building Control
- Helpline/CCTV

Colchester City Council Critical Supporting Services

- ICT
- Finance Including payments process (AP, AR, Benefits)
- Communications
- Payroll
- Human Resources
- Emergency Planning and Business Continuity
- Democratic (member support)

Colchester Borough Homes Critical Services

- Emergency Response
- Homelessness services and support for sheltered housing residents
- Contact with vulnerable tenants
- Operations Customer contact centre

Note: These specific risks to CBH are covered in their own Business Continuity Plan so they will not be detailed within the Colchester City Council business continuity programme

Appendix 3

Colchester City Council Departmental Plans

- NEPP
- Client Services
- Sustainability and Climate change
- Economic Growth
- Planning
- Housing
- Parks, open spaces, and waterways
- Museums and Arts
- Benefits – new claim processing
- Elections
- Estates
- Systems Development
- Debt Recovery
- Land Charges
- Cleaning
- Animal services
- Health and Safety
- Legal
- Civic
- Internal Audit
- Insurance

13 March 2023

| | | | |
|----------------|---|--------|------------------------------|
| Report of | Assistant Director Corporate and Improvement Services | Author | Matthew Evans ☎ ext. 8006 |
| Title | Work Programme 2022-2023 | | |
| Wards affected | Not applicable | | |

1. Executive Summary

- 1.1 This report sets out the current Work Programme 2022-2023 for the Governance and Audit Committee. This provides details of the reports that are scheduled for each meeting during the municipal year.
- 1.2 The attention of the Committee is drawn to the additional item on the agenda this evening relating to the Honorary Alderman Eligibility Criteria, but otherwise no changes have been made.

2. Recommended Decision

- 2.1 The Committee is asked to note the contents of the Work Programme for 2022-2023.

3. Reason for Recommended Decision

- 3.1 The Work Programme of this Committee is kept under review throughout the municipal year to ensure that business is progressed and Members have the opportunity to review upcoming agenda items.

4. Alternative Options

- 4.1 This function forms part of the Committee's Terms of Reference and, as such, no alternative options are presented.

5. Background Information

- 5.1 The Governance and Audit Committee deals with the approval of the Council's Statement of Accounts, audit, other miscellaneous regulatory matters and standards.
- 5.2 The Committee's Work Programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the Work Programme to be reviewed and, if necessary, amended according to current circumstances.

6. Standard References

- 6.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety, environmental and sustainability implications or risk management implications.

7. Strategic Plan References

- 7.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 7.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

WORK PROGRAMME 2022-23

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| Governance and Audit Committee |
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| Meeting date / Agenda items - |
| Governance and Audit Committee - 21 June 2022 |
| <ol style="list-style-type: none">1. Year End Internal Audit Assurance Report 2021/20222. <u>Review of the Governance Framework and Draft Annual Governance Statement</u> |
| Governance and Audit Committee - 26 July 2022 |
| <ol style="list-style-type: none">1. Local Government Association Model Code of Conduct for Councillors2. 2021/2022 Revenue Outturn3. 2021/2022 Year End Review of Risk Management |
| Governance and Audit Committee - 6 September 2022 |

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| |
| <ol style="list-style-type: none"> 1. Colchester Borough Homes Annual Report and Governance Statement 2. Revenue Monitoring Report – April to June 2022/23 3. Capital Expenditure 2021/2022 Outturn |
| Governance and Audit Committee - 18 October 2022 |
| <ol style="list-style-type: none"> 1. Local Government and Social Care Ombudsman Annual Review 2021/2022 2. Health and Safety Policy and Annual Report 3. Treasury Management Report 2021/2022 4. 2022/23 Capital Monitor Q1 and Q2 |
| Governance and Audit Committee – 22 November 2022 |
| <ol style="list-style-type: none"> 1. Review of the Council's Ethical Governance Policies 2. Annual Review of the Members' Code of Conduct and the Council's Localism Act "Arrangements" 3. Guidance for Members on Dispensations 4. Review of Local Code of Corporate Governance 5. Review of Member/Officer Protocol 6. Gifts and Hospitality – Review of Guidance for Councillors and Policy for Employees 7. Colchester Commercial Holdings Limited – Annual Report |
| Governance and Audit Committee – 7 December 2022 |
| <ol style="list-style-type: none"> 1. Revenue Monitoring Report – July to September 2022/23. 2. Treasury Management – Half Yearly Update 3. Overview of the Council's Procurement Policy |
| Governance and Audit Committee - 17 January 2023 |

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|---|
| <ol style="list-style-type: none"> 1. CCHL Half-Year Performance Report 2. <u>Annual Review of the Council's Companies' Business Plans</u> |
| Governance and Audit Committee – 15 February 2023 Meeting cancelled |
| <ol style="list-style-type: none"> 1. Interim Review of the Annual Governance Statement Action Plan 2. Risk Management Progress Report 3. Mid-Year Internal Audit Assurance Report 2022/2023 4. Annual Review of Business Continuity |
| Governance and Audit Committee - 7 March 2023 |
| <ol style="list-style-type: none"> 1. Revenue Monitoring Report – October to December 2022/2023 2. Capital Monitoring Report – October to December 2022/2023 |
| Governance and Audit Committee - 13 March 2023 |
| <ol style="list-style-type: none"> 1. Honorary Alderman Eligibility Criteria 2. Internal Audit Plan 2023/2024 3. Interim Review of the Annual Governance Statement Action Plan 4. Risk Management Progress Report 5. Mid-Year Internal Audit Assurance Report 2022/2023 6. Annual Review of Business Continuity |
| Governance and Audit Committee - 28 March 2023 |
| <ol style="list-style-type: none"> 1. Chartered Institute of Public Finances and Accountancy review |